CAPRI
GLOBAL CAPITAL

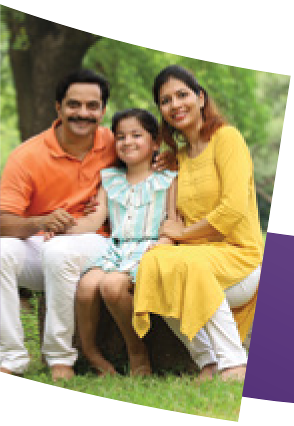
Annual Report
2021-22

Delivering Performance, Scaling Impact.







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Cautionary Statement

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

FY 2021-22 Highlights

Financial

AUM+ ↑ 37%*

₹66,329 Million

Effective FY 2021-22 AUM includes Co-lending amounting to ₹1,155 Million

Net Worth ↑ 12%*

₹18,858 Million

₹19,225 Million without adjusting Deferred Tax Assets ₹367 Million

Net Income ↑ 41%*

₹6,319 Million

Adjusted for Fee and Commission Expense ₹191 Million

Profit After Tax ↑ 16%*

₹2,050 Million

Net Interest Income ↑ 32%*

₹5,111 Million

Net Interest Margin ↑ 40bps

8.4%

Total Disbursements ↑ 68%*

₹42,856 mn

Return on Assets ↓ 27bps

3.2%

*Compared to FY 2020-21

Investor Information

Market Capitalisation

as on March 31, 2022: ₹1,08,027.24 Million

CIN: L65921MH1994PLC173469

RBI Registration Number: B-13.01882

BSE Code: 531595

NSE Symbol: CGCL

Bloomberg Code: CGCL IN

AGM Date: September 26, 2022

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

Find our online version at
https://capriloans.in/financial-report/
Or simply scan to download

Delivering Performance, Scaling Impact.

With the pandemic behind us, new learnings and a focus on impactful performance are guiding our journey of staying true to our promise to stakeholders. We are prioritising business growth and positive social impact in equal measure.

The swift operationalisation of new branches and corresponding increase in human capital was particularly effective in ensuring performance acceleration in terms of growth in AUM, share of certain segments and customer relationships.

IT has been a major game changer in our performance delivery. We made important strides in data analytics, artificial intelligence, and machine learning technologies driven by a dedicated team of experienced tech professionals. They will be our enablers in radically transforming the pace and quality of our credit delivery mechanism.

Our co-lending arrangement with PSU banks has yielded a co-lending portfolio of ₹1.15 Billion. We expanded our product offerings by announcing our foray into gold loans. We have inaugurated 108 gold loan branches as of August 2022 and plan to ramp up this segment aggressively.

With a strong balance sheet, a motivated team and an expanding suite of products, we are confident about delivering strong and stand-out performance over the medium term.

Corporate Identity

Serving the Unserved

Capri Global Capital Limited (CGCL) along with its wholly owned subsidiary, Capri Global Housing Finance Limited (CGHFL), offers a comprehensive product portfolio in high-growth financial segments across Northern and Western India.

Our customers primarily include Self-Employed Non-Professional (SENP), first-generation entrepreneurs and underserved women borrowers, who have no credit history or access to formal credit channels. We are active proponents of India's financial inclusion agenda and 'Housing For All by 2022' mission under 'Pradhan Mantri Awas Yojana (PMAY)'.

The major market segments we operate within include:

- MSME Loans
- Affordable Housing
- Indirect Lending
- Construction Finance
- Car Loan Distribution

Mission

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

Vision

Our vision is to address the needs of the underserved by deploying capital that facilitates a change for good.

Our Values

The Determined and Enterprising

Access to capital creates opportunities. But, in our country most of it is held by a few and rarely reaches the one who genuinely need it. We aim to bridge this gap through our services.

Collective Social Growth & Wellbeing

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

Identity Beyond Economic Status

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

Capital as a Change for Good

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

People Take Priority

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

One Team. One Purpose.

3,200+ dedicated employees, numerous departments, and multiple locations. All united by a single goal. We each have a unique role to play as we work towards delivering opportunities for change.

28,100+
Businesses financed

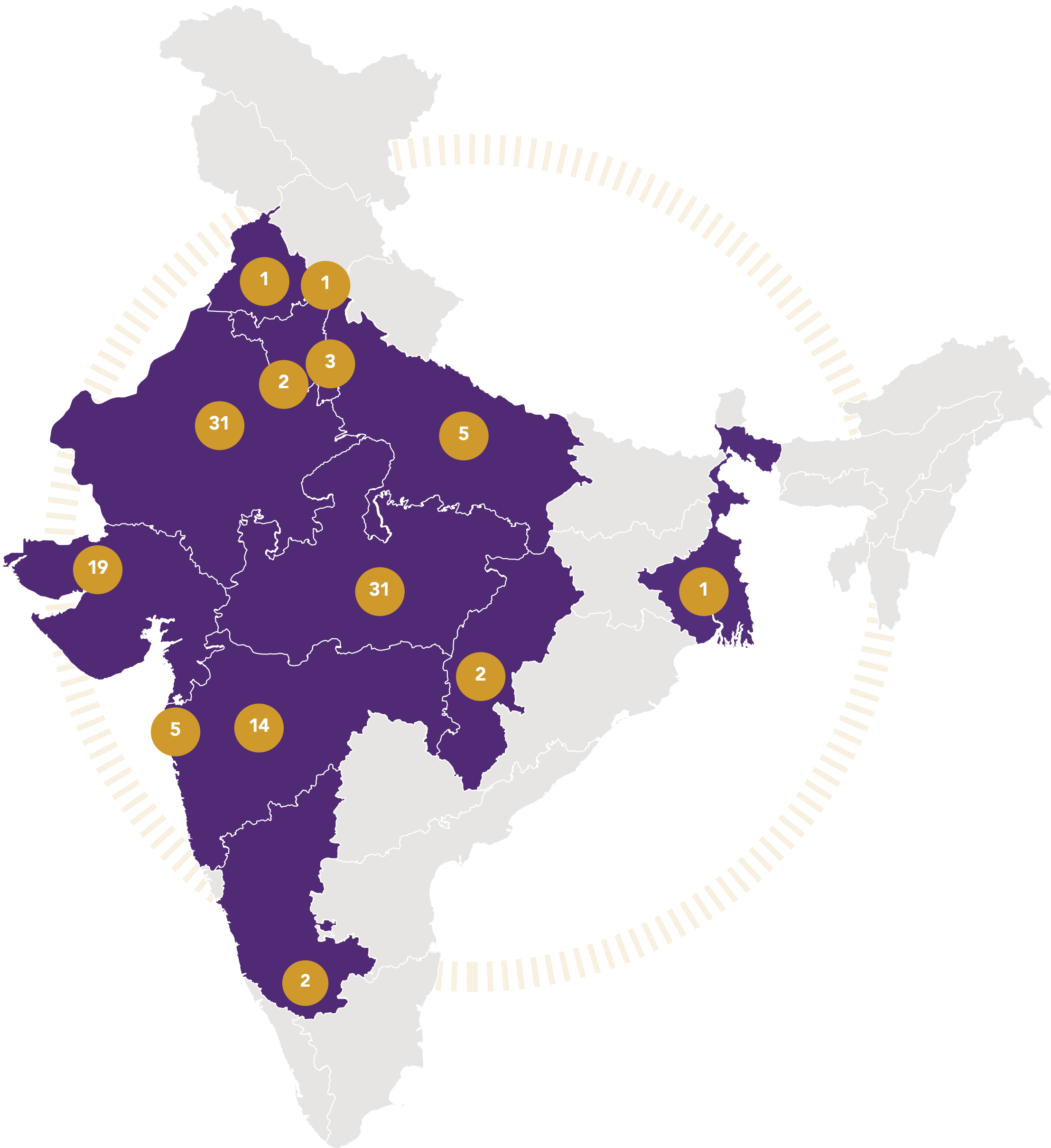
20,900+
Families Empowered

38,600+
Live Accounts

Presence

Growing Footprint. Reaching Deeper.

Dominating the northern and western market, we have added 32 new branches this year.



117

Total branches

12

States/ Union Territories

3,202

Employees

Exclusive Car Loan Distribution Branches
Kolkata, Surat, Bengaluru,
Lucknow, Chandigarh

Construction Finance Branch
Bengaluru

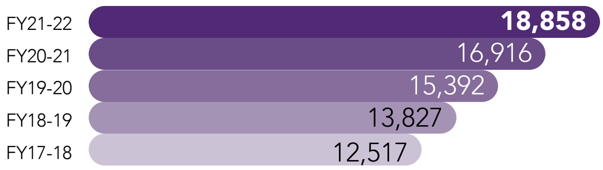
Operational

- Share of Urban Retail comprising MSME and Affordable Housing segments increased by 56bps Y-o-Y to 76.2% in the consolidated AUM.
- Operationalised five exclusive branches for Car Loan Distribution business at Chandigarh, Lucknow, Kolkata, Surat and Bengaluru.
- Our AUM registered 37% Y-o-Y growth: a level significantly higher than the 22-27% growth we targeted to achieve at the start of the year.
- Our total live customer relationships stood at 38,678, higher by ~31% YoY with meaningful exposure to new-to-credit customers.
- Entered into a co-lending agreement with State Bank of India (SBI) and Union Bank of India to disburse MSME loans across 100+ touchpoints in India.
- CGHFL, subsidiary of the Company, entered into co-lending agreement with State Bank of India to disburse affordable housing loans across 100+ touchpoints.

Key Performance Indicators

Measuring our Material Progress

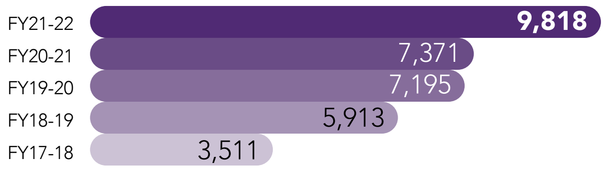
Net Worth (₹ in Million)



Y-o-Y growth 11%

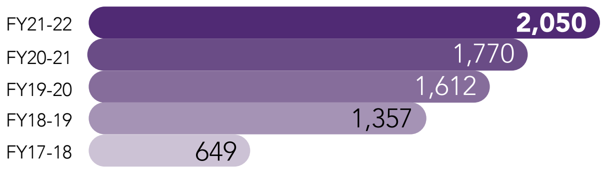
Net Worth before adjustment of Deferred Tax Assets for FY 21-22 ₹19,225 Million and FY 20-21 ₹17,173 Million

Total Income (₹ in Million)



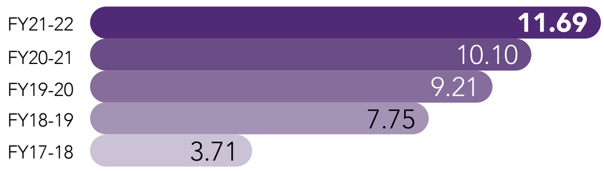
Y-o-Y growth 33%

Profit After Tax (₹ in Million)



Y-o-Y growth 16%

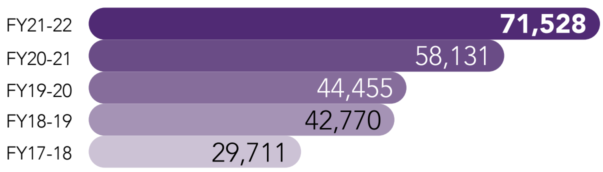
Earnings Per Share (EPS) (₹)*



Y-o-Y growth 16%

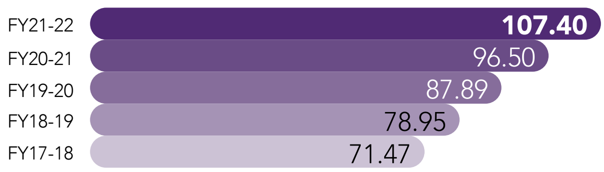
*(basic)

Total Assets (₹ in Million)



Y-o-Y growth 23%

Book Value Per Share (₹)

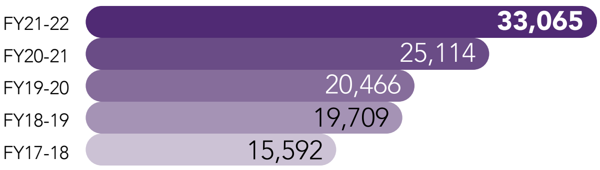


Y-o-Y growth 11%

Book value before adjustment of Deferred Tax Assets for FY 21-22 ₹109.45 and FY 20-21 ₹ 97.97

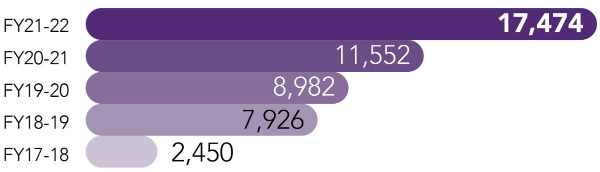
Asset Under Management

MSME (₹ in Million)



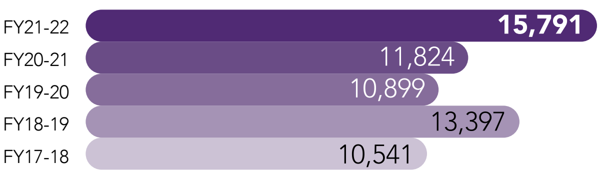
Y-o-Y growth 27%

Housing Loans (₹ in Million)



Y-o-Y growth 51%

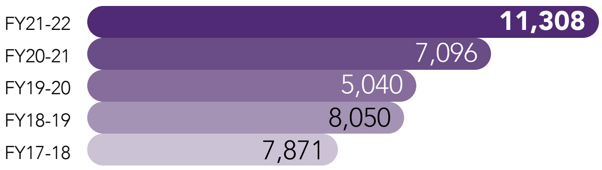
Construction Finance + Indirect Lending (₹)



Y-o-Y growth 34%

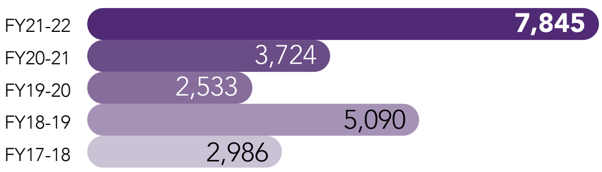
Disbursement

MSME (₹ in Million)



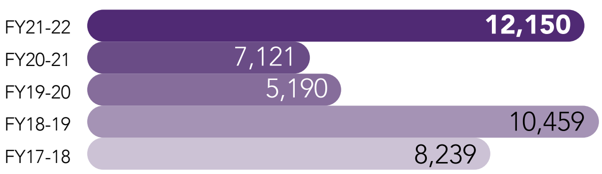
Y-o-Y growth 60%

Housing Loans (₹ in Million)



Y-o-Y growth 111%

Construction Finance + Indirect Lending^ (₹)



Y-o-Y growth 123%

^Construction Finance and Indirect Lending disbursements excludes short-term treasury disbursements.

Managing Director's Message

Addressing Emerging Needs. Expanding the Portfolio

The increase in credit demand for MSMEs and a strong demand for housing loans lend an optimistic outlook for our business and the industry. We are thrilled to make the most of the underserved and emerging opportunities by diversifying our portfolio with the recently launched gold loans. The car loan distribution shall contribute in a significant manner to our income.

Rajesh Sharma
Managing Director

Dear Shareholders,

I hope this letter finds you and your loved ones safe and in good health. While we spent the year under the constant threat of newer Covid strains, there was a remarkable recovery of business as relaxation in lockdown restrictions revived economic activity significantly. The Government of India estimated India's economy to have grown at 8.7% during FY 2021-22. Going ahead, Government spending on infrastructure and social projects is expected to keep the economy buoyant and aggregate demand scenario at healthy levels.

Financial Performance

The year was marked by a substantially strong balance sheet and earnings performance. We built on the steadily improving post-lockdown momentum. Total disbursements increased 68%, surpassing the previous peak achieved in FY 2018-19 to touch ₹42,856 Million. AUM grew by 37% and stood at ₹66,329 Million. The AUM growth rate substantially exceeded our target 22-27% range for medium term. Our MSME and Affordable Housing portfolios remained at the forefront as key growth drivers comprising 50% and 26% of AUM respectively. The balance was contributed by Construction Finance and Indirect Lending. Our earnings performance mirrored the strong balance sheet momentum. Operating profit grew by 28% to ₹3,783 Million on a net income of ₹6,319 Million. PAT rose to ₹2,050 Million, a 16% increase over last year.

Robust Market Scenario for our Offerings

The growth outlook for our products remains strong. The MSME sector is bouncing back and credit demand in the segment is expected to pick-up, given the still significant addressable gap at a systemic level. Disbursals in this segment increased 59% to touch ₹11,308 Million. The co-lending tie-ups with SBI and Union Bank of India is a very landmark arrangement that shall serve as an important driver for future growth in the segment.

The fundamentals supporting a strong structural growth in housing loans – neuclarisation of families, rising disposable incomes – remain robust as ever. Over the past few years, affordable housing has received a strong impetus from the government and private real estate developers in non-metro locations. Our wholly-owned housing finance subsidiary CGHFL is well placed to benefit from these growth opportunities. CGHFL received an equity infusion of ₹1,500 Million from parent CGCL to support the strong growth anticipated over medium term. Our loans are meant for the urban informal sector customers, who are credit-worthy but unserved by the formal banking system. We expect Housing Finance to be the fastest growing segment over medium term. During FY 2021-22, there was a 111% increase in disbursals in Affordable Housing segment. Construction Finance has been our oldest offering. The pace of disbursals increased in the year as construction activity took off following the unlock. We focus on standalone residential projects in Tier 1 and Tier 2 cities. Our average ticket size at sanction was ₹168 Million in FY 2021-22. The unique structuring of each transaction has consistently ensured negligible NPAs thereby delivering high RoAs in this business.

New Businesses

We forayed into the car loan distribution segment in alliance with the top 5 banks namely Bank of Baroda, HDFC Bank, Union Bank of India, Indian Overseas Bank and Yes Bank. During FY 2021-22, the first full year of operations of this business, we achieved a loan origination volume of ₹17,020 Million and generated a net fee income of ₹276 Million. In a little over a year since its launch in Jan'21, we have expanded presence to 216 locations. This business does not require regulatory capital and will be an important fee income contributing business in future. We have commenced our gold loan business with the inauguration of 108 exclusive gold loan branches in August 2022. Our research shows that there is considerable supply gap in the markets where we mainly operate, namely North and West India. The gold loan business here still has a dominance of informal channels. This allows for a strong growth opportunity to tap including cross-selling to existing or past customers.

Digital to the core

Digitisation is already disrupting and transforming the way businesses work. As part of our digitisation strategy, we undertook a number of initiatives during the year. Some of the accomplished projects are moving our operations to cloud, building our own OCR KYC engine and creation of a data warehouse that acts as a single source of key data across functions. Coming months shall see a further ramp up in our digital capabilities as we roll out an array of in-house digital solutions in the business, customer service, and data analytics domain. We are extremely excited about the digital journeys we have undertaken.

People-Centric at Heart

We conducted vaccination drives for our employees and their dependents at our Mumbai, Pune, Delhi and Jaipur offices where 500+ employees were jabbed. The cost for vaccination was borne by the Company. We provided additional benefits such as supporting children's education, additional pay-outs and alternative employment opportunities for the family members of employees who unfortunately succumbed to Covid-19.

During the year, we were recognised as a 'Great Place to Work' by the Great Place to Work Institute. We believe that high level of engagement ensures retention of talent, customer loyalty and improvements in organisational performance. Our focus lies in nurturing our talent and recognising their efforts and contributions towards meeting organisational goals. We wish to be recognised as a trusted financial conglomerate in the country. By 2026, we are targeting rapid scale-up of our business through deeper penetration of existing products, besides adding diverse financial products to our repertoire. Our well-paced talent recruitment is a part of the roadmap to achieve our target.

I would like to express my sincere gratitude to fellow Board members who guided our leadership team in spearheading business recovery and achieving business excellence. I thank all our bankers, regulators and shareholders for reposing their continued faith in us through these turbulent times. Your support makes us even stronger and more confident to take on any challenge in the future. With your trust, Capri Global will continue to empower people and communities with financial independence that generates economic prosperity.

Thank you,

Rajesh Sharma
Managing Director

Product Portfolio

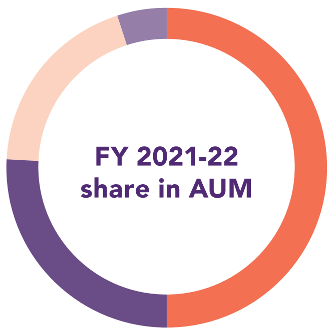
Offerings That Make a Difference

At Capri, we work to stay in touch with the existing and emerging needs of the customer cross-section we serve and bring offerings that align with them. This helps us stay true to our overall agenda of heralding positive social impact and financial inclusion.

Business Vertical

MSME	Housing Finance	Construction Finance	Indirect Lending
Average LTV **~53.6%**	Average LTV **52.7%**	Asset Cover **Minimum 1.5x**	Asset Cover **Minimum 1.05x**
Portfolio Yield **16.1%**	Portfolio Yield **13.4%**	Portfolio Yield **16.7%**	Portfolio Yield **9.8%**

We are into secured lending business, which means all our loan offerings need a collateral. We offer loans to credit-worthy MSME consumers who are majorly dependent on informal lending channels due to inadequate documentation. We disburse housing loans through our wholly-owned subsidiary 'Capri Global Housing Finance Limited' and also fund housing projects of small to mid-size real estate developers. Lastly, we finance to other NBFCs engaged in MSME lending and microfinance through indirect lending arm.



Offering	(%)
MSME loans	49.9
Home loans	26.3
Construction finance	19.1
Indirect lending	4.7

20,773

Live accounts in MSME Loans

MSME Loans

MSME is a major segment supporting our growth since 2013. A large number of our customers are retail outlet owners, provision store owners, hardware equipment shop owners or those providing services like education, transportation, etc. Our customers are not accustomed to the formal credit system. Our customer profiling strategy helps us provide tailor-made solutions to their needs. We are a partner with the State Bank of India and Union Bank of India for co-lending arrangement for MSME loans.

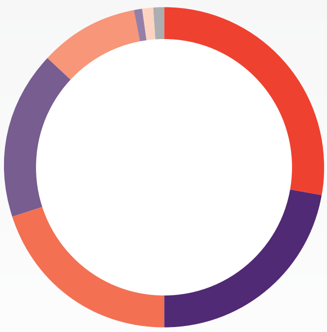
Quick Facts

Ticket Size:
₹0.2-15 Million,
average ticket size of **₹1.6 Million**

Tenor:
Up to 15 years

Collateral:
Loan against residential/ commercial/ industrial properties with clean and markable title

Geographic Distribution of MSME Loans (value-wise)



Region	(%)
Madhya Pradesh	28
Gujarat	22
Rajasthan	20
Delhi	17
Maharashtra	10
Uttar Pradesh	1
Haryana	1
Punjab	1

₹33,065 Million
AUM
Includes ₹1,155 Million under the co-lending mechanism

₹11,308 Million
Disbursement

20,773
Live Accounts

Product Portfolio (Continued)

Offerings That Make a Difference

Housing Loans

Home loans at Capri are offered by our wholly owned subsidiary, Capri Global Housing Finance Limited (CGHFL). We are proud to have financed 2,620 customers through Capri Global Home Loans. The pandemic fanned the need for having larger homes with more rooms in both Tier-1 and Tier-2 cities. We are planning to expand to newer geographies and bring in tech infrastructure to serve our customers faster and better.

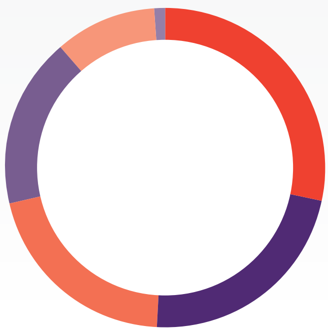
Quick Facts

Ticket Size:
₹0.2-10 Million,
average ticket size of **₹1.0 Million**

Tenor:
Up to 25 years

Collateral:
Loan against residential/ commercial/ industrial properties with clean and markable title

Geographic Distribution of MSME Loans (value-wise)



Region	(%)
Madhya Pradesh	28
Maharashtra	22
Gujarat	20
Rajasthan	17
Delhi	10
Uttar Pradesh	1

₹17,474 Million

AUM

₹7,845 Million

Disbursement

17,739

Live accounts

Construction Finance

Our construction finance business commenced in FY 2011 to provide loans to small and mid-sized real estate developers for expanding their brand. We reduce the risk factor by keeping the portfolio granular. Currently, we have a ticket size of ₹84 Million at portfolio level. We provide flexible financing options to developers to complete their projects on time. It also helps them follow timelines even in unfavourable market scenarios. We ensure a faster turnaround time and engage with client on best industry practices that result in repeat business from customers.

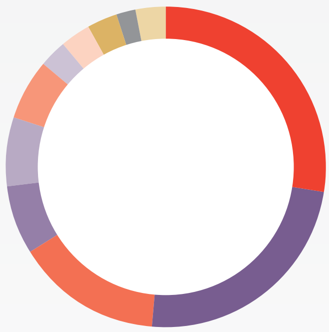
Quick Facts

Ticket Size:
₹20-600 Million
average ticket size of **₹84 Million**

Tenor:
Less than 7 years

Collateral:
Exclusive lending with escrow mechanism, secured against cash flow; minimum asset cover of 1.5x

Geographic Distribution (value-wise)



Region	(%)
Mumbai MMR	28
Ahmedabad	24
Pune	15
Delhi NCR	7
Bengaluru	7
Hyderabad	6
Surat	3
Vijaywada	3
Jaipur	3
Chennai	2
Others	3

₹12,662 Million
AUM

₹9,237 Million
Disbursement

151
Live accounts

Product Portfolio (Continued)

Indirect Lending

Under Indirect Lending, we extend loans to other NBFCs engaging in MSME lending and microfinance as well as fintech-based NBFCs and loans against pledge of debt securities to borrowers dealing in debt securities. After a pause between October 2018 to December 2020, we resumed lending in this segment.

This is a passive product and we consider borrowers who approach us from time to time for short-term funding against debt securities.

Quick Facts

Ticket Size:
₹30-1,000 Million

Tenor:
1-3 years

Collateral:
Hypothecation of receivables with a minimum 1.05x cover

₹3,128 Million
AUM

₹2,913 Million
Disbursement

15
Live Accounts

New Product Offerings

Car Loan Distribution

We launched our car loan distribution business in January 2021 and FY 2022 was the first full year of operations for this vertical. We were successful in establishing tie-ups with leading banks like Bank of Baroda, HDFC Bank, Union Bank of India, Indian Overseas and Yes Bank to distribute their new car loan products. We achieved a business volume of Rs 17,020 Million in FY 2021-22, which was 123% higher than our initial target. We are in the process of recruiting experienced workforce as we expand to newer locations.

From a presence in 213 locations as of March 2022, we expanded our presence to 279 locations as of June 2022 and shall continue to ramp up further during FY 2023. Given salaried class' preference for online tools to fulfil their loan requirements, we are working on a web-based application to increase our sourcing of salaried customers. A mobile application named 'Loans n Leads' has been developed to reduce the cost of acquisition (COA) and will be introduced soon. We have had a healthy business traction in Odisha, West Bengal, Uttar Pradesh, North-East and Southern India where our branch network is still scaling up. Our partnership with Union Bank of India (UBI) has been very fruitful and mutually beneficial. UBI gained popularity in the auto industry and we established ourselves as the strongest aggregators for public sector banks.

5,000+

Direct selling agent network

500+

New employees to cater to auto loans

Gold Loans

With a commitment to diversify our offerings and serve more customers, we announced our foray into the gold loan business. We commenced our operations in gold loans through inauguration of 108 exclusive gold loan branches. We plan to aggressively ramp up our presence in this product.

Gold Loan vertical will continue to focus on deepening credit intermediation by addressing short term credit requirements of hitherto underserved borrowers. With the targeted strong branch network reach, we aim to become widely accessible to all and become an obvious choice for individuals and their families.

Gold loan business execution plan includes building on our strengths. Western and Northern geographies have always been CGCL's strength. By positioning gold loan product in these geographies, the modus operandi is to multiply opportunities and emerge as a strong competitor in lending space. Gold loan vertical motto will be to offer good quality service and promote customer-centric processes. Customer retention is key – once a customer will always be a CGCL Gold Loan customer.

< ₹2 LAKH

Targeted gold loan ticket size

External Environment

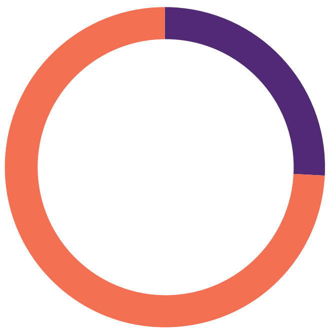
Staying on Top of a Dynamic Financial Environment

NBFCs are driving the financial inclusion agenda by providing economic assistance to businesses and communities across India and especially within underserved segments. This ensures significant growth opportunities to tap, expand operations, make processes far simpler and seamless.

Opportunity to Tap MSME Credit Gap

The share of MSME sector in India's GVA has been over 30% and it contributes over 111 Million jobs for skilled and semi-skilled labour. There is an estimated credit gap of ~₹19 Trillion in the MSME sector. While traditional MSME owners prefer informal sources to acquire finances, banks and NBFCs are constrained by underdeveloped financing infra and lack of credit history of borrowers. Banks find it difficult to finance MSMEs due to high NPAs, high processing time and capital challenges. NBFCs fare well due to better credit appraisal techniques, low servicing cost and better grass root level presence. As a result, they offer higher loan eligibility with shorter turn-around time.

MSME Credit (in Trillion)



Banks and MBFCs	52
Informal channel	17.3

Crisil Report, IFC

There is a credit gap of ₹19.4 Trillion, which is a part of the ₹52 Trillion informal credit, that can be tapped by formal lending channels like NBFCs.

Response

₹33,065 Million

AUM in FY 2021-22

Y-o-Y growth 32%

₹11,308 Million

Disbursement in FY 2021-22

Y-o-Y growth 59%

With our robust network of 111 branches, we have financed over 28,100 businesses

28,100+

Businesses financed

Affordable Housing

The demand for houses has sharply increased in Tier-2 and Tier-3 cities owing to increased purchasing power and rising nuclearisation of families. Buyers, developers and financiers are benefitting from the growth in affordable housing due to the policies of the government and regulators. The government launched the ambitious scheme of Pradhan Mantri Awas Yojana (Urban and Gramin) to build over 40 Million homes under the 'Housing for All' scheme.

Leading market research agencies expect housing sales growth in the 12-15% range with ~50% of the growth contribution coming from the affordable housing segment. One third of India’s population comprises millennials, which constitute 46% of the total workforce. There is a rising preference amongst millennials towards buying own house. This is one of the key reasons behind ramped up demand for affordable housing in urban India. This lends us a huge opportunity as a financial institution to fund the credit demand of first-time home buyers.

Response

- We serve the middle and lower middle-income home buyers in smaller cities through a network of 105 branches.
- Capri Global Housing Finance signed an MOU with NHB as a Primary Lending Institution (PLI) to facilitate subsidy to its qualifying borrowers under the CLSS.

₹17,474 Million

AUM in FY 2021-22

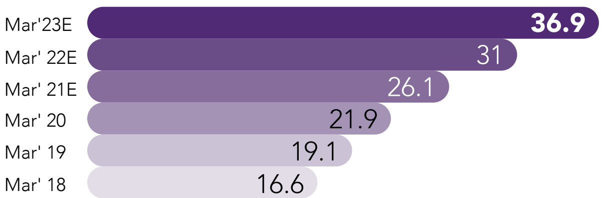
Y-o-Y growth ↑ 51%

₹7,845 Million

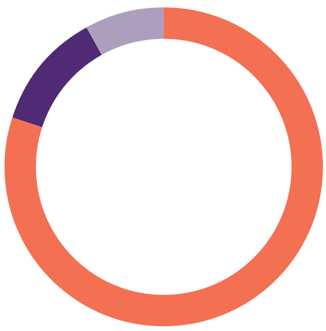
Disbursement in FY 2021-22

Y-o-Y growth ↑ 111%

Loan Asset (₹ in Tn)



Housing Shortage (%)



Over 90%+ of the housing shortage corresponds to lower income groups and economically weaker sections. The credit shortage provides a great opportunity to NBFCs like ours to fulfil this demand by providing curated home loan solutions to this target market.

Technology - the way forward

In the last couple of years, there has been a significant penetration of smartphones coupled with the availability of faster data networks. The Government is also pushing to automate the ecosystem through initiatives like ‘Digital India’ and ‘BharatNet’. More and more people are preferring online modes to secure a loan than offline channels. It is important for companies operating in the lending space to automate their processes from loan origination and disbursal to collection. The use of Artificial Intelligence (AI) and Robotic Process Automation (RPA) is overhauling the aspects of customer service, compliance, risk assessment, data handling and decision-making.

Response

- Our entire tech footprint has been moved to cloud-based platforms.
- We are building our own data warehouse that shall ‘serve as the single source of truth’ and enable business insights.
- We have operationalised e-payment solutions for both disbursement and collections and are enabling customer relationship management through self-service portals.
- Our Capripedia learning app centrally disseminates curated data for employee training and skill upgradation.
- Our application processing mechanism performs quality checks that help scrutinise our prospects better and allow us to offer customised solutions.

Strategic Priorities

A Solid Plan to Create Lasting Value

To be an institution that effectively and proactively finances the multi-faceted needs of the underserved but credit worthy, we leverage on expanding our boundaries to remote corners, venturing into uncharted segments that add value to our portfolio and achieving operational efficiency in terms of speed and convenience.

Product Expansion

Our Car Loan Distribution vertical distributes car loan products of our partner banks for a fee consideration. This distribution business is contributing unique experience in the secured lending category as the customer category is different from the MSME and Affordable Housing space. It has scaled up fast and contributed ₹276 Million net fee income during FY 2021-22. The business does not consume any risk capital and shall emerge as a meaningful driver of non-spread revenue for CGCL going ahead.

Gold constitutes ~11% of household assets but only a small portion of the debt requirements are fulfilled through gold loans. Of the total gold loan requirement, 65% is catered to by unorganised lenders. Customers are at a constant risk of getting exploited by these unregulated players. Hence, we plan to penetrate fast and farther to emerge as a reliable partner in meeting immediate funding needs. We aim to build a strong presence in the gold loan segment over the next five years.

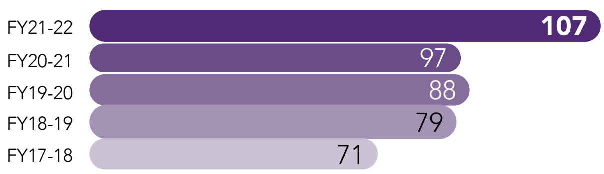
With a widened product portfolio and continuously expanding reach, we envision a sustainable AUM growth of +25% CAGR over the next five years.

Deepening Geographical Presence

To penetrate deeper, we are driving continuous expansion of our physical network. During FY 2021-22, we added 32 branches, taking our network to 117 branches. Our headcount touched 3,202 from 1,945 in FY 2020-21. We have exclusive branches dedicated to car loan distribution business in Chandigarh, Lucknow, Kolkata, Surat and Bengaluru. We inaugurated 108 gold loan branches in August 2022 and aim to have a strong presence in the business in North and West India.

Opening branches in Tier-2 and Tier-3 cities provide greater reach and penetration in these and Tier 4 locations where formal credit penetration is low. We aim to double the number of urban retail branches in the medium term. While these expansions front load operational expense, they are also required to make up for the lost momentum during pandemic. The expansion will go a long way in delivering sustained growth in the future.

Book Value Per Share (₹)



Strengthening Tech Footprint

Digitisation

The paradigm shift from manual to automated will be transformational. We are building in-house capabilities to allow complete control of our operations. We designed a document processing engine to perform quality check on applications. It also assigns scores using bank statements and salary slips that enables us to scrutinise our prospects while offering customised lending solutions. The built-in algorithm helps identify risk of default. We are also developing a one-stop shop consumer app to faciliate quick access to loan account, status, payments and inquiries among users.

Technology

We are working to transform Capri Global from a traditional NBFC to a FinTech firm by leveraging technological innovations. We moved 70% of our work to cloud based platforms. This helped us avoid discrepancies in the existing IT infrastructure, enhance automation and generate deeper insights. We are aiming to move critical business systems in-house over the next 2 years to achieve higher productivity and agility.

We live in the knowledge economy. Data collection and analysis often gives insights into consumer behaviour, which help in designing personalised products and competitive services. Artificial Intelligence and data analytics monitor the security of our systems by detecting and flagging any unusual activity across our platforms. We use disruptive tech and analytics to map the needs of the economically disadvantaged sections of the society, which is our primary customer base.

Cybersecurity

Cybersecurity helps maintain data confidentiality and ensure that there is no data leakage, which might result in financial loss, reputation damage, loss of intellectual property and legal action. We introduced perimeter firewall security to filter all incoming internet traffic and allow only clean packets to pass. It has strengthened network deployment and prevents malicious content from accessing systems and data. Our device-based access for corporate emails allows access to only registered and verified devices.

Operating Through a Hub-and-Spoke Model

We continued to rely on the hub-and-spoke model for our expansion strategy. It allowed us to save significant cost while expanding into adjacent geographies. A hub involves area managers, operations, legal teams and collection teams. It serves areas within a radius of 40-50 kms. Spoke locations are sales-only sites that usually start contributing to business before getting a formal branch, thereby leading to shorter break-even timeline.

Life at Capri Global

Creating Positive Impact in our People's Professional Journeys

We are continuously working to raise a work environment where employees, irrespective of their differences, are made to feel at home, and their opinions are valued. Our goal is to become an enabler of learning, growth and positive change for our employees.

Our office environment is a homogeneous balance of work and fun and has an atmosphere of collaboration, learning and performance.

Mutual trust and respect

Accountability and responsibility

Appreciation and acknowledgement

3,202

Employees

Supporting Employees During the Pandemic

We introduced 'Capri Employee Covid Care Scheme 2021' to provide financial security to the family of those of our employees who sustained Covid-19. The management decided to provide additional benefits to the family who lost their loved ones.

Some of the benefits granted to these families, include:

- Educational support to their children.
- Assistance in finding suitable work opportunity for one of the deceased's family member.
- In case there is no other earning member, additional pay-out in the form of pension made for a period of 2 years.

We created a Covid-19 assistance group to help our employees in case of an emergency. We also enabled access to HRMS CUBE without logging into the company network so that employees can connect easily from remote locations. Covid vaccination drive was conducted at our offices in Mumbai, Pune, Delhi, Jaipur where over 500 of our staff and their dependents got vaccination jabs. It was gratuitous for our employees. We empanelled a doctor to treat and counsel employees and their families in mental well-being during the pandemic. We also published quick learning bytes on Capri Pedia app.

Learning and Development Initiatives

Developing a culture of self-learning and fostering a digital learning environment were the key focus areas in FY 2021-22. Under our learning studio initiative, we continue to release online courses, podcasts, Ted Talks, which can be accessed at one's convenience.

Employees were trained on below systems:

- **Credit Nirvana**
- **eNACH**
- **OPP Quick PD**
- **Salesforce CRM**

Our collateral oriented training, Swaroop was conducted by our Reginal Managers for ground sales team. The agenda was to discuss new laws and critical case studies. Learning videos are developed in Hindi and English for easy leaning and better understanding of subject matter.

1,032

Learning programmes conducted

1,107

Learning hours

34

Online learning programmes

Leadership Development

With a view to raise and nurture talent within the organisation, we provide growth opportunities for our employees. Our mission, vision and values should flow down the hierarchy to ensure that the organisation is moving on the path envisioned by our leaders. Our leadership development programme identifies employees who display exceptional leadership skills and further train them to assume the role of future leaders with confidence.

Great Place to Work

We always believe in adapting and embracing change which helps us become an employer of choice. We as an organisation are proud to be recognised as a great place to work by the Great Place to Work Institute. It has encouraged us to build pride in ourselves, our services, and our company. We are pleased that our employee's happiness quotient and satisfaction level are beyond our expectations and we'll continuously keep raising our bars to preserve the same. The certification represents our efforts to make the workplace happy, satisfied and comfortable for our employees across all regions, departments, levels and genders. We believe in fostering connections that make the workplace a happier environment.

Employee Engagement

Higher employee engagement brings positive attitude towards work leading to greater talent retention. We believe in recognising them for their efforts that contribute to meeting our goals. We allow employees the flexibility to transition horizontally and explore their calling by gaining an understanding of diverse departments and their day-to-day responsibilities.

Leadership offsite meet gives employees and the management the opportunity to interact with each other in an informal set up. This helps our employees get to know the people they work with through a new perspective. It offers a chance to connect with peers who hail from different geographies and cultures. It is a good chance for our leaders to interact with high-potential talent in a casual environment.

A proven way to engage at an inter-personal level with our employees by sharing the joy of festivities with them. At Capri, we celebrate every special occasion, from Diwali to Christmas, where every Caprian is involved.

Social Impact

Financing the Good

Considering the uplifting and empowering nature of our business, we are invested in going beyond and bringing large-scale societal change across our areas of influence. We identified three key focus areas of academics, healthcare and raising employability as they are crucial in effective sustainable development.

CSR Vision

Empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth.

CSR mission

We are committed to go beyond our business and make a difference to the community. While our mandate is to multiply returns for our stakeholders, it is also fulfilling our larger responsibility towards society.

We drive sustainable social change through a scientific approach and by choosing the relevant implementing partners for executing programs. We believe that giving back to the society is not a mandate but our moral responsibility. All our CSR activities are aligned as per the Schedule VII of the Companies Act.

Implementation Mechanism

Our CSR programmes are implemented by the following model:

- Partnerships with NGOs, academic institutions, corporates, government and community groups
- In-house implementation by Capri Global design and delivery teams

Various Programme Beneficiary Reach

17,266
Women empowerment and livelihood

2,049
Education initiative

525
Animal welfare

1,139
Education, health and nutrition

2,000
Covid-19

1,500
Hospital project

1,45,805
Health initiative

Core CSR Initiatives

Sustainable Livelihood

Education

Healthcare

Sustainable Livelihood & Women Empowerment

The sustainable livelihood initiative at Capri Global offers skill trainings, building capacities on financial independence and providing access to knowledge facilities. We address the needs of rural and semi-urban women through skills training and competency building. We help our communities in newer agricultural practices practices including poultry farming, thereby promoting entrepreneurship. The interventions make our beneficiaries from the underserved communities feel confident and dignified.

We trained women farmers, women street vendors, traditional women weavers and farmer groups on savings, financial management, accounting, government schemes, market linkages and best farming practices. Following these trainings, participants availed the benefits of the various government schemes and adopted to sustainable agricultural practices such as organic farming, multi cropping, natural fertilisers usage and upscaling of business. The biggest positive change is women could access safe and affordable credit, which helped them meet their financial needs. Our programmes focused on livelihood and financial activities while creating awareness on the issues around gender and discrimination. The aim was to reduce dependency on single-income source, grow family income and promote reverse migration. Our programs not only focussed on livelihood and financial activities but also created an awareness on the issues around gender and discrimination. In the long term, the change is observed in risk diversification & reduction in dependency on single income source /earnings growth in family income, aiding in reduction in migration, promoting reverse migration, etc.

17,266

Participants reached in Madhya Pradesh, Rajasthan, Nagaland and Maharashtra

Healthcare

The World Health Organisation's (WHO) recognises the "highest attainable standards of health as a fundamental right of every human being". The right to health is not just about easy access to healthcare and building health infrastructures. It includes all factors that lead to social, mental, and physical well-being of all individuals without any discrimination. The existing health machinery faces multiple grassroots challenges while delivering health services to remote corners of the country. Considering the existing scenario, CGCL health interventions are planned and executed with a view to grant equitable access to healthcare across demographics.

Healthcare at your Doorstep

CGCL operates 90 mobile clinics within the indigenous communities of Madhya Pradesh, focussing on pregnant and lactating mothers. Medical camps are periodically organised for families who cannot afford or access modern-day healthcare. The professionals at our camps educate and counsel them on practices to maintain health and well-being. Our programmes also offer sensitisation at the Anganwadi level, including counselling to reduce the risk of anaemia, pre-term delivery, and nutrition deficiency among women.

'Hello Saheli' is a one-stop, virtual solution for menstrual and reproductive health among young women that is offered gratuitously. It encourages a dialogue in the community on menstrual stigma. In Jhabua, Madhya Pradesh, 78,065 women and girls subscribed to the audio IVR educational platform and received educational content via call on their phones on a weekly basis with respect to menstrual hygiene and health. Among the women and girls, 17,599 have called the helpline to seek counsel from helpline agents and doctor resolution.

CGCL provided breast prosthesis for cancer survivors along with income generation activities. Of the breast cancer survivors, 896 were served with dignity kits, 30,000 people were a part of the 15 cancer awareness sessions and 7 online workshops during the year, helping 10,000 cancer warriors and their family members to live a better-quality life.

Healthy and nutritious food helps in cognitive development among school children. We partnered with a renowned NGO to provide fresh and healthy food to children in need of care and protection. This initiative is conducted for children from the indigenous belt attending government schools and Capri Supported centres. We ensure that malnutrition does not become a cause to drop out of school in these far-stretched areas.

1,49,305

Total Beneficiary

Academic Initiatives

We consider education fundamental to nation building and accelerated growth. National statistical survey suggests that over 62% of total dropouts happen at school level. While those who continue, have poor analytical and reasoning skills, which are essential to be inducted into the formal workforce. CGCL focusses on mitigating this gap by executing varied interventions to ensure the attainment of foundation literacy and numeracy among school children.

With CGCL's support 5,000 minutes of audio learning were recorded for children to support their foundational learning skills. The intervention creates cohorts of student leaders and community ambassadors who would be leading community driven learning engagement. The 'Kshamta Saathi' (Student Leaders) facilitate the development of foundational learning for primary grade children within a small cluster of 15-20 children through the integrated audio learning programme. Till date, 10,000+ classroom interventions were conducted cumulatively by Kshamta Saathis who are trained on play-based pedagogy and on-classroom interventions.

CGCL ventured into a partnership with CIIE.CO to ideate and innovate around key commercial whitespaces across the value chain of plant-based, cultivated and fermentation derived proteins. The entrepreneurship track focusses on building enterprises for domestic and global smart protein markets. A total of 750 participants from 590 colleges took part in this initiative where the winners demonstrated an overall understanding of the sector, technological viability with clear milestones to develop their proof of concept, and the marketability of their proposed solutions.

One of our institutional programmes focusses on providing access to healthy living conditions, quality education and personal development resources along with a healthy livelihood for children who are in institutional care.

It is crucial that technology is used as an enabler to bridge existing gaps and adopt engaging learning practices for children. We implemented a project to introduce ICT (Information and Communication Technology) enabled education in schools to attract underprivileged children and create a meaningful learning environment. ICT based education facilitates creative teaching techniques and makes learning more interactive. The Capri Foundation equipped 11 government schools with ICT equipment and resources and helped build capacity of teachers to access and use ICT resources for self-development.

The project aimed at filling the critical gaps by removing the barriers in creating a safe and positive learning environment for children. Time, efforts and resources were allocated to construct, renovate and repair the existing infrastructure of water and sanitation facilities in 12 government schools to ensure the safety and retention of children.

4,890+

Children served across Madhya Pradesh and Rajasthan

Case Study

As a response to Covid school closure, students were promoted to the next class under Right to Education with minimum or no systematic instruction time. The online and distance mode education initiatives were not adequate in terms of selection, quality and appropriateness of content. The Capri Foundation planned and executed the program to save education and protect children's right to learn by bringing them back to school by following stringent safety protocols. We identified children who lacked access to learning material. Educational kits consisting of learning material and stationery were distributed to 2,500+ children. Our dedicated team provided on-site academic support to teachers to enable them in helping children develop skills up to a common minimum acceptable level through intensive catch-up classes.

Customer Success Stories

Customised Solutions for Diverse Aspirations

We measure our effectiveness and success in the industry through the lens of customer satisfaction and their positive word-of-mouth. We exist to ensure that more people from every corner of India are included in the economic mainstream and empowered to achieve financial freedom.

Some stories that make us particularly proud of the work we do, have been detailed below.

MSME Loan

My dream was always to be a business owner. Having been at a salaried job for a few years, I finally started my own shop with my family's support. Considering bourgeoning responsibilities, I worked towards expanding my business by opening a new shop in a nearby mall. We approached Capri Global for a loan to buy commercial space for my venture and the team helped us with the procedure and disbursed the loan very quickly.

With their support, I was able to expand my business, which resulted in a monthly profit of ₹1 Lakh. It has given me confidence to further expand my business and secure a bright future for my daughters. I am grateful to Capri Global for their credit support. I will recommend Capri Global's services to my family and friends.

Khushbu Singh
Retail Clothing Store
Noida

Construction Finance

I started Profile Constructions in 2003 with my brother and later went on to become the sole proprietor of the business specialising in building boutique residential and industrial projects in the price bracket of ₹50 Lakh to 1 Crore. Our projects are based in Faridabad, Delhi, targeting a customer base who want houses in high rise buildings at a slightly lower budget.

With a view to expand my business, I was looking for a suitable lender when one of our clients recommended the services of Capri Global. Their service was quick, transparent and hassle-free. With Capri Loans, I could purchase 8 plots together for my new project. I am glad that I chose the right finance partner and satisfied with Capri Global's customer support, regular monthly check-ins and a very friendly staff.

Profile Constructions
Delhi NCR

Home Loans

Having lived in a single room throughout my childhood and youth, I decided to buy a new and bigger house for myself with better access to my workplace. I faced several challenges trying to have a housing loan sanctioned from banks as they prefer fixed income source. After exploring a couple of options, I came across Capri Global which helped me with the entire loan application process and even came to my home to pick up my documents. Their team provided me continuous updates about the status of my application.

The entire process took a matter of a few days. Today, I am the proud owner of a 3-BHK home that is close to my business operation. Thank you Capri Global for helping me buy my dream house.

Yasinbhai Ismailbhai Shekh

Owns catering business
Gujarat

Car Loan Distribution

Owning a car was a distant dream for someone like me who comes from a small family of vegetable merchants. After years of hard work, I was finally able to purchase my dream car. My happiness knew no bounds when I booked the car and submitted my loan documents to the dealer for processing.

Later I got to know that my loan application was not sanctioned with banks due to technical reasons. Deeply discouraged about the possibility of my dream never getting realised, I decided to take the advice of someone at the car dealership and got in touch with Capri Global Car Loan department. Within no time their team reverted. They have a tie-up with one of the PSU banks who sanctioned my loan in just 2 days without any hassle. I recommend Capri Global to my friends and family who wish to avail similar services.

Janaki Ram Prem Naidu
Wholesale Vegetable Merchant
Bengaluru

Board of Directors

Leading with Foresight and Prudence

Our Board lends the organisation the strategic direction and guidance to make good on our year-on-year targets and aspirations.

MR. RAJESH SHARMA
Managing Director

Mr. Rajesh Sharma is a qualified Chartered Accountant with 27 years of diverse experience in Capital Market and Financial Advisory Services. A forward thinker and a first-generation entrepreneur. He has expertise in various aspects of corporate finance, investment banking, merchant banking and asset financing. He has successfully leveraged his expertise and experience to steer the Company's growth and played an instrumental role in making the Company as one of the leading financial services players in India.

Mr. Sharma is an astute businessman and his deep insights in the debt markets are reflected in his ability to strategise the entire stakeholder value creation process. He has built the business on the principles of ethics, economic empowerment and equitable growth. He is dedicated to his vision of building this company as one of India's premier financial institutions.

MS. BHAGYAM RAMANI
Independent Director

Ms. Bhagyam Ramani holds a Master's Degree in Economics from the University of Mumbai with specialisation in Industrial and Monetary Economics. She was a Director of General Insurance Corporation of India from 2009 till her retirement in 2012.

Ms. Ramani is currently serving as Independent Director on the Boards of prominent companies, including Saurashtra Cement Ltd., Gujarat Sidhee Cement Ltd., Lloyds Metals and Energy Ltd., Heavy Forgings Private Ltd. and NSE Clearing Limited.

MR. MUKESH KACKER
Independent Director

Mr. Mukesh Kacker was an Indian Administrative Service Officer with the Government of India for three decades. He holds a Master's Degree in Economics from Harvard University as well as Bachelor of Science and Master of Political Science Degrees from the Allahabad University.

As a member of National Highway Authority of India, Mr. Kacker played an instrumental role in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualised the policy on Investment Regions. The Government of India inducted him as Member, Task Force on Infrastructure Development and Mega Projects. Mr. Kacker serves as Independent Director on the Board of DMIC Haryana Global City Project Ltd. and DMIC Haryana MRTS Project Ltd.

MR. BENI PRASAD RAUKA
Independent Director

Mr. Rauka is a qualified Chartered Accountant and Company Secretary and has over three decades of post-qualification experience in the field of accounting, audit, taxation, fund-raising, compliance and management.

Mr. Rauka is group Chief Financial Officer of one of the listed companies of the SEB Group, which is among the Top 500 BSE/NSE companies. He also holds the office of Director in other public/private limited companies and a listed company. He is actively involved in philanthropic work as a Member of the CSR committee/s of the Board and as a trustee of certain charitable trusts.

MR. AJIT SHARAN
Independent Director

Mr. Sharan is a Graduate of IIT Delhi, with Post-Graduate degrees in Business Administration from Louisiana State University (US) and Development Economics from the University of Wales (UK).

Mr. Sharan was a Member of the Indian Administrative Service since 1979. Mr. Sharan has held various senior positions in the State Government of Haryana as well as in the Government of India. He has held the positions of Principal Secretary for Power, Finance, Technical Education and Urban Development in the state. In the central government, he was a Joint Secretary in the Department of Banking and Insurance. He was closely associated with the opening of the insurance sector and the initial reforms. He has worked as Secretary to the Government in the Ministries of Sports and Ayush.

Mr. Sharan serves as Independent Director on Board of Dabur India Limited.

MR. DESH RAJ DOGRA
Independent Director

Mr. Dogra is a Certified Associate of the Indian Institute of Bankers, MBA (Finance) from FMS, University of Delhi and a Post-Graduate in Agriculture from Himachal Pradesh University. Mr. Dogra has four decades of experience in the financial sector and credit administration. He retired as the Chief Executive Officer and Managing Director at Credit Analysis and Research Limited (CARE) in August 2016. He was also Vice Chairperson and Public Interest Director at Metropolitan Stock Exchange of India Ltd. until September 2016. Prior to CARE, he worked with Dena Bank for over 15 years.

Mr. Dogra serves as Independent Director on the Board of several large companies, including S Chand and Company Ltd., Welspun Corp Ltd., Asirvad Micro Finance Ltd., M Power Micro Finance Pvt Ltd, G R Infraprojects Limited, IFB Industries Ltd. and Axiscades Technologies Ltd.

Recognitions

Acclaims that motivate

Awarded
Great Place to Work 2022

Accorded the
Fastest Growing Lending Finance Company of 2022

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Management Discussion & Analysis

Economic Review

Global Economy

The Covid-19 pandemic continued to cripple the world economy in 2021 through newer variants, increased infections and subsequent lockdowns. Inflationary pressures were aggravated by rising global crude oil prices and disrupted supply chains. The price increase impacted both developed and emerging economies. The International Monetary Fund (IMF) has projected in the CY 2021-22 growth to to slowdown to 3.2%, down from 6.1% in CY21.

Countries, on the other hand, made significant efforts to vaccinate their populations. Pharma giants were among the front-runners to make their Covid 19 vaccines available to the general public. It aided in the prevention of outbreaks by providing immunity. Mass vaccination drives aided economies all over the world to recover.

Governments, central banks and political leadership played a crucial role in economic recovery. They helped restart the economic cycle through stimulus measures, interest rate cuts, liquidity infusion and other policy initiatives. The Fed, on the other hand, raised its benchmark rate by 75 basis points – the largest increase since 1994 – to a range of 2.25% -2.5%, signalling larger rate hikes to come that would increase the risk of another recession. The decision to raise interest rates reflected the Fed's recognition that it is struggling to slow the pace and persistence of inflation, which has been exacerbated by Russia's war in Ukraine and its effects on energy prices.

Outlook

Despite the impact of the pandemic, the unprecedented collective policy efforts by governments and central banks, paired with the resilience and innovations of private enterprises, have helped minimise lasting economic and physical damage across the world. Capital outflows and sizeable currency depreciations have tightened external funding costs, pushed up debt levels and put their hesitant and incomplete recoveries in danger. In the near term, many governments will need to cushion the blow of higher energy prices, diversify energy sources and increase efficiency wherever possible. Full economic revival seems to be further away, but when businesses and governments work in tandem, across borders and disciplines, we will be able to weather this storm and come out stronger and more resilient by the end of it.

GDP growth by region	2021 (%)	2022 (P) (%)	2023 (P) (%)
World	6.1	3.2	2.9
Advanced Economies	5.2	2.5	1.4
USA	5.7	2.3	1.0
UK	7.4	3.2	0.5
Emerging Markets	6.8	3.6	3.9
India	8.7	7.4	6.1
China	8.1	3.3	4.6

Source: International Monetary Fund (IMF), World Economic Outlook (Jul'22)

Indian Economy

India has been the fastest growing major economy owing to consistent endeavours taken by the government such as rising exports, newer foreign investments and tax collections. The government is promoting medium to long-term growth by through higher budgetary commitment towards capital expenditure. According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real gross domestic product (GDP) growth in 2021-22 was 8.7% which is 1.5% above the pre-pandemic level (2019-20). Government's capex push and strengthening bank credit are expected to support the investment activity. However, economic recovery is facing headwinds from global spillovers in the form of geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions. The recovery has been uneven with the informal sector still reeling under pressure, with a large extent of the labour migration that ensued the early phases of the pandemic yet to reverse fully.

Outlook

Both the World Bank and the IMF estimate that the Indian economy will be amongst the fastest growing major economies in the coming year. However, both internal and external uncertainties will determine how the economy will eventually perform in FY 2022-23. Over a Billion people have been vaccinated in India. It should help in the prevention and spread of any new covid variant. We are better prepared to deal with any contingency with an arsenal of policy measures and upgraded medical infrastructure. The task at hand is to maintain the current rate of economic recovery in all sectors.

Contact-intensive Hospitality Industry is expected to make a stronger recovery along with travel and construction industry. We anticipate that increased spending will result in increased demand for credit.

(%)

Country	FY19	FY20	FY21	FY22
India GDP growth	3.7	-6.6	8.9	8.2

Source: IMF

Industry Overview

India's financial services sector consists of banks, insurance companies, and Non-Banking Financial Companies (NBFCs) that include lending as well as non-lending NBFCs like capital market intermediaries. Lending NBFCs like Capri Global offer wholesale and retail loans. NBFCs complement banks by offering diversified, customised financial products through their unique service delivery mechanisms and often to a customer base not serviced by banks.

NBFC Performance in FY22

In FY 2021-22, bank credit to NBFCs increased by ₹ 1,090 Billion according to RBI data. With strong balance-sheet growth, increased credit intermediation, higher capital, improving delinquency ratios and larger liquidity cushions, the sector has emerged stronger. Various policies implemented by NBFCs in the aftermath of the pandemic provided liquidity support, a moratorium and an asset classification halt, all of which helped to ease financial conditions. It gave NBFCs sufficient time to redirect credit to productive sectors and re-energize growth. NBFCs have implemented strong credit risk assessment frameworks to maintain the quality of credit creation.

The pandemic compelled NBFCs to redefine their business models, emphasising the role of data analytics and Big Data in business applications. Higher liquidity, capital, and provisioning, combined with improved economic activity, have put them in a favourable shape to seize growth opportunities. NBFC growth is driven by strong parentage and better funding access across two largest segments — home loans and vehicle finance.

The traction in the economic activity has generated credit demand. Policy support from the government that included liquidity support, moratorium and asset classification standstill gave NBFCs the chance to leverage their expanded reach to redirect credit to productive sectors. NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. NBFC retail AUM is expected to grow at a healthy pace going ahead. Some of the key factors driving growth for NBFC:

- Rising focus on digitisation boosting business opportunities for tech-enabled NBFCs.
- Increased awareness among the target audience about the authenticity of these NBFCs.
- Targeting new profitable business segments and developing technical capabilities to serve.
- Strong presence of branch network in rural and semi-urban locations with efficient door-to-door servicing.

The level of regulation and supervision for NBFCs is relatively moderate when compared to banks. However, recent developments in the regulatory requirements for NBFCs have been strengthened to bring parity with banks. During FY 2021-22, important regulations were introduced by the RBI to govern NBFCs including NPA upgradation norms and Scale Based Regulation. These regulations are aimed at reducing the risk of NPA with the NBFCs thereby maintaining their asset quality. Non-listed NBFCs are also encouraged to make disclosures in accordance with SEBI's share and disclosure norms. These revisions are targeted at ensuring NBFCs are effectively managed and do not pose a systemic risk.

Impact of Covid on NBFCs

There was a decline in the asset quality of NBFCs due to the second wave of the Covid pandemic in the first half of 2022. However, this setback has not deterred NBFCs. They have sailed through this with strong policy support, RBI backed initiatives, focus on higher liquidity and provisional buffers.

The RBI has taken steps to support NBFCs that has helped them recover and head towards a growth trajectory. It has announced targeted long term repo operations (TLTRO) worth ₹500 Billion. The Government of India through the Ministry of Finance introduced the emergency credit line guarantee scheme (ECLGS) that provided 100% credit guarantee with respect to eligible credit facilities extended by NBFC in the form of additional term loans.

Outlook

Rating agencies expect NBFCs to continue improving their performance with loan growth in low to mid-teens in FY 2022-23. This growth would be driven by economy revival, stronger balance sheets and improved capital positions.

NBFCs have developed expertise in serving those who are generally left out from the regulated lending business due

Management Discussion & Analysis

to lack of documentation. It has done so by developing technology enabled customised products and by building strong credit appraisal mechanism. There is a huge credit gap of $380 Billion (World Bank estimate) between the rising demand from the small and medium enterprises and the credit supply from traditional financing channels. The main driving factor for NBFCs is to bridge this credit gap.

MSME

MSMEs act as growth accelerators in the country's economy by promoting employment and eliminating poverty. Currently, they contribute to about 30% of the GDP which is expected to reach upto 40% by 2025. The government of India is committed to drive this growth through various initiatives. The total loan sanctioned to MSME across ticket sizes and various player groups (banks, NBFCs, small finance banks, and other formal lenders) has increased by 5% to ₹37 Trillion in FY 2021-22. It is clear that the lending community is actively promoting the growth of MSME sector.

Unmet credit demand of MSMEs

Credit gap refers to the difference between addressable demand and the existing supply of funds. The primary reason for this credit gap is due to inadequate documentation along with lack of credit history on the part of borrowers that renders traditional channels like banks incompatible to service their needs. In spite of that, MSME lending experienced 40% increase over the previous year which suggests a strong potential for growth.

Government support to MSMEs

The government introduced several initiatives to revive the MSME sector battered by financial instability that included Repo rate reduction, emergency credit line guarantees, PF and EPF support, etc. The government introduced an e-marketplace to guide businesses to improve work efficiency, product development and cost reduction. Other important policy initiatives by the government include:

- Collateral free loans upto ₹3,000 Billion for MSMEs to buy raw materials, operating costs, and restart business.
- Involving more domestic firms to purchase from small businesses upto a procurement price of ₹2 Billion.
- Clear MSME debts within 45 days.

Outlook

The Union cabinet approved ₹60,620 Million funding in association with the World Bank for MSMEs. It is expected to improve their access to market and credit. It will be called 'Raising and Accelerating MSMEs Performance' (RAMP) and is expected to commence in FY 2022-23. Around 62% will come from World Bank while the remaining will be funded by the Central Government. RAMP will complement the Atmanirbhar Bharat mission through enhancement in industry standards, capacity building, skill development, technological upgradation, marketing promotions etc. It will act as an enabler of jobs, finances and green initiatives. RAMP will act as a policy, knowledge and technology provider that will benefit all 63 Million MSMEs in the country.

The MSME sector is transforming itself by the learnings of the last 2 years. Technology adoption can help MSMEs sustain in the long run by improving business efficiency and mitigating any threats due to volatile external environment. It is to be noted that while we advance digitally, it is important to be environmentally conscious. It necessitates the need to have more and more green products and processes while serving our customers.

Affordable Housing

The demand for Indian real estate far outweighs the supply. The Indian population still finds it difficult to buy a house due to inadequate funds. This gap is present across the socio-economic canvas with a shortage of 18.78 Million houses in urban India. Around 30 Million rural population lives in poor quality homes. The size of housing finance market is at ₹22.4 Trillion and expected to grow at a rate of 12.1% over previous year. Low-income group (LIG) and Economically Weaker Sections (EWS) together contribute to 95% of the housing shortage in the country. To address this problem, the government has launched Pradhan Mantri Awas Yojana under which incentives are given to builders to construct affordable homes.

The entry of various private developers, the availability of financial aid, rapid urbanisation and a preference for nuclear families has made affordable housing one of the most dynamic sectors in real estate. The government has focused on empowering all stakeholders involved in the process, particularly private developers capable of spurring the development of quality affordable homes and instilling market stability. Affordable housing was granted infrastructure status, which allowed the developers to obtain loans at preferential rates thereby passing on the savings to buyers.

Several banks and NBFCs have come forward to attract customers from affordable housing segment with innovative loan offerings. RBI has allowed housing finance companies and developers to raise up to $1 Billion through external commercial borrowings to promote their projects. The government has already launched the ambitious scheme of

Pradhan Mantri Awas Yojana (Urban and Gramin) to build over 40 Million homes under affordable housing.

Outlook

The surge in housing demand has generated a lot of credit requirement to be fulfilled by banks and NBFCs. It is expected that housing finance companies would grow by 13% in FY 2022-23. With the growth of smaller cities driving the demand for housing, the supply side will be strengthened by new government initiatives. The residential market has regained momentum following the second wave and buyers are once again considering their options. Emergence of a number of new projects reflects the market's overall buoyancy.

Construction Finance

India's real estate sector has seen huge surge in demand in both urban and semi-urban markets. Construction and real estate generate second highest employment after agriculture in the country. Increasing urbanisation and rising household incomes have been the driving factors. The industry received $3.3 Billion in FDI in the year 2022. Significant regulatory reforms like RERA (Real Estate Regulatory Authority) have aimed at improving transparency and safe-guarding homeowners' interest.

The Government's push for 'Housing for All' policy is impetus to this sector. Million will benefit from this as their dream of owning a home will finally come true. This opens a plethora of opportunities for construction finance companies for their business growth.

During FY 2021-22, the sector's consistent performance and quick recovery aided in regaining buyer confidence. The top eight real estate clusters in the country have seen a 42% increase in housing sales. Affordable housing accounted for roughly half of total sales. This uptick in housing sales is end-user driven, leading to an incremental rise in price hike. A low mortgage rate combined with an increase in income levels has resulted in improved market affordability. Millennials account for 46% of the total workforce who previously opted for rented housing. But because of pandemic driven disruptions, this preference has shifted. The narrowing gap between rental yield and interest rate is influencing home buying decision among millennials.

Outlook

The government has also increased the FDI (Foreign Direct Investment) limit for township and settlement development projects to 100%. In terms of FDI inflows, construction is the third-largest sector. The Government of India's 'Housing for All' initiative is expected to attract $ 1.3 Trillion in housing investments by 2025. The Ministry of Housing and Urban Affairs has advised all states to consider lowering property transaction stamp duties in order to boost real estate activity, generate more revenue, and aid in economic growth.

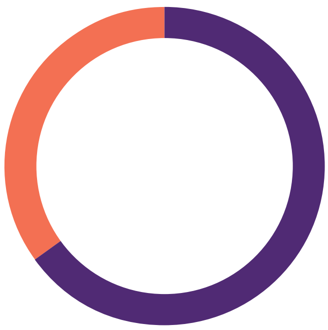
India's Global Real Estate Transparency Index ranking rose five notches from 39 to 34 between 2014 and 2020, owing to regulatory reforms, improved market data and green initiatives. The top seven cities in India's real estate sector saw over 1,700 acres of land deals in a year. To meet the country's growing urban population, an additional 25 Million units of affordable housing are needed by 2030. Developers anticipate a surge in demand for office space in SEZs following the replacement of the existing SEZs act.

Source: IBEF and JLL LaSalle

Gold Loans

India is the second largest consumer of gold in the world, next only to China. Indians' appetite for the yellow metal is driven both by cultural reasons as well as a store of value. Gold therefore forms an important part of wealth among Indian households. As the income levels rise, the demand for gold is also likely to steadily rise. In the last couple of decades, gold loans have emerged as an easy way to monetise the value of household gold to finance short term requirements. Although the gold loan market is still dominated by unorganised lenders, there is an increasing acceptance of organised lenders such as banks and NBFCs driven.

Gold Loan Market Share

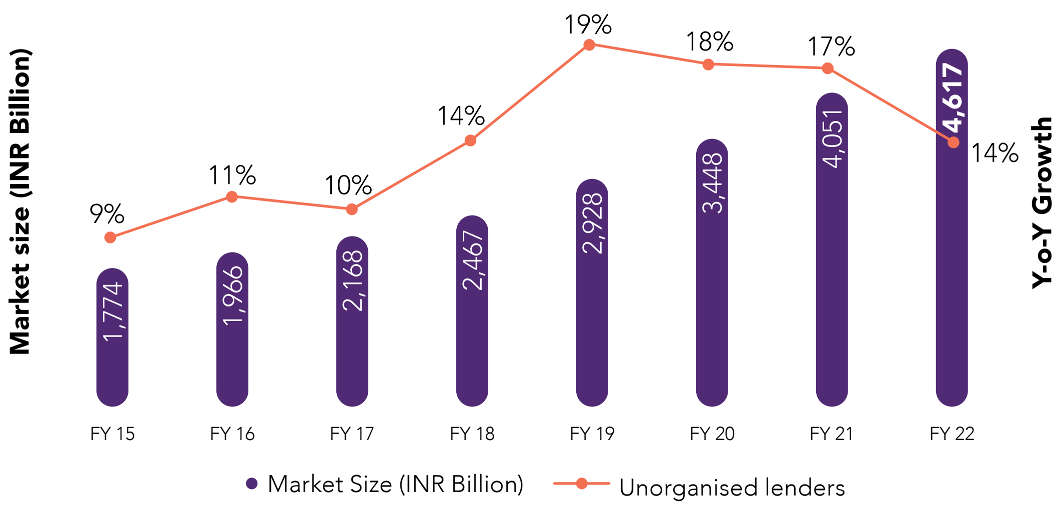


- Unorganised lender 65%
- Organised lender 35%

Instant capital availability with no need of credit history is the biggest advantage for gold loan demand. NBFCs hold a 23% share in Indian Gold loan segment. CRISIL estimates that the AUM of Gold Loan NBFCs is expected to rise by 20% to ₹1.3 Lacs in FY 2022-23.

Management Discussion & Analysis

Indian gold loan market size projection (INR Billion)



Banks and NBFCs are expected to compete aggressively in the gold loans segment considering the opportunity and the low risk nature of the product. Minimal documentation and promise of fast disbursals makes gold loans a favourite choice amongst the masses, making it more effective than any other loan instrument in meeting liquidity needs quickly. With organised lenders including banks, NBFCs, and Nidhi companies expanding their geographic reach, it provides the traditional customers with a more reliable option over unorganised lenders who charge high interest rates. NBFCs are capturing this shift with their quick loan-processing capabilities, online presence, and grassroot branch network.

The success of gold loan schemes is determined by the level of operational efficiency maintained throughout the loan cycle, from gold valuation to storage, disbursement, and collection.

New age fintech companies have started bringing in emerging trends like gold digitization, gold secured credit cards and gold wallets to lure new age customers from the 20-40 age bracket from urban India. They are also introducing new operating models, such as visiting customers' residences to offer loans in the comfort of their own homes. This has opened up a previously untapped market among digitally enabled customers. In order to capture this segment of tech-savvy customers, industry incumbents are expected to invest more in developing digital onboarding capabilities.

Car Loans

Owning a home and a vehicle are important asset ownership decisions and dream for the fast rising Indian middle class. For this increasingly younger and aspirational borrower class, timely finance can take precedence over other aspects like interest rates. As a result, this space has been fiercely competitive with both banks and NBFCs trying to grab a piece of the car loan financing pie.

NBFCs are also seeing an increase in demand for used vehicle financing. The rising acceptance of used vehicles in households, two wheeler owners upgrading to used cars, alongwith availability of certified used vehicles are some of the factors driving the increase in demand for used vehicles. NBFCs that provide used vehicle loans are optimistic about business growth in the coming year.

(Actual Numbers)

	FY21	FY22	Growth
Passenger vehicle sales	2,711,457	3,069,499	13%

Source: Society of Indian Automobile Manufacturers (SIAM)

Outlook

The aftermath of pandemic added to the increased demand for passenger vehicles as people avoided public transport. Alongside, a strong middle class with a healthy disposable incomes remains a key driver for passenger vehicle demand in the country. Improving road infrastructure across the country is also making vehicle ownership for leisure travel an attractive proposition.

Hence, short term supply side challenges like semiconductor shortages notwithstanding, the economic recovery, opening of schools and offices, and increased consumer confidence from vaccination drives, provide a positive outlook for the passenger vehicles segment.

Business Review

Strategic Review

CGCL is committed to making a positive impact by serving underserved segments with our funding solutions. Our mission is to help individuals and businesses turn their dreams into reality. FY 2021-22 was strategically important for us because we achieved our highest after-tax profits despite a market slowdown. This growth can be attributed to our unwavering focus and agile strategy. CGCL has maintained a cautious stance on disbursements in both the Construction Finance (CF) and Indirect Lending (IRL) books, while expanding the retail book in both the MSME and Home Loan segments from FY 2020-21 levels. Despite a challenging year, we were able to increase our AUM while also improving our spreads and NIMs, resulting in higher profitability for the year.

Throughout the year, we concentrated on cost-cutting measures such as strategic debt repayment and rent renegotiations. Furthermore, we expanded our branch network and redefined the service coverage area of our existing branches, so that our branches cover a larger area, resulting in increased efficiency throughout the year.

Our focus on expanding retail book and prudent lending practices enabled us to add new customers in MSME and Home Loan segments. The Company added new bank lines of ₹16,850 Million in FY 2021-22; and has a comfortable liquidity position of ₹6,083 Million and additional undrawn credit lines of ₹6,748 Million at end of FY 2021-22, which supports us for our future growth and meeting our operational and borrowing obligations.

The health and well-being of our employees remains our top priority. We held vaccination drives for our employees and their dependents at our offices in Mumbai, Pune, Delhi, and Jaipur. We provided additional benefits such as educational support for children, additional pay-outs and alternative employment opportunities for family members of deceased employees.

Operational Review

Financial Review

(₹ in Million)

Performance	Standalone			Consolidated		
Highlights	FY 2021-22	FY 2020-21	YoY Change (%)	FY 2021-22	FY 2020-21	YoY Change (%)
Total Revenue	7,655	5,760	33	9,818	7,371	33
Total Expenses	5,486	3,831	43	7,092	5,014	41
Profit Before Tax	2,169	1,929	12	2,726	2,357	16
Profit After Tax	1,619	1,435	13	2,050	1,770	16
Assets Under Management (AUM)	48,856	36,929	32	66,329	48,481	37
Earnings per share (Basic) (₹)	9.23	8.19	13	11.69	10.10	16
Net Worth	17,601	16,060	10	18,858	16,916	11
Net Interest Income (NII)	4,134	3,282	26	5,111	3,874	32
Net Interest Margin (%)	8.9	8.7	20bps	8.4	8.0	40bps
Interest Coverage Ratio	2.2	2.2	-4bps	2.0	2.0	4bps
Debt Equity Ratio	1.9	1.6	27bps	2.5	2.2	30bps
ROA (%)	3.4	3.5	-8bps	3.3	3.6	-27bps
ROE (%)	9.5	9.2	28bps	11.3	10.8	44bps
GNPA (%)	2.7	3.8	-110bps	2.4	3.3	-90bps
NNPA (%) (post entire ECL Provision)	-ve	1.1	n.a.	-ve	0.9	n.a.
Book Value per share (₹)	100.2	91.6	8	107.4	96.5	11

The Standalone Total Revenue of the Company was ₹7,655 Million for the year ended March 31, 2022, as against ₹5,760 Million in the previous year, thereby registering an increase of 33%. This was majorly due to minimal covid impact on operations and our continued focus on achieving targets. Total Expenses stood at ₹5,486 Million for the year ended on March 31, 2022 as compared to the ₹3,831 Million in the previous year, registering a growth of 43%. Net Profit registered a growth of 13% at ₹1,619 Million for the year ended on March 31, 2022 as compared to the Net Profit of ₹1,435 Million in the previous year due to cost optimisation and better operational controls. The Gross NPA of the Company stood at 2.7% and the Net NPA, computed after considering aggregate ECL provisions, was negative as of March 31, 2022.

The Consolidated Total Revenue of the Company for the Financial Year ended March 31, 2022 is ₹9,818 Million, as compared to ₹7,371 Million in the previous year, thereby registering a growth of 33%, reflecting the strong growth in AUM. Consolidated Net Profit for the Financial Year ended March 31, 2022 was ₹2,050 Million, as compared to ₹1,770 Million in the previous year, registering a healthy increase of 16%. The Consolidated Gross NPA of the Company stood at 2.4% and the Net NPA, computed after considering aggregate ECL provisions, was negative as of March 31, 2022, corroborating our robust asset quality management.

Management Discussion & Analysis

During the year, we focused on improving operational efficiencies of the organisation through IT enablement and expansion to Tier-III and Tier-IV locations. This strategy aided in tapping underserved markets in a cost-effective manner. Furthermore, the company optimised and realigned its branch network, which drove efficiency improvements throughout the year and allowed us to reach the desired market segment. The absolute increase in operating expenses observed despite the steps taken for efficiency improvements was owing to the strong branch and headcount addition during the year. During FY 2021-22, we added 32 branches to our network, the highest ever in any financial year and surpassing the previous high of 18 branch additions during FY 2018-19. Our headcount increased 65% Y-o-Y to 3,202 and reflected the staffing requirement of new branches as well as the headcount addition in the new car loan distribution business.

Liquidity Position and Borrowings (Consolidated)

We have comfortable liquidity position in the form of cash and bank balances and liquid investments of ₹3,531 Million and ₹2,552 Million, respectively, besides having un-availed bank limits of ₹6,748 Million as at end of FY 2021-22. Our Interest Service Coverage ratio of 1.65 times corroborates the fact. We are well positioned in meeting our short and medium-term obligations. We have a positive asset liability position in all buckets of < 1 year, 1-5 years and > 5 years. Our CRAR at 29% (CGCL) and 47% (CGHFL) is strong and we are adequately capitalised. We have strengthened our relationships with banks and FIs and got an additional sanction fresh credit facilities of ₹16,800 Million during FY 2021-22. As on March 31, 2022, borrowings from public sector banks, private sector banks and Financial Institutions, in the form of well diversified instruments like long term loans (5-8 years), Cash Credit facility, Refinance Limit, External Commercial Borrowings, were ₹48,084 Million as against ₹37,736 Million in FY 2020-21. Our gearing (debt: equity) ratio, as on March 31, 2022 is 2.5 times.

Product Analysis

We maintained our granular strategy, focusing on sourcing small ticket sized loans in all of our verticals, spread across a broader geographical area, resulting in de-risking our loan portfolio, better control over delinquencies and better risk spread in the medium to long term.

MSME loans

This segment continues to be our prime growth driver, contributing to ~50% to the consolidated AUM of the organisation. As of March 31, 2022, we are present in 108 branch locations. We have expanded to Tier-II and III cities in Gujarat, Rajasthan, Madhya Pradesh, Maharashtra etc. We have strengthened our retail business vertical, with MSME AUM, including co-lending AUM, swelling by 39.5% to ₹33,065 Million with 20,773 customers (previous year ₹25,114 Million with 16,141 customers.

The loan book is adequately secured with collateral in the form of self-occupied residential or industrial or commercial property with an average LTV at disbursal of 53.6% and average yield of 16.1%. All the incremental loans sanctioned in FY 2021-22 were sourced directly by the organisation. This allows us to maintain a better risk mitigation framework and easier post-sanction monitoring of loans. We have been moving towards a granular loan book, our average ticket size of loans is ~₹1.7 Million, our GNPA is 4.0%, lower than the industry average in this sector.

Outlook

We have a two-pronged approach to achieving long-term AUM growth in the MSME space: increasing the productivity per head of our existing sales personnel and expanding branches at a low cost. Regular training sessions are being held to increase sales personnel productivity while maintaining a high-quality asset book. We continue to expand our network to other Tier II and III cities in India, all while maintaining cost efficiency.

Housing Finance

Housing finance remains our next important growth driver after MSME loans. We have invested in technology infrastructure to better serve our customers. In line with the industry averages, GNPA in the housing finance space has come down from 3.5% to 2.7% due to our vigilant risk mitigation framework and prudent post-sanction monitoring of loans. Our collection efficiency has also improved and is nearing pre-covid levels.

We only lend to the affordable housing segment and to the customers applying for self-stay. Average ticket size in this segment stood at ₹1.0 Million for FY 2021-22 with an average yield of 13.4%. We maintained an average LTV at disbursal of 52.7% on the housing finance book. Home loan segment has shown an impressive growth of 51% at ₹17,474 Million during FY 2021-22 as against ₹11,552 Million in FY 2020-21 and increasing our reach to 17,739 customers in FY 2021-22 from 13,149 in previous year.

Outlook

Our housing finance business is expected to perform well due to low-cost funds, greater demand and increased branch network. It will continue to be a key growth driver in the coming years. Our focus remains on the quality of borrowers with significant loan to value and cost control measures.

Construction Finance

The year saw green shoots in the NBFC lending to real estate sector. We identified opportunities and resumed selective lending to this segment. It had no effect on our existing customers and therefore had no effect on the status of the already-funded projects. We concentrated on low-risk projects with clear cash flows and adequate cover.

Our construction finance AUM increased to ₹12,662 Million with 151 accounts (previous year ₹8,735 Million with 126 accounts) due to the sector opening up and construction activity restarting. We had nil GNPAs in the construction finance segment. The yield on average loans stood at 16.7%. This has been made possible by our strict lending parameters, through which we only finance developers in the affordable housing segment in non-metro cities exhibiting high employment rates. Accordingly, our construction finance business is focused on ~10 cities in India. Also, since we have a centralised team, which eliminates majority of requirements of branches, we are able to maintain a very low-cost to income ratio, which augurs well for our growth and development. To ensure prudent risk mitigation, our strategy is to reach to a larger number of accounts, while reducing the average ticket sizes. Ticket size in construction finance in FY 2021-22 stood at ₹83.7 Million as compared to ₹69.4 Million in FY 2020-21.

Outlook

The share of construction finance will be under 20% of the consolidated AUM. We will continue to focus on small and mid-sized developers with stringent selection criteria, strong checks and due diligence to maintain the growth in this segment.

Indirect Lending

We lend to fintech NBFCs, SMEs and Auto-finance companies, with BBB credit rating or unrated with strong credentials with at least a 2-3 year old portfolio. These NBFCs should have net worth of over ₹500 Million and AUM of ₹ 1,000-1,500 Million. Our stringent lending terms and detailed verification and analysis of the borrower's profile reduce our risk to a great extent. Receivables are hypothecated and personal guarantees of promoters/corporate guarantee of holding company to add another layer of security. We always co-lend as additional lender to this category of borrowers. Indirect Lending segment is ~5% of consolidated AUM at ₹3,128 Million with 15 customers in FY 2021-22 as against ₹3,080 Million having 14 customers in FY 2020-21. The yield on average loans for indirect lending is 9.8%.

Outlook

We will be more selective in building customer portfolios and will maintain strict lending parameters to remain risk-free.

Gold Loans

Gold loan market is expected to grow at ~15% CAGR over FY 2023-24. The market is currently dominated by public sector banks followed by gold loan NBFCs. Traditionally, South has been a prominent market for gold loans. However, there is a growing demand in the West and North India where CGCL has a good presence. Strong RoAs and low GNPAs make gold loans an attractive opportunity. Our analysis shows that gold loans have a lower penetration amongst our customer base. We intend to leverage our presence in West and North India to build reputation as a trusted gold loan partner. We have commenced our gold loan business in August 2022 with the launch of 108 exclusive gold loan branches across Delhi NCR, Rajasthan, Madhya Pradesh, Gujarat, and Maharashtra.

Car Loan distribution

We distribute new car loan products of Union Bank of India, Bank of Baroda, HDFC Bank, IOB and Yes Bank. It is an asset-light model with branch presence in five locations and on-street presence in 213 locations. A strong team of 500 employees with auto loan background was hired to drive car loan distribution business. We are focussing on digital tools such as mobile apps as more and more customers are preferring it to fulfil their loan needs. We originated car loans aggregating ₹17,020 Millionand earned a net fee income of ₹276 Million during FY 2021-22.

Outlook

We have significantly increased our car loan distribution presence to 213 locations in March 2022 and further to 279 locations in June 2022. The loan origination volume achieved in FY 2021-22 is testimony to our capability in scaling up this business. We shall continue to add locations to grow loan volumes and fee income during FY 2022-23.

Human Resources

Our top priority has been the safety and wellbeing of all our team members in the last two years. Our people are the most important enablers of our success. We value our relationships with all of our employees and provide them with an open and dynamic work environment to ensure that they are fully involved with us and perform to the best of their abilities. We engage with our employees through a variety of initiatives. Our people team ensures that all of our employees feel valued and take pride in our larger vision of making a positive social impact.

HR support during the pandemic

'Capri Employee Covid Care Scheme 2021' provided financial security to the bereaved family members of our employees which had benefits such as:

- Educational support to their children.
- Assistance in finding suitable work opportunity for one of the deceased's family members.
- In case there is no other earning member, additional pay-out in the form of pension made for a period of 2 years.

Covid vaccination drives were held at our offices with over 500 of our employees and their dependents receiving vaccinations. During the pandemic, we designated a doctor to treat and counsel employees and their families on mental health issues. We also published quick learning bytes on Capri Pedia app.

Management Discussion & Analysis

Learning and Development

Learning is a continuous process, especially when working in a fast-paced business environment. Our employee training, on-the-job learning, and other development initiatives ensure that employees develop the necessary skills and are able to apply these skills and knowledge while carrying out their work responsibilities. We trained employees on systems such as Credit Nirvana, eNACH, OPP Quick PD and Salesforce CRM. Our leadership development programme identifies people with exceptional qualities and trains them to be future leaders who drive strategic growth within the organisation.

Capri Pedia App

This mobile application was created with the goal of facilitating quick learning and easy access to product knowledge, Standard Operating Procedures (SOPs) and organisational announcements, among other things. It also functions as a social media-styled mobile application, allowing us to virtually connect with our employees and engage with them on a daily basis. We celebrated holidays with our co-workers and their families through Capri Pedia. A significant portion of our people now use this app.

Employee Engagement

Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. Employees who are engaged have a positive outlook on life and are enthusiastic and resourceful. They are given opportunities to take on challenging roles, which facilitates in their career advancement, reduces boredom and drives productivity. We celebrate festivals such as Diwali, Independence Day, Holi and Christmas with great fervour. It instils a feeling of oneness among our employees. Women's Day is celebrated by sending a personalised e-card to all female employees to show our appreciation for their efforts.

Employees and management can interact with each other in an informal setting at a leadership offsite meeting. This allows our employees to get to know the people they work with from an informal perspective. It provides an opportunity to connect with peers from various geographies and cultures. It is an excellent opportunity for our leaders to interact with high-potential talent in a relaxed setting. Great Place to Work has recognised us to be an employer of choice. This certification symbolises our efforts to make the workplace happy, satisfied and comfortable for all across the hierarchy.

People and Technology

Collaboration between people and technology has become essential in today's world and it is critical in developing a collaborative workforce by bringing people and technology together. Capri, with the assistance of our in-house technology team, has evolved our HR process, reduced manual intervention and automating routine administrative tasks. This has allowed us to concentrate on the strategic aspects of HR functions. We implemented tools such as self-service employee portals, onboarding, exits and performance reviews and an interface was developed for prospective candidates to complete their process during the offer stage. Our data management has been simplified by technology and the data is now available with the click of a button. Technology has made it easier and more efficient for us to gather, collect, and deliver information, as well as communicate with employees.

Diversity and Inclusion

CGCL does not discriminate anyone on the basis of religion, caste, creed, or sexual preference. It also provides equal opportunities for advancement, raise and inclusion in decision making process.

We make certain that everyone has an equal opportunity to succeed by fostering an inclusive and dynamic environment. We had a talent pool of 3,200+ committed employees, with an average age of 32 years as on March 31, 2022. During the year, we recruited 3,086 new team members that included 64 females to maintain the gender balance. Our attrition in the FY 2021-22 stood at 24% much below the industrial levels.

Information Technology

Capri's business is now centred around technology. We are constantly challenging traditional NBFC working processes and strive towards achieving paperless, real-time processing and execution. Using in-house tech platforms, we are constantly striving for higher operational efficiency, shorter time to market, and a better customer experience. Tech interventions help us in taking our financial empowerment agenda forward. We continued to leverage digital channels and high-end technology to grow more profitably in FY 2021-22, while keeping a close watch on the risk management framework.

With the implementation of technological initiatives, we have significantly reduced Turnaround Time (TAT) and made loan processing easier at all stages. In addition, we are constantly working to improve customer experience and create a better and enhanced risk-monitoring and risk-management framework. 70% of our processes have been moved to cloud platforms. It allows better access of information from any location, ensuring business continuity is maintained at all times. We launched digital initiatives to facilitate faster onboarding and better client service. Apart from business and service enablers, this included digital sourcing, data and analytics-driven decision making.

We deploy specialised applications sourced from niche professional vendors to meet our unique requirements. Applications such as Credit Risk Classification (CRC) scorecards and bureau scrubs are part of our analytics-driven underwriting, while tools for enabling digitised workflow include mobility applications and verification and screening tools.

We have centralised MIS and datamart capabilities and have implemented integrated payment solutions via a self-service portal. We also have a debt collection engine powered by machine learning and an automated reconciliation tool.

In the coming years, we hope to be a tech-first company, with technology running the business backed by a financial institution. We are currently constructing a high-productivity tech-product office in Gurgaon. We intend to replace all critical business systems with in-house technology in the next two years in order to increase productivity and agility. We are also developing a one-stop consumer app that will provide all of the necessary information and tools to assist customers in obtaining all necessary assistance through self-service.

Risk Management

At CGCL, risk management entails identifying and clearly defining all applicable risks, assessing the risks' impact and strategizing mitigation measures. The company has a well-structured risk management framework and risk mitigation plan defined at the business unit level. Portfolio parameters and their respective trends are periodically reviewed to monitor the asset quality. A detailed view of the incremental asset portfolio is provided by the Risk Management Committee of the Board on a regular basis for identifying, assessing and mitigating risks. We have an Asset Liability Management (ALM) Policy, approved by the Board, which is controlled by the Asset Liability Management Committee (ALCO) to assess the risk arising out of the liquidity gap and interest rate sensitivity.

The COVID-19 crisis created unprecedented challenges for credit risk management and mitigation. Our company has been adjusting to the new dynamics and exploring potential new approaches to the new challenges being faced in the customer segment we operate since the start of the pandemic. Changes in customer creditworthiness necessitate the transition to a new approach to credit assessment and portfolio monitoring. Our credit model and assessment process delve deeper into the borrower's financials and business to estimate resilience to crisis impact. We have strengthened portfolio concentration on risk monitoring, and structured approaches have been developed to address specific risks related to geography and industry. We have invested in new partnerships and digital enablement to effectively manage the increased risk.

We are committed to create a robust risk-management culture to address any challenges by:

Rapid Adoption of Technology

The pandemic compelled us to go digital in order to make our processes more effective and agile. Due to social distancing and the work-from-home culture, various processes, from loan origination to servicing, had to digitise their operations in a short timeframe.

Data Driven Decisions

Meaningful data assists in making the right decision. It aids businesses in improved communication with stakeholders, faster strategic business decisions, increased cross-team collaboration and increased agility. Our data analytics team strives to provide a regular data dashboard displaying the most recent trends in portfolio performance.

Enhanced Portfolio Monitoring Activity

Frequent reviews aid in identifying early warning signs and raising red flags in the initial stages. Our close monitoring of the cheque bounce ratio, total delinquency, roll forwards and collection efficiency is extremely beneficial in adjusting our business strategy in response to the most recent developments in the macro and micro environment. It is critical to keep an eye on potentially high-impact events in order to build and maintain resilience.

We have taken a few initiatives to maintain the proper balance between business growth and risk appetite of the organisation:

- Creditworthiness of highly impacted profiles and industries has been evaluated, and our credit policy has been aligned to control the increased risk when selecting new borrowers.
- Many small businesses were badly affected due to disruptions in business volumes and supply chains, raising concerns about their earning potential. The credit assessment process is supported by mandatory visits and an elaborative credit assessment method.
- Regular employee skill development programs such as branch and regional training, online classrooms, etc.
- Data digitisation to support decision making process with the help of data dashboard and trends.

Management Discussion & Analysis

Risk and Definition	Risk Mitigation
Credit Risk	
The most common risk faced by any lending institution is the borrower's inability to repay the loan. The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy.	We have stipulated prudent lending policies for each business vertical, considering the risk involved with different products and customer profiles.
	We have designed a robust and dynamic credit appraisal system to minimise the probability of default.
	Our credit appraisal system conducts customer meetings (business and residence), field investigations, credit information bureau checks, inhouse technical and legal verification, adequate loan to value ratio and term cover for insurance. Thorough reference checks of the borrower's overall goodwill and integrity in the market are conducted. This is followed by a thorough business assessment and long-term viability by analysing cash flows of the potential customers.
	All loans are fully secured by mortgages and we have first and exclusive charge on collateral properties. We have put in place an in-house Fraud Control Unit (FCU), having expert knowledge in fraud detection and forensic analysis of documents, to detect and eliminate potential frauds being committed on CGCL.
Operational Risk	
It is the risk of possible losses, arising due to lack of proper flow and inadequate controls over our internal processes, people, systems and operations. Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability.	We have a state-of-the-art technology-driven process flow and operational control system.
	A responsive customer portal for enhanced efficiency and deeper engagements with customers.
	Our internal control infrastructure is well-aligned with our underwriting and collection processes, which are managed by a highly competent and trained team.
Liquidity Risk	
Liquidity risks emanate from the gaps in financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.	We have a dedicated treasury team to manage liquidity and monitor fund availability and deployment on daily basis.
	Reports are submitted to ALCO members and are used to make relevant liquidity forecasts on quarterly basis for the next 6 months.
	We have exposure to all long-term funds with repayment tenure of 5-10 years and are sourced from banks and FIs. We are in a strong position to mobilise funds for growth having higher CRAR of 37%.
Portfolio Concentration Risk	
This category of risk is associated with the concentration of credit in a particular segment of borrowers, products or geography. Skewed exposure in one particular sector and geographical concentration may result in losses if the sector or geography does not do well. It affects the quality of the asset-book and assessment by financing institutions.	Our key competitive advantage lies in our ability to build a de-risked portfolio with exposure to multiple sectors, wider geographies, varied customer profiles and lower ticket size loans.
	The MSME segment, with its high untapped potential and lower risk continues to be the largest contributor to CGCL's total portfolio followed by Construction Finance, Home Loans and Indirect Retail Lending.
	Each lending segment has varied customer profiles and focus on smaller ticket sizes coupled with a large customer base and fair distribution of geographical risk.
	Our expansion plan envisages the risks involved vis-à-vis new business opportunities while selecting a potential location for expansion.

Risk and Definition	Risk Mitigation
Strategic and Business Risk	
It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions. Lack of timely response to such unforeseen conditions can lead to major tremors in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of available spreads, slow-down in certain customer segments are some of the potential business risks faced by us.	Our strategy, business and risk teams keep a track of key economic trends, sector developments and market competition, which allows us to take well-informed and intime strategic decisions. Our customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. Business issues which are of strategic importance are referred to the Board members, who are experts with rich experience in their respective fields. Intense brainstorming sessions are conducted to evaluate and design the relevant strategies, which help us in tackling the business uncertainties and circumventing business disruptions.
Interest Rate Risk	
Volatility in interest rates can have a negative impact on our borrowing costs, decline in interest income and net interest margins. This can cause a mismatch on our asset–liability position and could lead to lower profitability and lower returns.	Interest rate movements are tracked and reviewed by Asset Liability Management Committee (ALCO) on a quarterly basis and base lending rate i.e. Long-Term Rate of Return (LTRR) is decided by ALCO after considering various factors. Most of our portfolio is built on floating interest rates. Interest rates are primarily market driven and our interest risk strategy is well adept at managing the changing market dynamics.
Regulatory and Compliance Risk	
CGCL is a systematically important non-deposit taking NBFC (NBFC-NDSI), under the regulatory supervision of the RBI. Being a listed entity, CGCL is required to comply with regulations and directions issued by Securities & Exchange Board of India (SEBI). Noncompliance of the rules, regulations and statutes leads to stringent actions and penalties from the Regulator or Statutory Authorities.	We have a separate compliance department, headed by a Senior Personnel. We keep ourselves abreast with all recent developments and changes in the regulatory framework/guidelines to ensure a timely, effective and proper implementation and compliance. We diligently comply with Capital Adequacy Norms, Fair Practice Code, Asset Classification, KYC/PMLA Guidelines, Provisioning Norms, Corporate Governance framework, Timely Reporting with RBI/SEBI/Stock Exchanges/ Ministry of Corporate Affairs, etc. among others to ensure a comprehensive compliance framework. This is continuously reviewed and monitored by a robust internal audit and control framework.
Information Technology Systems Risk	
We deploy information technology systems, including Enterprise Resource Planning (ERP), Loan Management applications, Data Repository and Mobile Solutions to support our business processes, communications and customer details and loan records. Data integrity and physical assets. Risks could primarily arise from the unavailability of systems and/or loss or manipulation of information or information data security.	We have robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information available with the Company. To mitigate these risks, we use back up procedures, restricted access to applications and other security restrictions. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users are educated on adherence to the policies to eliminate data leakages. As a part of the Business Continuity Plan (BCP), we have created a remote Disaster Recovery Site, which gets tested on a regular basis.

Internal Controls

Adequate internal control systems commensurate with the size and nature of our operations in place at CGCL. Internal control systems comprising policies, procedures, well-defined risk and control matrices. These are designed to ensure orderly and efficient conduct of business operations, safeguard our assets, prevention and detection of errors and frauds, ensure strict compliance with applicable laws, assure reliability of financial statements and financial reporting. An extensive programme of internal audits and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The efficacy of internal control systems is tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

Directors' Report

Dear Members,

Capri Global Capital Limited

The Directors of the Company are pleased to present 28th Annual Report together with the Annual Audited Consolidated and Standalone Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL PERFORMANCE

I. Financial Highlights

The summary of the Company's Financial Performance, both on consolidated and standalone basis, for the Financial Year 2021-22 as compared to the previous Financial Year 2020-21 is given below:

(₹In Million)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	7,655.51	5,760.53	9,817.87	7,371.37
Less: Operating Expenses & Provisions	2,261.04	1,143.73	2,627.72	1,477.40
Less: Impairment on financial instruments (Expected Credit				
Loss)	797.23	516.95	1,056.68	544.68
Profit before Interest, Depreciation & Taxes (PBIDT)	4,597.24	4,099.83	6,133.46	5,349.29
Less: Depreciation	73.14	85.27	98.77	105.11
Less: Interest & Finance Charges	2,354.85	2,085.20	3,308.47	2,887.05
Profit Before Tax	2,169.25	1,929.38	2,726.23	2,357.13
Less: Provisions for taxation	550.41	494.20	675.82	587.58
Profit After Tax (PAT)	1,618.84	1,435.18	2,050.41	1,769.55
Profit After Tax (PAT) including Other Comprehensive				
Income	1,615.63	1,439.60	2,045.49	1,774.26
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	323.77	287.92	323.77	287.92
Earnings per Share (EPS) (₹) Basic	9.23	8.19	11.69	10.10
Earnings per Share (EPS) (₹) Diluted	9.13	8.13	11.56	10.03
Net Worth	17,601.36	16,059.61	18,857.88	16,915.72
Assets Under Management (AUM)	48,856	36,929	66,329	48,481

OPERATIONAL PERFORMANCE/STATE OF AFFAIRS

I. Standalone Financial Performance

The Total Revenue of the Company stood at ₹ 7,655.51 Million for the year ended March 31, 2022 as against ₹ 5,760.53 Million in the previous year. The Company reported a Net Profit of ₹ 1,618.84 Million for the year ended March 31, 2022, as compared to the Net Profit of ₹ 1,435.18 Million in the previous year due to growth in business coupled with better operational controls.

The AUM has grown by 32% and stood at ₹ 48,856 Million as against ₹ 36,929 Million in the previous year. The Company has further strengthened its retail business vertical and MSME AUM has grown by 32% to ₹ 33,065 Million having 20,773 customers (previous year ₹25,114 Million having 16,141 customers) with the average ticket size at ₹ 2Mn. Construction Finance business loan portfolio (including indirect lending) stood at ₹ 15,791 Million with 166 customers (previous year ₹ 11,800 Million with 140 customers) due to cautious approach of the management towards wholesale lending in construction finance.

The Company along with its wholly-owned subsidiary company viz. Capri Global Housing Finance Limited, had presence across 105 locations spread over 9 States during the year as compared to 85 locations spread over 9 states of the previous year.

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

During the year under review, the Company forayed into the car loan distribution segment in alliance with the top 5 banks namely Bank of Baroda, HDFC Bank, Union Bank of India and Indian Overseas Bank. Against the targeted volume of ₹ 7,600 Million, the Company achieved volumes of ₹ 17,020 Million by the end of March 2022.

The Company expanded product offerings through co-lending tie-ups for MSME and Affordable Housing loans, and announced its foray into gold loans.

The Gross NPA of the Company stood at 2.7% and the Net NPA (Net of Total ECL Provision) was at -ve as of March 31, 2022.

II. Consolidated Financial Performance

The Consolidated Gross Income of the Company for the Financial Year ended March 31, 2022, is ₹ 9817.87 Million vis- a-vis ₹ 7,371.37 Million in the previous year, thereby registering a growth of 33.19%. Consolidated Net Profit for the Financial Year ended March 31, 2022, is ₹ 2,050.41 Million as compared to ₹ 1,769.55 Million in the previous year, registering an increase of 13.70 %. The Gross NPA stood at 2.4%. Net NPA (Net of Total ECL Provision) was at -ve as of March 31, 2022.

During the year under review, swift operationalisation of new branches and corresponding increase in human capital was effective in ensuring performance acceleration in terms of growth in AUM, share of certain segments and customer relationships.

IT has been a major game changer in the performance delivery. The Company made important strides in data analytics, artificial intelligence, and machine learning technologies driven by a dedicated team of experienced tech professionals.

RESOURCE MOBILISATION

The Company has strengthened its relationships with banks /financial institution and got fresh sanctions of ₹ 11,950 Million during the financial year under review. As of March 31, 2022, borrowings from Public sector, private sector banks and financial institutions in term loans / CC limits were ₹ 29,175 Million as against ₹ 19,777 Million in FY 2020-21. The Company, during the FY 2021-22, did not raise any amount through issuance of Secured Redeemable Non-Convertible Debentures. However, the Company has redeemed NCD's amounting to ₹ 2,167 Million. The gearing of Company as of March 31, 2022 is 1.83 times. The Company has not issued any Commercial Papers and has NIL outstanding as on March 31, 2022.

DIVIDEND

The Directors have recommended final dividend of 0.50 per share of the face value of 2/- each for the Financial Year 2021-22 (previous year ₹ 0.40 per share). The final dividend on Equity Shares, if approved by the Members in the upcoming Annual General Meeting, would involve a total outgo of ₹ 87.8 Million for the Financial Year 2021-22 as against ₹ 70 Million for the previous year and will be paid to those Members, whose names appear on the Register of Members/beneficial holders' list at the close of business hours on September 16, 2022.

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

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to ₹ 2,21,125 as on the year ended March 31, 2021. During the year, Unclaimed Dividend for the Financial Year 2013-14 amounting to ₹ 26,960 was transferred to Investor Education and Protection Fund on September 22, 2021.

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

IEPF is holding 38,099 Shares of the Company, at the end of the year under review.

TRANSFER TO RESERVES

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. Accordingly, the Company has transferred

₹ 323.77 Million to Statutory Reserve Account. No amount is proposed to be transferred to General Reserve.

DEPOSITS

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

Directors' Report

AWARDS AND RECOGNITION

The Company received an award "Great Place To Work" by Great Place to Work Institute. Further, the Company was recognised as fastest growing lending finance company of the year by Quantic.

SHARE CAPITAL

As on March 31, 2022, the Authorised Share Capital of the Company stood at ₹ 720 Million (36,00,00,000 Equity Shares of ₹2/- each) and the Issued, Subscribed and Paid-up Equity Share Capital of the Company stands at ₹ 351.31 Million (comprising of 17,56,54,055 Equity Shares of ₹2/- each). During the Financial Year 2021-22, the Company has issued and allotted 3,68,700 equity shares of ₹ 2 each on exercise of Stock Options granted to the employees of the Company.

RBI GUIDELINES

Your Company is registered as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC- ND-SI) with RBI. Accordingly, during the year, the Company has not accepted any deposits from the public and therefore, there is no deposits which become due for repayment or renewal. The Company has complied with the 'Master Directions - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', amended from time to time and all other applicable Directions/regulations/circulars of RBI during the Financial Year 2021-22.

CAPITAL ADEQUACY RATIO

As on March 31, 2022, the Company's Capital Adequacy Ratio (CAR), stood at 29.39% of the aggregate Risk Weighted Assets on Balance Sheet and Risk Adjusted Value of the off-Balance Sheet items, which is well above the regulatory requirement (minimum of 15%), providing much needed headroom for fund raising for business operations of the Company.

EMPLOYEES' STOCK OPTION SCHEME

During the year under review, the Nomination and Remuneration Committee of the Board has granted 22,05,000 stock options to the eligible employees under the Employee Stock Option Scheme 2009. The Company has issued and allotted 3,68,700 equity shares of ₹2 each on exercise of Stock Options granted to the employees of the Company.

The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is attached to this Report as Annexure I hereto and is also available on website of the Company at https://www.capriloans.in/investor-information/.

A certificate from the M/s Sandeep P Parekh & Co, Practising Company Secretary, certifying that Employee Stock Option Scheme 2009 has been implemented in accordance with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution(s) passed by the Members would be uploaded on website of Company www.capriloans.in during the Annual General Meeting of the Company for inspection by the Members.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Board has adopted accounting policies which are in line with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

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

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

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

SUBSIDIARY ENTITIES

(a) As on March 31, 2022, your Company has one subsidiary namely Capri Global Housing Finance Limited ("CGHFL"). Further, during the period under review your Company has divested its holding from one of the subsidiary i.e Capri Global Resources Private Limited to Capri Global Holdings Private Limited, Promoter Group entity at a consideration of ₹ 2,76,250 i.e ₹ 0.25 per share. CGHFL has considerably contributed to the overall growth of your Company during the year. There has been no material change in the nature of the business any of the subsidiaries.

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

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

(b) Financial Performance & position of Subsidiaries

1. Capri Global Housing Finance Limited

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

   CGHFL has shown an impressive growth of 51.25% in its loan portfolio to ₹ 17,474 Million in the Financial Year 2021-22 as against ₹ 11,550 Million in the Financial Year 2020-21 and has increased its reach to 17,739 customers from 13,149 customers in previous year. Total Income increased by 34.73% to ₹ 2,204.36 Million as against ₹ 1,636.18 Million in the Financial Year 2021-22. Profit after tax registered a growth of 29.09% at ₹ 431.77 Million in the Financial Year 2021-22 as against ₹ 334.48 Million in the Financial Year 2020-21.

2. Capri Global Resources Private Limited

   Capri Global Resources Private Limited ceased be a subsidiary during the financial year 2021-2022.

FIXED DEPOSITS

The Company being non-deposit taking NBFC – ND-SI, has not accepted any deposits from the public during the year under review.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During the period under review Mr. Ajay Kumar Relan (DIN:00002632) ceased to be Director w.e.f. October 1, 2021, due to untimely demise.

As of March 31, 2022, the Company has five Independent Directors including one woman Director.

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

Mr. Rajesh Sharma was appointed as Managing Director of the Company with effect from July 04, 2018 for a term of 5 years, the said term would expire on July 3, 2023. Based on the recommendation of Nomination and Remuneration Committee the Board proposes appointment of Mr. Rajesh Sharma as a Managing Director of the Company for a period of 5 years with effect from July 4, 2023 to July 3, 2028.

Mr. Raj Ahuja, who was appointed as Chief Financial Officer of the Company w.e.f. December 15, 2020, resigned w.e.f. November 15, 2021. Mr. Rajesh Sharma, Managing Director of the Company was given an additional charge as Chief Financial Officer of the Company with effect from April 23, 2022.

Mr. Harish Agarwal resigned as a Senior Vice President & Company Secretary at the close of business hours on November 19, 2021. Mr. Yashesh Pankaj Bhatt was appointed as Vice President & Company Secretary and Compliance Officer of the Company w.e.f. November 20, 2021.

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

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

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the

Directors' Report

Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations.

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

Board Meetings

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

Constitution of various Committees

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

I. Audit Committee

II. Nomination and Remuneration Committee

III. Corporate Social Responsibility Committee

IV. Stakeholders' Relationship Committee

V. Risk Management Committee

Details of each of the Committees stating their respective composition and terms of reference are uploaded on Company's website at https://www.capriloans.in/ and are stated in brief in the Corporate Governance Report attached to and forming part of this Report.

Policies on Appointment of Directors and their Remuneration

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

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

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

Annual Evaluation of Board, its Committees, and Individual Directors

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

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

Familiarisation Program for Independent Directors

The Company has adopted a structured programme for orientation of all Directors including the Independent Directors at the time of their joining so as to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Management updates the Board Members on a continuing basis of any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company. The Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc.

Familiarisation Program for Independent Directors is mentioned at length in Corporate Governance Report attached to this Report and the details of the same have also been disclosed on the website of the Company at https://www.capriloans.in/ corporate-governance/.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

AUDITORS

A. STATUTORY AUDITORS

In terms of Section 139 of the Act, M.M. Nissim & Co. LLP, Chartered Accountants (Firm Registration no. 107122W/W100672), were appointed as statutory auditors of the Company for a period of three years from the conclusion of the 27th Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company.

M/s. M.M. Nissim & Co. LLP, Chartered Accountants, conducted the statutory audit for the financial year 2021 - 22. There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their Audit Report for the financial year 2021-22.

B. SECRETARIAL AUDIT

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed Sandeep P Parekh & Co., Practicing Company Secretary for conducting Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2022, is appended to this Report as Annexure II (A). There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the financial year 2021-22.

In terms of Regulation 24A of the Listing Regulations, the Secretarial Audit Report of material subsidiary of the Company i.e Capri Global Housing Finance Limited for the financial year ended March 31, 2022, is annexed to this Report as Annexure II(B).

C. REPORTING OF FRAUDS BY AUDITORS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, review and monitor the risk management plan for the Company and ensuring its effectiveness in addition to Asset Liability Management Committee('ALCO') which monitors and manages the liquidity and interest rate risks. The Company and its subsidiary have a risk management framework and the Committee on timely basis informs the Board Members about risk assessment and minimisation procedures which in the opinion of the Committee may threaten the existence of the Company, if any. The Audit Committee has additional oversight in the area of credit & liquidity risks, interest rate risk, and operational risk. The major risks identified by the

Directors' Report

businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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

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

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note - 41 of Standalone Financial Statements.

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

ANNUAL RETURN

Pursuant to the requirement under Section 92(3) of the Companies Act, 2013, copy of the annual return for financial year ended March 31, 2022, can be accessed on our website at https://www.capriloans.in//investor-information/.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

REPORT ON CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. In terms of Regulation 34 of the SEBI Listing Regulations, the Report on Corporate Governance for the financial year ended March 31, 2022, along with the certificate from the Secretarial Auditors of the Company confirming the compliance with regulations of Corporate Governance under the SEBI Listing Regulations is annexed to the Report on Corporate Governance and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

The Whistle Blower Policy is available on the website of your Company at https://www.capriloans.in/corporate-goverance/.

During the year under review, one complaint was received under the Whistle Blower mechanism which was discussed at the Audit Committee meeting and was suitably disposed off.

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

Your Company has adopted zero tolerance for sexual harassment at workplace and has formulated a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. Your Company has complied with provisions relating to the constitution of Internal Committee under the POSH Act. During the year under review, no complaints were received from any of the employees.

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

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

During the Financial Year 2021-22, the Company's foreign exchange earnings were NIL and outgo was ₹ 1.47 Million as against ₹ 1.61 Million in the previous year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

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

As regards investments made by the Company, the details of the same are provided under Notes in the Financial Statements of the Company for the year ended March 31, 2022, forming part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

SIGNIFICANT AND MATERIAL ORDERS

During the Financial Year 2021-22, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

LISTING

Equity Shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. Your Company has paid required listing fees to Stock Exchanges for FY 2022-23.

MAINTENANCE OF COST RECORDS

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

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

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the certificate, as prescribed in Part B of Schedule II of the Listing Regulations, has been obtained from Mr. Rajesh Sharma, Managing Director for the Financial Year 2021-22 with regard to the Financial Statements and other matters. The said Certificate is attached herewith as Annexure VI and forms part of this Report.

DISCLOSURE PERTAINING TO INSOLVENCY & BANKRUPTCY CODE ("IBC")

No application for Bankruptcy under the Insolvency & Bankruptcy Code, 2016 ("IBC") was made against the Company during the financial year under review.

DISCLOSURE OF ONE TIME SETTLEMENT

The Company did not avail any such onetime settlement during the Financial Year. Therefore, disclosure of the 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 to the Company.

Directors' Report

ACKNOWLEDGEMENT

Your directors acknowledge the support extended by the Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies and all other Governmental and Regulatory Authorities for the guidance and support received from them including their officials from time to time.

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

For and on behalf of Board of Directors
Capri Global Capital Limited

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

Date: May 21, 2022
Place: Mumbai

Annexure - I

DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AS ON MARCH 31, 2022

A. RELEVANT DISCLOSURES IN TERMS OF THE ACCOUNTING STANDARDS PRESCRIBED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 133 OF THE COMPANIES ACT, 2013 (18 OF 2013) INCLUDING THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED IN THAT REGARD FROM TIME TO TIME

The relevant disclosure is provided in the Notes to the Financial Statements, under Note 45 for the Financial Year ended March 31, 2022

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

The Diluted Earnings per Share (EPS) before and after extraordinary items for the year ended March 31, 2022 is ₹9.13 each

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

Sr. No	Particulars	
a.	Date of shareholder's approval	September 22, 2009
b.	Total number of options approved under ESOS	2,61,51,340
c.	Vesting requirements	Options would vest not less than one year and not more than six years from the date of grant subject to achievement of performance parameter as evaluated by the Nomination and Remuneration Commiteee.
d.	Exercise price or pricing formula	@ Refer Note
e.	Maximum term of options granted	Stock Options granted shall be capable of being exercised within a period of one year from the date of vesting of the Stock Options.
f.	Source of shares	Primary
g.	Variation in terms of options	There is no variation in the terms of the options during the Financial Year ended March, 31, 2022.
	i. Method used to account for ESOS–The Company uses fair value of options for accounting for stock options granted	
	ii. Where the company opts for expensing of the options using the intrinsic value of the options	
	- the difference between the employee compensation costs computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed	Not applicable
	a. The impact of this difference:	
	i. On Profits	Not applicable
	ii. On EPS	Not applicable
	iii. Option movement during the year	
	1. Number of options outstanding at the beginning of the year	15,80,450
	2. Number of options granted during the year	22,05,000
	3. Number of options forfeited/lapsed during the year	(3,75,950)
	4. Number of options vested during the year	3,90,000
	5. Number of options exercised during the year	3,68,700
	6. Number of shares arising as a result of exercise of options	3,68,700
	7. Money realised by exercise of options (INR), if Scheme is implemented directly by the Company	₹2,16,04,200/-

Annexure - I

Sr. No	Particulars			
		8. Loan repaid by the Trust during the year from exercise price received	N.A.	
		9. Number of options outstanding at the end of the year	30,40,800	
		10. Number of options exercisable at the end of the year	96,000	
	iv.	**Weighted-average exercise prices and weighted-average fair values of options -**		
		Weighted Average Exercise Price: ₹58.6 each		
		Weighted Average Fair Value of the options ₹335.20 each		
	v.	**Employee wise details of options granted:**		
		1. Senior Managerial Personnel	N.A.	
		2. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	List of Employees who were granted 5% or more of the options granted during the year 2021-22:	
			Employee Name	**Designation**
			Mr. Amar Rajpurohit	Business Head – Urban Retail
			Ms. Divya Sutar	Director - Business Strategy
			Mr. Rahul Agarwal	Chief Technology Officer
			Mr. Raj Kumar Ahuja*	Chief Financial Officer
			Mr. Rohit Gupta	Head Real Estate
			Mr. Vinay Surana	Head of Treasury
		3. Identified employee who were granted option, during anyone year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None of the Employees were granted options more than 1% of the issued capital.	
	vi.	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information -** We have used the Black-Scholes Merton formula for Option-Pricing Models. 1. Discount Rate ranging from 4.72% to 6.28% is used based on the benchmark rate available on Government Securities (G. Sec.) for the tenure of 3 to 5 years. 2. Expected volatility for each grant date's fair valuation is ranging from 50% to 60%. 3. Dividend yield is considered as 1.00% is assumed for ESOP's valuations.		

@Note:

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

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

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

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

* Option granted lapsed/cancelled due to resignation

Annexure - II (A)

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

CAPRI GLOBAL CAPITAL LIMITED

CIN: L65921MH1994PLC173469

502, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel,

Mumbai 400013

We have conducted the secretarial audit of the compliance of applicable, statutory provisions and the adherence to good corporate practices by **CAPRI GLOBAL CAPITAL LIMITED** (hereinafter called the "**Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our verification of the data provided to us, w.r.t Minutes, forms and its attachment and returns filed by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2022**, 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:

We have examined the data provided by Company for the financial year ended 31st March, 2022 according to the provisions of:

(1) The Companies Act, 2013 ("the Act") and the rules made thereunder;

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

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(4) 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;

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;-**(Not applicable to the Company during the Audit Period)**

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

(6) The following laws, regulations, directions, orders are applicable specifically to the Company:

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

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

(c) Master Direction - Information Technology Framework for the NBFC Sector

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

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

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

Annexure - II (A)

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Listing Regulation entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors and the Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were also sent adequately, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at the Board meeting is taken unanimously.

As informed to us, we further report that there are adequate systems and processes in the Company which commensurates with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, the Company has complied with provisions of Acts and Rules made thereunder:

For Sandeep P. Parekh & Co
Company Secretaries

Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693
UDIN: F007118D000359294

Place: Navi Mumbai
Date: 21/05/2022

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

My 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 my 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. I believe that the process and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained 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.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sandeep P. Parekh & Co
Company Secretaries

Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693
UDIN: F007118D000359294

Place: Navi Mumbai
Date: 21/05/2022

Annexure - II (B)

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

CAPRI GLOBAL HOUSING FINANCE LIMITED

CIN: U65990MH2006PLC161153

502, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel,

Mumbai 400013

We have conducted the secretarial audit of the compliance of applicable, statutory provisions and the adherence to good corporate practices by CAPRI GLOBAL HOUSING FINANCE LIMITED (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my Opinion thereon.

Based on our verification of the data provided to us, w.r.t Minutes, forms and its attachment and returns filed by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022, 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:

We have examined the data provided by Company for the financial year ended 31st March, 2022 according to the provisions of:

(1) The Companies Act, 2013 ("the Act") and the rules made thereunder;

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

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(4) 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;

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

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

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

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

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

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

(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; - **(Not applicable to the Company during the Audit Period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;-**(Not applicable to the Company during the Audit Period)**

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

(6) The following laws, regulations, directions, orders are applicable specifically to the Company and as confirmed by Mr. Rajesh Sharma, Managing Director, same have been Complied by the Company :

a) The National Housing Bank Act, 1987 and the circulars/ guidelines issued thereunder;

Annexure - II (B)

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

c) Master Circular on Fair Practice Code for Housing Finance Companies;

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

e) Master Directions – Non-banking financial companies – Housing Finance Companies (Reserve Bank of India) Directions, 2021; and

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

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India.

2. The Listing Regulation entered into by the Company with BSE Limited, to the extent of its debt securities.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors and the Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were also sent adequately, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision at the Board meeting is taken unanimously.

As informed to us, we further report that there are adequate systems and processes in the company which commensurates with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, the Company has complied with provisions of Acts and Rules made thereunder.

We further report that during the audit period following major event have occurred:

1. The Company has redeemed 250 Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs") having face value of INR. 10,00,000/- each aggregating to INR 25 Crores on 28th January, 2022.

2. The Company has issued and allotted 1,04,89,510 Fully paid up, Equity Shares having face value of INR. 10/- each at premium of INR. 133/- each to its Existing Shareholders on Rights issue basis.

For Sandeep P. Parekh & Co
Company Secretaries
Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693
UDIN: F007118D000336744

Place: Navi Mumbai
Date: 21/05/2022

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

My 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 my 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. I believe that the process and practices I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained 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.

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

For Sandeep P. Parekh & Co
Company Secretaries

Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693
UDIN: F007118D000336744

Place: Navi Mumbai
Date: 21/05/2022

ANNEXURE - III

Annual Report on CSR Activities for Financial Year 2021-2022

1. Brief outline on CSR Policy of the Company.

At CGCL, we have always viewed CSR as an instrument for impactful transformation, and not an obligation that needs to be complied with. Over the years, we have developed a strong culture of caring and giving back to the society, which fit together with our core business.

The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. The Company strives to contribute positively to improve their standard of living, through its interventions in sustainable skill development, Health, water & sanitation, and education.

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

Sustainable Skill Development – Initiatives majorly includes providing access to financial inclusion activities, entrepreneurship initiatives, skilling for innovative agriculture, Skilling and entrepreneurship and other vocation-based trainings. Gender consciousness, Technology and Innovation would be the cross cutting across all these key initiatives

Health and Nutrition - We believe that a good health is cardinal to human wellbeing and enables one to achieve life goals. This financial year as well, Under Health and Nutrition focus and outlay remained concentrated on issues like combating malnutrition and access to preventive health services especially with special focus on women health and access of healthcare services to tribal padas.

Education - Initiatives includes innovation and incubation programs, Promoting learning enhancement amongst children, in schools, Child care institutions and in communities, innovative teaching methodology, ongoing community-based education programs and institution-based programs. Efforts are being taken to remain digitally connected to the children, despite challenges.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Bhagyam Ramani	Chairperson of the Committee	2	2
2	Mr. Beni Prasad Rauka	Member	2	1
3	Mr. Rajesh Sharma	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. Corporate-Social-Responsibility-Policy.pdf (www.capriloans.in)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). NA

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in ₹)
		None	
	Total		

6. Average net profit of the company as per section 135(5).

The average net profit of the Company for the last three financial years is **₹ 19,156.53 Lacs.**

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs. 383.13 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NA

(c) Amount required to be set off for the financial year, if any

NA

(d) Total CSR obligation for the financial year (7a+7b-7c). **383.13 Lacs**

The Company is required to spend an amount of **₹ 383.13 Lacs** as CSR expenditure during the financial year 2021-22

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 383.13 Lacs spent towards various activities for the benefit of the community.	-	-	-	-	-

Annexure - III

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project.							Mode of Implementation - Through Implementing Agency	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	State.	District.	Project duration.	Amount allocated for the project (Rs. In lacs)	Amount spent in the current financial Year (Rs. in lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lacs)	Mode of Implementation - Direct (Yes/ No).	Name	CSR Registration number.
1.	Capri Education Initiative - School Adoption Project, Provide a quality education to under privileged children from tribal areas Supported Beneficiaries -1749 Nos	Clause (ii) of Schedule VII	Yes	Maharashtra, Rajasthan,	Palghar, Udaipur,	Three Years	11.94	11.94	-	No	1) Swami Vivekanand Educational Pratishthan	CSR00009183
											2) Kshamtalaya Foundation	CSR00002738
2.	Capri Health Initiative – Project on Promotion of safe menstruation behaviour among women, Primary Health care and Health camps Supported Beneficiaries: 147305 Nos.	Clause (i) of Schedule VII Health Care	Yes	Maharashtra, Madhya Pradesh, West Bengal, Haryana, Odisha, Karnataka, Delhi, Jharkhand, Uttar Pradesh, Tamil Nādu, Rajasthan, Kerala, Andhra Pradesh, Uttarakhand, Himachal Pradesh, Chhattisgarh, Bihar, Telangana, Jammu & Kashmir, Assam,	Mumbai, Thane, Bhopal, Mandla, Dhindori, Jhabua, Indore, Ujjian, Jabalpur, Katni, Chikkaballapur, Chittor, Darrang, Darjeeling, Howrah, (PAN India)	Three years	160.50	160.50	-	No	1) Shubhra Priyamvada Foundation,	CSR00008193
											2) Sukhibhava Foundation,	CSR00007990
											3) Win Over Cancer	CSR00001982
											4) Doctors for You	CSR00000608
3.	Capri Education, Health and Nutrition Initiative: Provide a quality education to under privileged children from tribal areas and from child care institutions, Combating Malnutrition, Supported Beneficiaries: 1139	Clause (i) (ii) of Schedule VII	Yes	Madhya Pradesh	Indore, Ujjain, Khandwa, Itarsi, Jabalpur, Katni, Chhindwara, Sehore	Three Years	59.32	59.32	-	No	1) Parivaar Education Society	CSR00000052
											2) Catalysts for Social Action	CSR00002803

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (Rs. In lacs)	Amount spent in the current financial Year (Rs. in lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lacs)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
4.	Capri Livelihood Development and Women Empowerment - Promotion of Entrepreneurship and sustainable agriculture practices Financial Inclusion among women and Skill development Strengthening of Self-Help Group, Federation. Supported Candidates -17266 Nos.	Clause (ii) (x) of Schedule VII	Yes	Madhya Pradesh, Rajasthan, Karnataka, Nagaland, Maharashtra,	Maheshwar, Udaipur, Chikkavallapura Phek, Kohima, Mokokchung, Wokha, Dimapur, Peren, Tuensang, Mumbai, Satara, Raigad	Three Years	123.65	118.42	-	No	1) Seva Mandir	CSR00000288
											2) Buzz India Trust	CSR00002928
											3) Entrepreneurs Associates	CSR00005848
											4) Save the Children India	CSR00000158
											5) Women's Integrated and Synergistic	CSR00002167
											6) Swades Foundation	CSR00000440
5.	Capri Animal Welfare initiatives	Clause (iv) of Schedule VII	No	Telangana, Andhra Pradesh	Hyderabad, SangaReddy, Medichal-Malkajgiri, RangaReddy, Nalgonda, Yadadri-Bhuvunagiri. Krishna, Guntur, Prakasham and West Godavar	Three year	0.50	6.32		No	Yuga Thulasi Foundation	CSR00007103
	Total						**355.91**	**356.51**				

Annexure - III

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Rs. in lacs).	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name.	CSR Registration number.
1	Capri Education Initiative - Incubation, Innovation Program - **300 Nos**	Clause (ix) (a) of Schedule VII	PAN India	PAN India	-	8.03	No	CIIE Initiatives	CSR00002977
2	COVID-19 Relief efforts Supported: Medical equipment's to Govt Hospital: Benefited to **1500**	Clause (i) and (xii) of Schedule VII	Yes	Maharashtra	Mumbai	11.59	Yes	-	-
3	COVID-19 Relief efforts Supported: Covid-19 Day care Centre Benefited to **500**	Clause (i) and (xii) of Schedule VII	Yes	Delhi	Delhi	2.00	No	International Society for Krishna Consciousness, (ISKCON)	CSR00005241
4	Animal Welfare	Clause (iv) of Schedule VII	No	Telangana, Andhra Pradesh	Hyderabad, SangaReddy, Medichal-Malkajgiri, RangaReddy, Nalgonda, Yadadri-Bhuvunagiri. Krishna, Guntur, Prakasham and West Godavari	5.00	No	Yuga Thulasi Foundation	CSR00007103
	Total					**26.62**			

(d) Amount spent in Administrative Overheads - **NA**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 383.13 Lacs.**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in lacs)	Amount spent in the reporting Financial Year (Rs. in lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. in lacs)
				Name of the Fund	Amount (Rs. in lacs)	Date of transfer.	
1.	2020-21	3.57	3.57	-	-	-	-
	Total	**3.57**	**3.57**				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - **NA**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1								
2								
3								
	Total							

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.

NA

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). **NA**

(b) Amount of CSR spent for creation or acquisition of capital asset. **NA**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NA**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**

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).

Sd/-	Sd/-	NA
Rajesh Sharma Managing Director	Bhagyam Ramani Chairperson of Committee	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).

ANNEXURE - IV

Details pertaining to employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Particulars		Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22	-	Mr. Rajesh Sharma (Managing Director) – 8.89x.
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	-	**Directors:** 1) Mr. Rajesh Sharma (Managing Director) - NIL **Key Managerial Personnel:** Mr. Raj Ahuja1, Chief Financial Officer - NA * Mr. Harish Agrawal2, Company Secretary - NA * Mr. Yashesh Bhatt3, Company Secretary - NA *
iii.	The percentage increase in the median remuneration of employees in the financial year	-	6.25%
iv.	The number of permanent employees on the rolls of Company	-	2847 employees as on 31.03.2022 (1702 employees as on 31.03.2021)
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	-	Average increase in salary of eligible employees other than managerial personnel is NA. Remuneration of Managing Director was not increased during FY 2021-22.
vi.	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees		

[1]Mr. Raj Ahuja ceased to be Chief Financial Officer of the Company with effect from December 15, 2021
[2]Mr. Harish Agrawal ceased to be Company Secretary of the Company with effect from November 19, 2021
[3]Mr. Yashesh Bhatt appointed as Company Secretary of the Company with effect from November 20,2021
* Remuneration does not include variable pay.

Note:

Employee performance is appraised based on the performance of the Company during the previous year.

ANNEXURE - V
BUSINESS RESPONSIBILITY REPORT 2021-22

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

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of Capri Global Capital Limited ("the Company") for the financial year 2021-22 is presented below.

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

NINE PRINCIPLES OF THE NVGS:

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

SECTION A:
GENERAL INFORMATION ABOUT OF THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L65921MH1994PLC173469
2.	Name of the Company	Capri Global Capital Limited ("CGCL")
3.	Registered and Corporate office address	502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India
4.	Website	www.capriloans.in
5.	E-mail id	compliance.officer@capriglobal.in
6.	Financial Year Reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services except Insurance and pension funding activities - NIC Code: 64920
8.	List of key products/services that the Company provides	Capri Global Capital Limited (CGCL) is a Non- Deposit Taking, Systematically Important Non-Banking Financial Companies (NBFC-ND-SI) engaged in financial services which includes business loans for MSME and project loans in Construction Finance Sector. Key Products/Services are as follows: 1. Loan to MSME/ SME Businesses 2. Loans Against Property 3. Construction Finance / Project Finance 4. Cash Flow Backed / Asset Backed Financing 5. Structured Debt 6. Working Capital Loans 7. Indirect Retail Lending to NBFC 8. Car Loan 9. Co-lending with banks
9.	Total number of locations where business activity is undertaken by the Company	All lending activities are done only in India.
(I)	Number of International Locations	Not Applicable
(II)	Number of National Locations	The Company has PAN India presence. As at March 31, 2022, the Company has 117 Branches in India.
10.	Markets served by the Company	The Company has a PAN-India presence and offices in 12 states/union territories spread across 117 branches in India.

ANNEXURE - V

SECTION B:
FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	₹35,13,08,110/- as on March 31, 2022
2.	Total Turnover	Standalone: ₹ 7656 Million
3.	Total Profit after Taxes	Standalone: ₹ 1619 Million
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax	The Company has spent 2% of its average net profits for the preceding three financial years in terms of Section 135 of the Companies Act, 2013 and Rules made thereto towards CSR activities in financial year 2021-22.
5.	List of activities in which expenditure in Sr. No. 4 above has been incurred	CGCL has undertaken CSR Activities as per Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2021-22 attached as Annexure-III to the Directors' Report.

SECTION C:
OTHER DETAILS OF THE COMPANY

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

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

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

b. Details of the Business Responsibility Head:

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

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

The principle wise responses are given below:

Sl. No	Questions	P1 Ethics Transparency & Accountability	P2 Business Lifecycle Sustainability	P3 Wellbeing of all employee	P4 Stakeholder's Engagement	P5 Human Rights	P6 Protection of Environment	P7 Public Advocacy	P8 Inclusive Growth and equitable development	P9 Customers' Value
1	Is there a policy for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy conform to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	Y (Refer Note b)	- (Refer Note b)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note b)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	-	-	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	-	Y (Refer Note d)	Y (Refer Note d)

ANNEXURE - V

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

Notes:

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

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

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

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

3. **Governance related to Business Responsibility:**

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

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

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

   The Company has prepared its second Business Responsibility Report (BRR). The BRR forms part of the Annual Report 2021- 22 and is available on the Company's website. The hyperlink is www.capriloans.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

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

   Details of the stakeholder complaints received during the financial year 2021-22 and pending as on March 31, 2022 are as under

Sl. No.	Nature of Complaints	No. of complaints received during the Year	No of complaints resolved	% of Complaints resolved
1	Complaints/ queries received from loan customers	181	181	100%
2	Investor complaints	0	0	N.A

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

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

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

ANNEXURE - V

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

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

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

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

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

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   The Company has its presence all over India and has a practice of purchasing goods and services required for its operations from local suppliers. The Company is progressing more towards digital transactions.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   The Company is into financing business and as such no waste or recycle products are generated.

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

1	Total Number of Permanent Employees	2845
2	Number of Employees on Temporary / Contractual / Casual Basis	3
3	Number of Permanent Women Employees	77
4	Permanent Employees with disabilities	Nil
5	Is there an Employee association that is recognized by management?	No
6	Percentage of permanent employees that are members of this recognised employee association	Not Applicable

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

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

2. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

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

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

1. **Has the Company mapped its internal and external stakeholders?**

   Yes. The Group engages with various stakeholders viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc., on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

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

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

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

CGCL fully endorses and supports the new surrogate method devised to gauge credit worthiness of the under-served customer segments. Lack of formalised documentation should not be a deterrent in financial inclusion towards its flagship scheme, "Unlocking Potentials, Empowering People". Towards this goal, the Company has extended credit to these MSMEs, without diluting credit norms. Additionally, CGCL undertakes the CSR projects through Capri Foundation registered under Bombay Public Trust Act, 1950 and other implementing partners for disadvantaged, marginalized stakeholders from various strata's of society.

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

a. Sustainable Livelihood for Women Empowerment

b. Health and Nutrition Initiative

c. Water, Sanitation and Hygiene Initiative

d. Education Initiative

e. Sustainable Environment Initiative

f. Disaster Response and Risk reduction Initiative

The CSR interventions are focused on enhancing quality of life of the community in the vicinity of business locations by way of improving community generating sustainable livelihood, healthcare and education. During the financial year ended March 31, 2022, CSR initiative has reached to 40,050+ beneficiaries across the states.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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

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

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

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

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

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

ANNEXURE - V

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   There were no show cause/ legal notices received from CPCB/SPCB during the financial year 2021-22.

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

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

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

   a. Confederation of Indian Industry;

   b. Indian Merchants Chamber;

   c. Bombay Chambers of Commerce and Industry

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

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

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

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

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

Yes. CGCL undertakes several projects that are focused on social development. In Financial Year 2021-22, the Company promoted inclusive growth by focusing primarily on three social sector areas, namely:

(i) Sustainable Livelihood & Women Empowerment

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

b. Women farmers are being trained and channelized for adopting sustainable agricultural practices such as multi cropping and reaching the products to the right markets and scale the business;

c. Women trained on digital Literacy; and financial inclusion

d. Livelihood Initiative by training the women vendors and provided revolving funds to expand their business

(ii) Education

a. Providing scholarships to support meritorious students; and

b. School adoption Initiative

(iii) Healthcare & Nutrition

a. Reduce the rate of Malnutrition among children

b. Promotion of holistic health among children

c. Promote proportion of ideal height and weight among children

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

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

(iv) Water, Sanitation and Hygiene Initiative

a. Created safe, Hygiene and enabling environment in Govt. Schools;

b. Facilitated regular Sanitization/Disinfection of Schools;

c. Improved Wash Facilities; and

d. Provided safe and clean drinking water facilities

(v) Disaster Response and Risk Reduction Initiative

Distribution of Medical Equipment's to Govt. Hospital and Support for 24x7 Medical care support for COVID-19 patients

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

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

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

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

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

In Financial year 2021-22, CGCL has spent towards CSR Budget an amount computed in accordance with Section 135 of the Companies Act, 2013 and Rules made thereto in the activities/areas as mentioned in Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2021-22 attached as Annexure-III.

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

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

ANNEXURE - V

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

1. **What percentage of customer complaints/ consumer cases are pending as at the end of the financial year?**

   The Company has resolved 100% of complaints received from customers and no complaints were received from investors during the year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks**

   Since the Company is engaged in offering financial services, the above question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are complied with as per the extant Regulatory norms.

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

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

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   None

4. **Did the company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has not carried out any formal consumer survey to map consumer satisfaction.

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

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

ANNEXURE - VI
MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

Dear Sirs and Madam,

I, Rajesh Sharma, Managing Director & Chief Financial Officer of the Company, do hereby certify that:

a) I have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 and that to the best of my knowledge and belief:

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

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

b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 are fraudulent, illegal or violative of the Company's code of conduct.

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

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

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

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

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

for **Capri Global Capital Limited**

Sd/-
Rajesh Sharma
Managing Director & Chief Financial Officer

Place: Mumbai
Date: 21.05.2022

REPORT ON CORPORATE GOVERNANCE

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

1. The Company's Philosophy on Corporate Governance

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

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

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

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

2. Board of Directors

As of March 31, 2022, the Board of Directors (the 'Board') has six members of which five were Independent Directors. The profiles of Directors can be found at https://capriloans.in/leadership-team/. The composition of the Board is in accordance with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

2.1. Mr. Ajay Relan (DIN: 00002632), Independent Director of the Company ceased to be a Director w.e.f. October 01, 2021, due to demise.

2.2. None of the Directors on the Board holds directorship in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors are related to each other.

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

2.4. Four board meetings were held during the year on May 27, 2021, August 2, 2021, October 30, 2021, and February 12, 2022. The gap between two meetings did not exceed one hundred and twenty days.

2.5. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Name of Director	DIN	Category in the Company	No. of Board Meetings		Attendance at the last AGM	Number of Directorships in other Public Companies				Number of committee positions held in other public companies		No. of equity shares held in CGCL as on March 31, 2022
			Held during their tenure	Attended		Listed	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	
Mr. Rajesh Sharma[3]	00020037	Managing Director	4	4	Yes	0	NA	NA	1	NIL	NIL	500
Mr. Beni Prasad Rauka	00295213	Non-Executive & Independent Director	4	3	Yes	1	Indergiri Finance Limited	Non-Executive & Non-Independent Director	3	1	1	NIL
Ms. Bhagyam Ramani	00107097	Non-Executive & Independent Director	4	4	Yes	3	Gujarat Sidhee Cement Limited Saurashtra Cement Limited Lloyds Metals and Energy Limited	Non-Executive & Independent Director	2	0	2	NIL
Mr. Mukesh Kacker	01569098	Non-Executive & Independent Director	4	4	Yes	0	NA	NA	2	0	0	NIL
Mr. Ajay Kumar Relan[4]	00002632	Non-Executive & Independent Director	2	2	Yes	4	Hindustan Media Ventures Limited Next Mediaworks Limited HT Media Limited Digicontent Limited	Non-Executive & Non-Independent Director	3	4	7	NIL
Mr. Ajit Mohan Sharan	02458844	Non-Executive & Independent Director	4	4	Yes	1	Dabur India Limited	Non-Executive & Independent Director	1	0	1	NIL
Mr. Desh Raj Dogra	00226775	Non-Executive & Independent Director	4	4	Yes	5	GR Infraprojects Limited Axiscades Technologies Limited S Chand & Company Limited IFB Industries Limited Welspun Corp Limited	Non-Executive & Independent Director	1	3	2	NIL

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

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

[3]Mr. Rajesh Sharma, Managing Director is also the Promoter of the Company

[4]Mr. Ajay Relan ceased to be an Independent Director of the Company w.e.f. October 01, 2021 due to demise.

REPORT ON CORPORATE GOVERNANCE

2.6. During the Financial Year 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

2.7. During the Financial Year 2021-22, an Independent Directors meeting was held on May 24, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors.

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

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

Being a Non-Banking Finance Company, the Company's business runs across different industry verticals and geographical markets. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

2.9. In terms of Regulations 25(7) and 46 of SEBI Listing Regulations, the details of the familiarization programme imparted to Independent Directors are available on the Company's website at https://capriloans.in/corporate-governance/

3. Committees of the Board

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

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

A. Audit Committee

Composition

Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference in accordance with Master Direction-Non-Banking Financial Companies–Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, Section 177 of the Act and in accordance with Regulation 18 of SEBI Listing Regulations. As on March 31, 2022, the Audit Committee comprised of three (3) Members, all of whom are Non-Executive Independent Directors, financially literate and possesses accounting and related financial management expertise. The Chairman of the Audit Committee is a Non- Executive Independent Director and was present at last year's Annual General Meeting held on September 15, 2021 which was held through Video Conferencing.

Terms of Reference

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

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

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

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

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

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

   ii. any changes in accounting policies and practices;

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

   iv. significant adjustments resulting from the audit findings;

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

   vi. disclosure of related party transactions;

   vii. qualification in draft audit report.

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

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

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

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

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

j. consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company

REPORT ON CORPORATE GOVERNANCE

subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;

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

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

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

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

o. scrutinize inter-corporate loans and investments;

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

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

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

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

t. review functioning of the Whistle Blower Policy;review the mechanism to track insider trading

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

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

w. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

x. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

y. ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

z. review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

aa. oversee the functions of the Insider Trading Inquiry Committee (ITIC) and peruse the report of the ITIC to decide the action to be taken against the person(s) responsible for the incidence and direct the HR department to take disciplinary action which may include termination, suspension, wage freeze.

Meeting and Attendance

During the year under review, the Audit Committee met six (4) times viz. on May 27, 2021, July 29, 2021, October 30, 2021 and February 12, 2022,. The required quorum was present for all the Audit Committee meetings. Gap between Two (2) Committee Meetings did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations.

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

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairman	4	3
Ms. Bhagyam Ramani	Member	4	4
Mr. Mukesh Kacker	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee is duly constituted in accordance with Section 178 of the Act and in accordance with Regulation 19 of SEBI Listing Regulations. As on March 31, 2022, the Nomination and Remuneration Committee comprised of Four (4) Members, all of whom are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is a Non- Executive Independent Director.

Terms of Reference

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

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

b. review the agreement(s) and/or deed(s) to be executed with any director to be appointed/re-appointed, including but not limited to the Deed of Covenant as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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

d. devising a policy on diversity of Board of Directors;

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

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

g. evaluate the performance of the directors of the Company & review and recommend to the Board on their re-appointment/extension or continuation of their terms of appointment;

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

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

j. recommend to the Board, all remuneration payable to the senior management, in whatever form

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

l. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

m. Implement and administer the Employee Stock Option Scheme."

Meeting and Attendance

During the year under review, Nomination and Remuneration Committee met three (3) times viz. on May 19, 2021, October 30, 2021and February 12, 2022. Composition of the Nomination and Remuneration Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairman	3	3
Mr. Beni Prasad Rauka	Member	3	3
Mr. Ajit M Sharan	Member	3	3
Mr. Desh Raj Dogra	Member	3	3

The Company Secretary acts as the Secretary to the Committee.

Nomination and Remuneration Policy

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

REPORT ON CORPORATE GOVERNANCE

Director Remuneration:

(in ₹)

Sl. No.	Name of the Director	Sitting Fees for attending Board & Committee Meetings	Salary and Perquisites	Incentive/ Bonus	Total
1.	Mr. Rajesh Sharma	Nil	24,00,000	Nil	24,00,000
2.	Mr. Beni Prasad Rauka	11,55,000	N.A	N.A	11,55,000
3.	Ms. Bhagyam Ramani	25,35,000	N.A	N.A	25,35,000
4.	Mr. Mukesh Kacker	7,75,000	N.A	N.A	7,75,000
5.	Mr. Ajay Kumar Relan*	1,50,000	N.A	N.A	1,50,000
6.	Mr. Ajit Mohan Sharan	5,55,000	N.A	N.A	5,55,000
7.	Mr. Desh Raj Dogra	7,15,000	N.A	N.A	7,15,000

* Due to the sad demise, Mr. Ajay Kumar Relan ceased to be a director with effect from October 01, 2021.

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

Service contract, Severance fees and Notice Period

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

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

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

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors , who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee is duly constituted by the Board of Directors in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprised of three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Stakeholders Relationship Committee is a Non- Executive Independent Director and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference

The Broad terms of reference of the Stakeholders Relationship Committee, inter-alia, includes the following:

a. Resolve the grievances of security holders including but not limited to complaints/ grievances pertaining to transfer / transmission of shares, non-receipt of annual reports, non-receipt of declared dividends issue of new / duplicate certificates, general meetings and other miscellaneous complaints;

b. adherence to Service Standards and Standard Operating Procedures relating to various services rendered by Registrar and Share Transfer Agent, and recommends measures to improve level of investor services.

c. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders, status of claims received and processed for unclaimed shares;

d. Review of measures taken for effective exercise of voting rights by shareholders.

Meeting and Attendance

During the year under review, Stakeholders Relationship Committee met four (4) times viz. on May 18, 2021, July 31, 2021, October 21, 2021 and February 3, 2022. Composition of the Stakeholders Relationship Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairman	4	4
Ms. Bhagyam Ramani	Member	4	4
Mr. Rajesh Sharma	Member	4	4

The Company Secretary of the Company acts as the Secretary to the Committee.

Number of Grievances:

There were no complaints received during the year under review and there was no outstanding complaint as on March 31, 2022.

Name and Designation of Compliance Officer

Mr. Yashesh Bhatt, Company Secretary and Compliance Officer

502, Tower – A, Peninsula Business Park,

Senapati Bapat Marg,

Lower Parel, Mumbai – 400013.

Tel. No.: 022 – 4354 8125

Email: secretarial.officer@capriglobal.in,

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with Section 135 of the Act. As on March 31, 2022, the CSR Committee comprised of Three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the CSR Committee is a Non-Executive Independent Director.

Terms of Reference

The Broad terms of reference of the Corporate Social Responsibility (CSR) Committee, interalia, includes the following:

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;

b. to recommend the amount of expenditure to be incurred on the CSR activities; and

c. to monitor the implementation of the CSR Policy of the Company from time to time.

Meeting and Attendance

During the year under review, Corporate Social Responsibility Committee met Two (2) times viz. on May 25, 2021, and February 12, 2022. Composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairman	2	2
Mr. Beni Prasad Rauka	Member	2	1
Mr. Rajesh Sharma	Member	2	2

The Company Secretary acts as the Secretary to the Committee.

E. Risk Management Committee

The Risk Management Committee is duly constituted in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 in respect of all non-deposit taking NBFCs with asset size of ₹ 500 crores and above and Regulation 21 of SEBI Listing Regulations. As on March 31, 2022, the Risk Management Committee comprised of Four (4) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Risk Management Committee is a Managing Director of the Company and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference:

The Broad terms of reference of the Risk Management Committee, interalia, includes the following:

a. To formulate a detailed risk management policy to include a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; measures for risk mitigation including systems and processes for internal control of identified risks; Business continuity plan;

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

REPORT ON CORPORATE GOVERNANCE

c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e. To keep the Board Of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee;

g. To oversee the functioning of Asset Liability Management Committee."

Meeting and Attendance

During the year under review, Risk Management Committee met four (4) times viz. on May 18, 2021, July 31, 2021, October 21, 2021 and February 03, 2022. Composition of the Risk Management Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Rajesh Sharma	Chairman	4	4
Mr. Beni Prasad Rauka	Member	4	4
Ms. Bhagyam Ramani	Member	4	4
Mr. D.R. Dogra	Member	4	4

The Company Secretary of the Company acts as the Secretary to the Committee.

4. General Body Meetings

A. The details of Annual General Meeting ("AGM") held during the last 3 years along with the details of the special resolutions passed there are as under:

Financial Year	Date and Time	Venue	Special Resolution passed
2018-19	August 2, 2019 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of paid-up capital and free reserves upto ₹6,500 crores; • Mortgage / create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹1,000 crores; • Enable conversion of loan into equity
2019-20	July 31, 2020 04.00 P.M	Through Video Conferencing/Other Audio Visual means ('VC/OAVM') Facility At 502 A, Peninsula Business Park, Lower Parel, Mumbai- 400013	• Raising of Funds through issuance of Securities including Debentures and other securities to the extent of ₹1,250 Crore • Conversion of Loan into Equity
2020-21	September 15, 2021 04.00 P.M	Through Video Conferencing/Other Audio Visual means ('VC/OAVM') Facility At 502 A, Peninsula Business Park, Lower Parel, Mumbai- 400013	• Appoint Mr. Desh Raj Dogra as Independent Director of the Company • Appointment of M/s. M M NISSIM & CO. LLP, Chartered Accountants, as Statutory Auditor • Raising of Funds through issuance of Securities

B. Postal Ballot

No postal ballot was conducted during the Financial year 2021-22. None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

5. Means of Communication

The quarterly/half yearly/annual results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep). The Company also issues press releases from time to time. The quarterly/half yearly/annual results/press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company at www.capriloans.in. A Management Discussion and Analysis Report is a part of this Annual Report.

GENERAL SHAREHOLDERS' INFORMATION

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the SEBI Listing Regulations"), the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

A. Annual General Meeting

Day	**Monday**
Date	**September 26, 2022**
Time	**4:00 P.M**
Venue	The Company is conducting meeting through video conferencing / other audio-visual means (deemed venue – Registered Office of the Company.)
Financial Year	April 1, 2021 to March 31, 2022
Cut-off date	September 19, 2022
Listing of Equity Shares at Stock Exchanges	1. BSE Limited Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. Tel No: - +91-22-22721233/1234 Fax No:- +91-22-22721919
	2. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No- C Block, G Block, Bandra Kurla Complex, Mumbai-400 051. Tel No: - +91-22-26598100-8114 Fax No: - +91-22-26598120
Stock Codes	BSE: 531595 NSE: CGCL
ISIN Number	INE180C01026(Equity Shares) Non-convertible Debentures INE180C07072 INE180C07080 INE180C07098 INE180C07114
Corporate Identification Number (CIN)	L65921MH1994PLC173469

The Annual Listing Fees for the financial year 2022-23 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within prescribed time.

B. Dividend

Dividend Payment Date	The final dividend, if approved by the shareholders shall be paid / credited on or from September 30, 2022

Address of General Correspondence	Registered Office and Corporate Office of the Company
Mr. Yashesh Bhatt Company Secretary & Compliance Officer Capri Global Capital Limited Email: secretarial@capriglobal.in	502, A Tower, Peninsula Business Park Lower Parel, Senapati Bapat Marg, Mumbai-400013 Tel. No. (022)–40888100

C. Market price data

The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The monthly high and low share prices on both the exchanges for a period starting from April 2021 to March 2022 are as below:

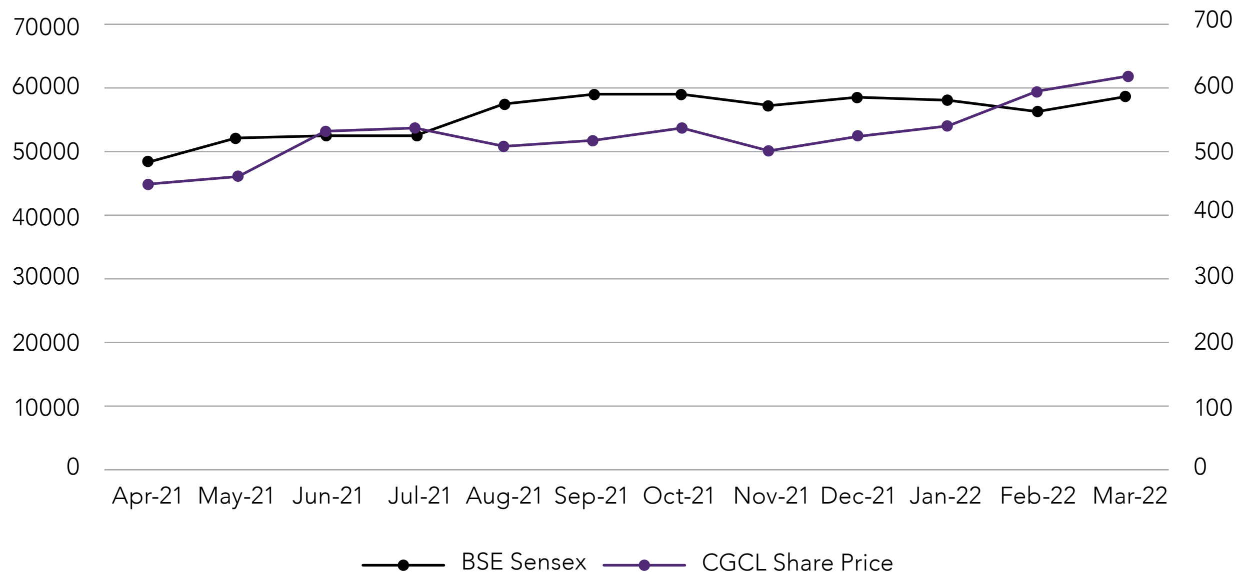
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
April 2021	454.85	372.5	17086	455	425	1,87,951
May 2021	498.9	430	20982	474.95	459	50,739
June 2021	578.7	462.2	50014	536.65	528.05	37,244

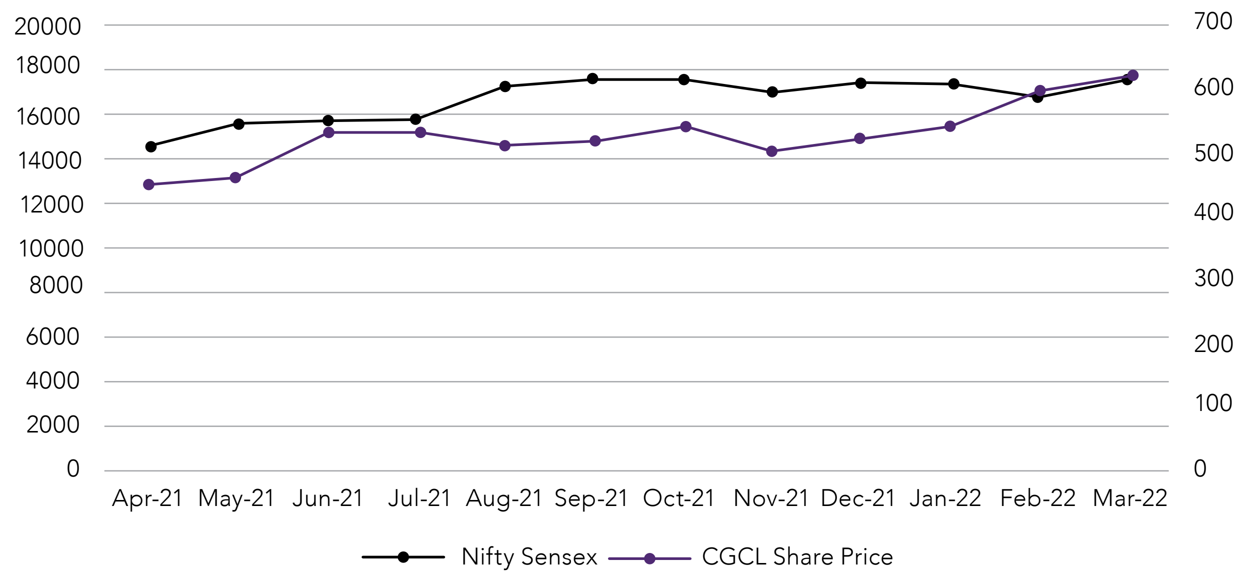
REPORT ON CORPORATE GOVERNANCE

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
July 2021	565.55	516	82463	546.75	521	54,297
August 2021	560	495	85491	521.15	505.05	49,192
September 2021	522.85	477	36383	521.7	503.25	50,573
October 2021	568.3	498.6	32894	549.55	516.6	33,230
November 2021	548.6	480	8333	517.55	490.1	26,922
December 2021	554	451	10277	525	514.25	29,507
January 2022	559	505	8,126	545	531.3	9,949
February 2022	629.95	522.05	16,500	609.9	590	2,36,261
March 2022	643.9	571.3	9,791	628.35	615	39,187

Sources: www.bseindia.com , www.nseindia.com

The Performance of the equity share price of the Company in comparison with Broad based Indices:





D. REGISTRAR AND SHARE TRANSFER AGENTS

Address for Investor Correspondence

For any assistance regarding dematerialization of shares, re-materialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

LINK INTIME INDIA PRIVATE LIMITED

Unit-Capri Global Capital Limited
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270; Fax: +91 (22) 49186060

Email: rnt.helpdesk@linkintime.co.in and mumbai@linkintime.co.in Web: www.linkintime.co.in

E. SHARE TRANSFER SYSTEM

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under Regulation 40(9) of Listing Regulations and files a copy of the certificate with Stock Exchanges.

F. DISTRIBUTION OF SHAREHOLDING

Category	Shareholders		Equity Shares	
	Number	Percentage (%)	Number	Percentage (%)
1-500	9103	94.67	474986	0.27
501-1000	215	2.23	172433	0.1
1001-2000	102	1.06	1,48,413	0.08
2001-3000	57	0.59	1,44,155	0.08
3001-4000	20	0.21	72,991	0.04
4001-5000	18	0.19	83,813	0.05
5001-10000	33	0.34	255317	0.15
10001 and above	68	0.71	17,43,01,947	99.23
Total	**9616**	**100**	**17,56,54,055**	**100**

G. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2022

Category	No. of Equity Shares	Percentage of the total paid–up equity share capital (%)
Shareholding of Promoters and Promoters' Group:		
Promoters	800	0.00
Promoters' Group and Persons acting in concert including relatives	13,12,41,738	74.72
Total (A)	**13,12,42,538**	**74.72**
Public Shareholding		
Individuals	22,75,655	1.3
Bodies Corporate	2,98,69,228	17.00
Mutual Funds	3,302	0.00
Clearing Members	37,470	0.02
NBFC	8,050	0.00
HUF	1,55,807	0.09
IEPF	38,099	0.02
Non-resident Indians	39,223	0.02
Foreign Portfolio Investors	1,81,816	0.11
Insurance Companies	1,18,00,000	6.72
Total (B)	**4,44,11,517**	**25.28**
Total (A+B)	**17,56,54,055**	**100.00**

REPORT ON CORPORATE GOVERNANCE

H. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's Shares are compulsorily traded in dematerialized form on NSE and BSE. Equity Shares representing 99.99 % of the Company's Equity Share Capital are dematerialised as on March 31, 2022. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE180C01026.

I. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION AND LIKELY IMPACT ON EQUITY CAPITAL

The Company has not issued any of the convertible instruments, hence there is no likelihood of any impact on the Equity Capital of the Company.

J. CREDIT RATING

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

Nature of Borrowing	Amount (₹ in Million)	Special Resolution passed
Long Term Bank Facilities	37,500	CARE A+; Negative (Single A Plus; Outlook: Negative)
Non-Convertible Debentures	4,000	CARE A+; Negative (Single A Plus; Outlook: Negative)

Furthermore, Brickwork Rating India Private Limited reaffirmed rating with respect to the bank facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ in Million)	Rating
1	Cash Credit	1,200	BWR AA- / Negative (Reaffirmed)
2	Term Loans	45,000	
3	Non-Convertible Debentures	500	

Infomerics Valuation and Rating private limited has re-affirmed ratings with respect to the credit facilities availed by the Company as follows:

Sl. No.	Instrument/ Facility	Amount (₹ in Million)	Rating
1	Cash Credit	950	IVR AA / Stable Outlook (IVR Double A with Stable Outlook) Rating Reaffirmed and Outlook assigned; removed from Credit Watch with Developing Implications
2	Term Loans	44,050	IVR AA / Stable Outlook (IVR Double A with Stable Outlook) Rating Reaffirmed and Outlook assigned; removed from Credit Watch with Developing Implications
3	Non-Convertible Debentures	3,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook) Rating Reaffirmed and Outlook assigned; removed from Credit Watch with Developing Implications
4	Commercial Papers	3,500	IVR A1+ (IVR A One Plus) Rating Reaffirmed and Outlook assigned; removed from Credit Watch with Developing Implications

K. BRANCHES

Company has 117 branches located across 12 States and UTs in North and West India, namely Punjab, Haryana, Delhi, Rajasthan, Uttar Pradesh, West Bengal, Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, and Chandigarh.

6. Disclosures

A. Code of Conduct

The Board of Directors have laid down a Code of Conduct ("the Code") for all Board Members, Key Managerial Personnel and Senior Management Personnel of your Company. The Code is posted on your Company's website at https://capriloans.in/corporate-governance/

The members of the Board, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from the members of the Board and Senior Management.

B. Disclosure on Material Related Party Transactions

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the subsidiaries or relatives etc. that had potential conflict with the interests of the Company at large. A statement of summary of related party transactions as per requirements of Indian Accounting Standards – 24 is duly disclosed in the Notes to Accounts annexed to the Financial Statements.

C. Policies Determining Material Subsidiaries and Related Party Transactions

Pursuant to requirements of Regulation 16 and Regulation 23 of the SEBI Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at https://capriloans.in/corporate-governance/

D. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. The Company has no foreign exchange receivable and payable as on March 31, 2022.

E. Details of Non-Compliance

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

F. Code of Conduct for Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at https://capriloans.in/corporate-governance/

G. Vigil Mechanism/Whistle Blower Policy

The Whistle Blower Mechanism (Vigil Mechanism) in the Company enables all the directors, employees and its stakeholders, to report concerns about unethical behaviour, report for leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism has provided adequate safeguards against victimisation of directors/ employees of the Company who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel has been denied access to this mechanism and to the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company at https://capriloans.in/corporate-governance/

H. Compliance Certificate

- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by Mr. Sandeep Parekh, Practicing Company Secretary is enclosed as Annexure II to this Report.

- The Company has complied with mandatory requirements under the SEBI Listing Regulations. A Compliance Certificate on Corporate Governance to this effect, duly signed by Mr. Sandeep Parekh, Practicing Company Secretary is enclosed as Annexure III to this Report.

I. Total Fees Paid to Statutory Auditors

The total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries during the financial year 2021-22 is stated in Notes to financial statements, which forms part of this Annual Report.

J. There was no instance during financial year 2021-22 when the Board had not accepted any recommendation of any Committee of the Board.

K. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the Listing Regulations-NIL

REPORT ON CORPORATE GOVERNANCE

L. Disclosure with respect to demat suspense account / unclaimed suspense account

During the year under review, the Company opened "CAPRI GLOBAL CAPITAL LIMITED UNCLAIMED SUSPENSE A/C" with Stockholding Corporation Of India Limited pursuant to Regulation 39(4) and Schedule VI of Securities and Exchange Bord of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the same are as follows:

Sl. No.	Particulars	Details
1.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	N.A since the suspense account was opened on 25.08.2021
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0
3.	number of shareholders to whom shares were transferred from suspense account during the year	0
4.	aggregate number of shareholders lying at the end of the year	4
5.	the outstanding shares in the suspense account lying at the end of the year	15000
6.	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes

M. Details of Utilisation of Funds raised through Preferential Allotment and Qualified Institutional Placement

During the year under review, the Company has not raised funds either through Preferential Allotment or Qualified Institutional Placement.

N. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

O. Compliance with Mandatory/Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of corporate governance specified in Regulation 17 to Regulation 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the SEBI Listing Regulations and are being reviewed from time to time which are as follows:

1. Audit Qualifications

During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

2. The Board and separate posts of chairperson and chief executive officer

The Company does not have designated Chairperson appointed by the Board of Directors. The Chairman for the respective Board Meeting is appointed amongst the directors present at the meeting. Further, there is no Chairman Office being maintained by the Independent Director, appointed as a Chairman for respective Board Meeting. However, they are allowed for reimbursement of expenses spent in discharge of his/her duties. The Company has not appointed any Chief Executive Officer.

3. Reporting of Internal Auditor

The internal control systems of the Company are routinely tested and verified by Independent Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee.

4. Shareholder's Right

The quarterly results of the Company are published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep) having wide circulation in Mumbai. Further, the quarterly results are also posted on the website of the Company at https://capriloans.in/financial-report/. In view of the forgoing, the half yearly results of the Company are not sent to the Shareholders individually.

P. Managing Director (MD) and Chief Financial Officer (CFO) Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is enclosed as Annexure IV to this Report.

Annexure-I
NOMINATION AND REMUNERATION POLICY

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of Section 178 of Companies Act, 2013 including Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 [Listing Regulations].

1.1 OBJECTIVES

The Policy lays down the:

(i) Criteria for determining inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other Employees of the Company.

1.2 DEFINITIONS

i. "**Board**" means Board of Directors of the Company.

ii. "**Company**" means "Capri Global Capital Limited."

iii. "**Employees' Stock Option**" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iv. A '**fit and proper**'person shall mean an individual who is:

a. more than thirty years in age;

b. a graduate;

c. has minimum five years experience;

d. a person of integrity, reputation and character in the opinion of the Committee;

v. "**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.

vi. "**Key Managerial Personnel**" (KMP) means

a) Chief Executive Officer or the Managing / Executive Director or the Manager,

b) Company Secretary,

c) Whole-time Director,

d) Chief Financial Officer and

e) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

f) Such other officer as may be prescribed.

vii. "**Committee**" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

viii. "**Policy or This Policy**" means, "Nomination and Remuneration Policy."

ix. "**Managerial Person**" means the Managing Director, Whole-time Director and/or Manager.

x. "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

xi. "**Senior Management**" means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including Chief Executive Officer / Manager, in case they are not a part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

1.3 INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 APPOINTMENT AND REMOVAL OF MANAGERIAL PERSON, DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

i. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation / advice / recommendations of the respective Functional Heads / Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term / Tenure:

a) Managing Director/Whole-time Director/ Manager (Managerial Personnel): The Company shall appoint or re-appoint a person as its Managerial Person for a term not exceeding five years at a time by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

iv. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director / Managing Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act') and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 DISQUALIFICATION FOR APPOINTMENT OF DIRECTORS

i. A person shall not be eligible for appointment as director of the company if:

a) he is of unsound mind and stands so declared by a competent court;

b) he is undischarged insolvent;

c) he has applied to be adjudicated as an insolvent and his application is pending;

d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

1) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;

2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;

3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:

a) has not filed financial statements or annual returns for any continuous period of three financial years; or

b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 REMUNERATION POLICY

Remuneration Policy of CGCL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Personnel and the Board of Directors.

The policy captures remuneration strategies, policies and practices of CGCL, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at CGCL

The Company adopts a total compensation philosophy in rewarding employees. The total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. **Fixed Component:** Consists of Basic Pay (Usually 40%-60% of the gross Fixed Salary).

ii. **Perquisites:** In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. **Retirement Benefits:** Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. **Severance payments:** In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. **Personal benefits:** Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. **Medical Insurance** – Coverage of Rs.5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. **Term Insurance** – Coverage between Rs.50 Lacs to Rs.1 Cr. based on the grade.

viii. Variable pay is linked to the below three factors:

a) the financial results of the company;

b) targets achieved;

c) the individual performance and that of the department/team

ix. **Annual Performance Linked Bonus:** Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

a) In the beginning of the year the Board sets the organization performance objectives based on qualitative and quantitative measures.

b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

c) These objectives form part of the performance targets for the Managerial Personnel.

d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-executive Directors including Independent Directors

The Non-Executive Directors / Independent Directors of the Company (who are not in the employment of the Company and /or its subsidiaries / associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013.

Commission, if any, payable to NEDs, may be paid in accordance with the provisions of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the sitting fees and shall be approved by the Board of the Company based on the recommendation of the Committee and the approval of the shareholders, as applicable.

The Non-Executive Directors / Independent Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 DEVIATIONS FROM THE POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 DISCLOSURES IN THE BOARD REPORT

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.

1.9 AMENDMENTS

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure-II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRCETORS
[Pursuant to Schedule V Part C(10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Capri Global Capital Limited
502, Tower - A, Peninsula Business Park,
Senapati Bapat Marg, Parel, Mumbai 400013

We have examined the relevant records, information, forms, and disclosures received from the Directors of **Capri Global Capital Limited** (hereinafter called the "**the Company**"), as may be relevant for the purpose of this certificate, which has been relied upon to make this certification, for the year ended 31st March, 2022. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), we hereby certify pursuant to Schedule V Part C(10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that none of the Directors on the Board of the Company as on 31st March, 2022 (list annexed), have been debarred or disqualified from being appointed or continuing as the Directors of Companies by the Board / Ministry of Corporate Affairs or any such other statutory authority.

For Sandeep P Parekh & Co.,
Company Secretaries

Sd/-
FCS No: 7118, CP No: 7693
Sandeep P. Parekh

Date: 21.05.2022
Place: Navi Mumbai

Annexure

Sr. No.	Name of Director	DIN	Designation	Date of appointment
1.	Mr. Desh Raj Dogra	00226775	Non-Executive Independent Director	01/02/2021
2.	Mr. Ajit Mohan Sharan	02458844	Non-Executive Independent Director	01/06/2019
3.	Mr. Mukesh Kacker	01569098	Non-Executive Independent Director	11/02/2012
4.	Mr. Beni Prasad Rauka	00295213	Non-Executive Independent Director	12/01/2011
5.	Mr. Rajesh Sharma	00020037	Managing Director	15/05/2007
6.	Mrs. Bhagyam Ramani	00107097	Non-Executive Independent Director	28/07/2012

Annexure-III

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
Capri Global Capital Limited
CIN: L65921MH1994PLC173469
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel
Mumbai 400013.

I have examined the compliance of conditions of Corporate Governance by **Capri Global Capital Limited** ("the Company"), as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the financial year ended March 31, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my findings from the examination of the records produced, explanations and information furnished to me and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the Listing Regulations for the financial year ended March 31, 2022.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sandeep P Parekh & Co.
Company Secretaries

Sd/-
FCS No: 7118, CP No: 7693
Sandeep P. Parekh
Place: Navi Mumbai

Date: 21.05.2022
UDIN: F007118D000482417

Annexure-IV

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAHEMENT PERSONNEL AS REQUIRED PURSUANT TO SCHEDULE V OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive and Independent Directors. These Codes are available on the Company's website.

I, Rajesh Sharma, Managing Director of the Company, do hereby confirm that the Company has in respect of the year ended March 31, 2022, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct, as applicable to them.

for **Capri Global Capital Limited**

Sd/-
Rajesh Sharma
Managing Director
(DIN: 00020037)

Date: May 21, 2022
Place: Mumbai

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Independent Auditor's Report

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

Opinion

1. We have audited the accompanying standalone financial statements of Capri Global Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2.4 for significant accounting policies and Note 39.2 for credit risk disclosures)	
As at 31 March 2022, the Company has reported gross loan assets of ₹47,178.27 million against which an impairment loss of ₹1,407.39 million has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the techniques adopted by the Company including the key inputs and assumptions. Since assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109 • Understanding management's updated processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 Regulatory Package. • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. Also evaluated the controls over the validation of data and related approvals.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
These parameters are derived from the Company's historical data. During the previous and current years, RBI announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. On the basis of an estimate made by the management, an overlay to the tune of ₹340.25 million has been recognized by the Company as at 31 March 2022 on account of increase in default risk due to the impact of COVID-19 on recoverability of loans of the Company. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the economy including expected impairment losses. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to ECL computation. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements, additional complexities involved on account of ongoing impact of COVID-19 and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard considering the impact of COVID-19 on account of moratorium and restructuring benefit extended by the Company and the basis for classification of various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default (EAD), probability of default (PD) and loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through the Cycle PD, Point In Time PD and LGD, among others. • Verified that the Company's approved policy in relation to moratorium and restructuring is in accordance with the RBI requirements. Evaluated that the restructuring was approved and implemented in accordance with such policy, and the provisions created on such restructured loan assets were in accordance with the Company's policy. • Performed test of details over calculations of ECL, in relation to the completeness and accuracy of data. • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 39.2 "Credit risk" and ECL disclosed in the accompanying financial statements including disclosure of key judgements and assumptions involved, in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
Information Technology system for the financial reporting process	
The company is highly dependent upon its information technology (IT) systems for carrying out its operations and processing significant volume of transactions, which impacts key financial accounting and reporting activities. The company has put in place the IT General Controls and application controls to ensure that the information produced by the company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting, preparation and the presentation of the of the financial statements. Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the audit of IT systems and related control environment for accounting and financial reporting as a key audit matter.	Our audit procedures for assessment of the IT systems and controls with reference to financial statements, included but were not limited to the following: • Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit. • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit for evaluating completeness and accuracy; • Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data.

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

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

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

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

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the standalone financial statements in place and the operating effectiveness of such controls based on our audit;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors;

Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of Board of Directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 17 June 2021.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, has disclosed the impact of pending litigations on its financial position as at 31 March 2022 in the standalone financial statements as detailed in note 48;

ii. The Company did not have any material foreseeable losses, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend declared during the year ended 31 March 2022 by the Company is in compliance with section 123 of the Act.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No:
107122W/W100672

SD/-
Sanjay Khemani
Partner
Membership No. 044577
UDIN: 22044577AJJZCS3974

Mumbai
21 May 2022

Independent Auditor's Report (Contd.)

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

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

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. As per information and explanation given to us and as verified by us, the property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

e. According to information and explanations given to us and as verified by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and as per the information and explanations given to us and as verified by us, such returns/statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

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

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

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

Outstanding as on 31 March 2022 for overdue loans

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

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

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

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

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

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and Section 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and securities as applicable.

v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified maintenance of cost records under sub- section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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

viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

Independent Auditor's Report (Contd.)

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

e. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures. Accordingly, Clause 3(x)(b) of the order is not applicable.

xi. a. According to the information and explanations given to us and as verified by us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b. According to the information and explanations given to us and as verified by us, no report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle- blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b. We have considered the reports issued by the Internal Auditors during the year for the period up to 31st March 2022.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

b. During the year, the Company has not conducted any Non Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve

Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year in view of their ineligibility to continue as Statutory Auditors of the Company, upon the completion of the stipulated tenure as per the said RBI Guidelines and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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

xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No:
107122W/W100672

SD/-
Sanjay Khemani
Partner
Membership No. 044577
UDIN: 22044577AJJZCS3974

Mumbai
21 May 2022

Independent Auditor's Report (Contd.)

Annexure II

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

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

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

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

2. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No:
107122W/W100672

SD/-
Sanjay Khemani
Partner
Membership No. 044577
UDIN: 22044577AJJZCS3974

Mumbai
21 May 2022

Balance Sheet

As at March 31, 2022

(₹ in millions)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	910.86	1,537.93
(b)	Bank Balances other than cash and cash equivalents	4	16.12	100.99
(c)	Receivables	5	81.64	15.09
(d)	Loans	6	45,770.88	35,642.10
(e)	Investments	7	6,441.71	7,019.16
(f)	Other financial assets	8	217.01	100.13
Total Financial Assets			**53,438.22**	**44,415.40**
(2)	**Non-Financial assets**			
(a)	Current Tax Assets (Net)	9	90.94	45.96
(b)	Deferred tax assets (Net)	10	293.17	213.07
(c)	Property, plant and equipment	11	253.42	231.92
(d)	Intangible Assets Under Development		12.39	0.69
(e)	Other intangible assets		20.33	13.07
(f)	Other non-financial assets	12	331.59	188.22
Total Non-Financial Assets			**1,001.84**	**692.93**
Total Assets			**54,440.06**	**45,108.33**
EQUITY AND LIABILITIES				
LIABILITIES				
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments	15A	8.63	-
(b)	Payables	13		
	(A) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		0.99	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		271.21	44.09
	(B) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		62.04	57.85
(c)	Debt Securities	14	4,330.90	6,492.81
(d)	Borrowings (Other than Debt Securities)	15B	29,174.62	19,686.07
(e)	Other Financial Liabilities	16	2,460.43	2,349.71
Total Financial Liabilities			**36,308.82**	**28,630.53**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	17	24.85	80.72
(b)	Provisions	18	135.53	103.13
(c)	Other non-financial liabilities	19	76.33	21.27
Total Non-Financial Liabilities			**236.71**	**205.12**
Total Liabilities			**36,545.53**	**28,835.65**
(3)	**EQUITY**			
(a)	Equity Share Capital	20	351.31	350.57
(b)	Other equity	21	17,543.22	15,922.11
Total Equity			**17,894.53**	**16,272.68**
Total Equity and Liabilities			**54,440.06**	**45,108.33**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in millions)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from Operations			
(i)	Interest Income	22	6,471.07	5,343.77
(ii)	Dividend Income		1.23	1.18
(iii)	Fees and commission Income	23	489.35	14.75
(iv)	Net Gain on Derecognition of Financial Instruments		170.01	-
(v)	Net gain on fair value changes	24	194.12	178.68
(vi)	Sale of Service		137.06	91.46
(vii)	Other operating income	25	172.23	113.48
(I)	**Total Revenue from Operations**		**7,635.07**	**5,743.32**
(II)	Other Income	26	20.44	17.21
(III)	**Total Income (I+II)**		**7,655.51**	**5,760.53**
	Expenses			
(i)	Finance costs	27	2,354.85	2,085.20
(ii)	Fees and commission Expense		190.79	-
(iii)	Impairment on financial instruments	28	797.23	516.95
(iv)	Employee benefit expenses	29	1,514.48	825.83
(v)	Depreciation and amortisation expense	11	73.14	85.27
(vi)	Other expenses	30	555.77	317.90
(IV)	**Total expenses**		**5,486.26**	**3,831.15**
(V)	**Profit before Tax (III-IV)**		**2,169.25**	**1,929.38**
	Tax expense			
	- Current tax	34	624.71	587.15
	- Deferred tax	35	(80.10)	(92.95)
	- Tax Pertaining to earlier years		5.80	-
(VI)	**Total tax expense**		**550.41**	**494.20**
(VII)	Net Profit After Tax (V-VI)		1,618.84	1,435.18
(VIII)	Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans	31	0.01	5.90
	Income Tax impact on above		-	(1.48)
	Total (A)		**0.01**	**4.42**
	(B) Items that will be reclassified to profit or loss			
	Fair Value Gain on time value of forward element of forward contract in hedging relationship		(4.30)	-
	Income Tax impact on above		1.08	-
	Total (B)		**(3.22)**	**-**
	Other Comprehensive Income (A) + (B)		(3.21)	4.42
(IX)	**Total comprehensive income (VII+VIII)**		**1,615.63**	**1,439.60**
(X)	**Earnings per equity share (of ₹ 2 Each)**			
	Basic (₹)		9.23	8.19
	Diluted (₹)		9.13	8.13

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Cash Flow Statement

For the year ended March 31, 2022

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating activities		
Profit before tax from continuing operations	2,169.25	1,929.38
Adjustments for:		
Depreciation & amortisation	73.14	85.27
Impairment on financial instruments	797.23	516.95
Net gain on fair valuation of financial instruments	(194.12)	(178.68)
Net gain on derecognition of financial instruments	(170.01)	
Loss/(Gain) on sale of fixed assets	(1.36)	0.14
Gain on sale of investment property	(0.14)	-
Gain on sale of investments	(0.28)	-
Share based payments to employees	50.10	20.85
Dividend income	(1.23)	(1.18)
Fair value of derivative	(4.30)	-
Interest on lease liability	19.88	22.96
Interest income	(6,471.07)	(5,343.77)
Finance cost	2,354.85	2,085.19
Interest received	6,412.66	5,259.90
Interest paid	(2,467.30)	(1,757.18)
Operating profit before working capital changes	**2,567.30**	**2,639.83**
Working capital changes		
Loans	(10,775.11)	(5,580.36)
Trade receivables & other financial assets	(59.69)	(36.28)
Other non-financial assets	(151.75)	(21.48)
Trade payables	232.31	(3.86)
Other financial liability	233.34	2,148.23
Other non-financial liability	55.06	13.31
Provision	(16.35)	43.81
Cash flows (used in)/generated from operating activities	**(7,914.89)**	**(796.80)**
Income tax paid	(730.27)	(583.76)
Net cash flows (used in)/generated from operating activities	**(8,645.16)**	**(1,380.56)**
Cash Flow From Investing activities		
Increase/(decrease) in Fixed deposits not considered as cash and cash equivalent	84.33	(20.00)
Purchase of fixed and intangible assets	(74.04)	(41.50)
Intangible assets under development	(11.70)	1.28
Proceeds from sale of property and equipment	3.91	0.97
Sale/(Purchase) of investment in mutual funds (net)	(518.26)	1,045.49
Proceeds from sale of investment	3,050.21	-
Purchase of investment	(1,757.04)	(3,649.60)
Dividend received	1.23	1.18
Net cash flows (used in)/generated from investing activities	**778.64**	**(2,662.18)**

Cash Flow Statement

For the year ended March 31, 2022

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Financing activities		
Debt securities issued	-	5,000.00
Debt securities redeemed	(2,166.67)	-
Proceed from borrowings other than debt securities	13,200.00	8,800.00
Repayment of borrowings other than debt securities repaid	(4,361.15)	(8,619.42)
Other short term loan (net)	654.26	-
Payments for the principal portion of the lease liability	(23.27)	(26.40)
Payments for the interest portion of the lease liability	(19.88)	(22.96)
Dividends paid	(70.14)	(35.03)
Issue of Equity Share	26.29	21.09
Net cash flows (used in)/generated from financing activities	**7,239.44**	**5,117.28**
Net increase in cash and cash equivalents	(627.08)	1,074.54
Cash and cash equivalents at April 1, 2021	1,538.15	463.61
Cash and cash equivalents at March 31,2022	**911.07**	**1,538.15**
Components of cash and cash equivalents		
Cash on hand	11.40	9.22
Balances with banks		
In current accounts	893.21	1,528.71
In Unclaimed Dividend Account	0.21	0.22
Cheques on hand	6.25	-
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	-	-
Total cash and cash equivalents	**911.07**	**1,538.15**

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

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Statement of Changes in Equity

As at March 31, 2022

A. Equity share capital

(1) Current year

(₹ in millions)

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the current year	Balance as at March 31, 2022
350.57	**-**	**350.57**	**0.74**	**351.31**

(2) Previous year

(₹ in millions)

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2020	Changes in equity share capital during the current year	Balance as at March 31, 2021
350.27	-	350.27	0.30	350.57

B. Other equity

(₹ in millions)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Employee Benefit Expenses (Gratuity - OCI)	Hedging Reserve (Forward Contract - OCI)	
Balance as at April 1, 2020	642.05	4,471.00	7,180.32	57.92	2,120.04	4.57	-	14,475.90
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	**642.05**	**4,471.00**	**7,180.32**	**57.92**	**2,120.04**	**4.57**	**-**	**14,475.90**
Profit for the year	-	-	1,435.18	-	-	-	-	1,435.18
Other Comprehensive income / (losses)	-	-	-	-	-	4.42	-	4.42
Dividends	-	-	(35.03)	-	-	-	-	(35.03)
Transfer from retained earnings	-	-	(287.92)	-	-	-	-	(287.92)
Addition during the Year	-	20.79	-	20.85	287.92	-	-	329.56
Balance as at March 31, 2021	**642.05**	**4,491.79**	**8,292.55**	**78.77**	**2,407.96**	**8.99**	**-**	**15,922.11**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**642.05**	**4,491.79**	**8,292.55**	**78.77**	**2,407.96**	**8.99**	**-**	**15,922.11**
Profit for the year	-	-	1,618.84	-	-	-	-	1,618.84
Other Comprehensive income / (losses)	-	-	-	-	-	0.01	(3.22)	(3.21)
Dividends	-	-	(70.14)	-	-	-	-	(70.14)
Transfer from retained earnings	-	-	(323.77)	-	-	-	-	(323.77)
Addition during the Year	-	49.34	-	26.28	323.77	-	-	399.39
Balance as at March 31, 2022	**642.05**	**4,541.13**	**9,517.48**	**105.05**	**2,731.73**	**9.00**	**(3.22)**	**17,543.22**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Notes

Forming part of Standalone Financial Statements

1. Corporate Information

Capri Global Capital Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

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

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of standalone financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.13- Significant accounting judgements, estimates and assumptions.

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

2.2. Presentation of financial statement

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

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3. Statement of compliance

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

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

2.4 Financial instruments

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

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

(i) Classification of financial instruments

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

1. Financial assets to be measured at amortised cost

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

The classification depends on the contractual terms of the financial assets' cash flows and the

Notes

Forming part of Standalone Financial Statements

Company's business model for managing financial assets which are explained below:

Business model assessment

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprises of bank balances, receivables, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Items at fair value through profit or loss comprise:

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

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

Notes

Forming part of Standalone Financial Statements

(iv) Debt securities and other borrowed funds

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

(v) Reclassification

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

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds are received by the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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

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

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

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

Notes
Forming part of Standalone Financial Statements

transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) ***Financial liabilities***

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

Notes

Forming part of Standalone Financial Statements

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

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

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

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

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

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

Collateral Valuation

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

Collateral repossessed

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

(viii) Write-offs

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

(ix) Determination of fair value

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

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

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

Notes
Forming part of Standalone Financial Statements

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

2.5 Revenue from operations

(i) Interest Income

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

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Dividend Income

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

(iii) Fees & Commission Income

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

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

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

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

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

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

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

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

(iv) Net gain on Fair value changes

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

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

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

(v) Loan Processing Fees

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

2.6 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

Re-measurement, comprising of actuarial gains and losses and the return on plan

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

(iii) Leases

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

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the company has the right to direct the use of the asset.

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

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

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

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

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

2.7 Cash and cash equivalents

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

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

2.8 Property, plant and equipment

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

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

Depreciation

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

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

2.9 Intangible assets

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

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

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The

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amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

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

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

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

2.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

2.11 Contingent Liabilities

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

2.12 Earning Per Share

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

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

2.13 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

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

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

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

(iv) Lease accounting - Refer 2.6(iii)

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

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

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

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

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

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

2.14 Recent amendments applicable from April 01, 2022

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

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

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Note 3. Cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	11.40	9.22
Cheques on hand	6.25	-
Balances with banks:		
- In Current Accounts	893.21	1,528.71
Total	**910.86**	**1,537.93**

Note 4. Bank balances other than cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
- Original Maturity more than 3 months	15.91	100.77
- Unclaimed Dividend Account	0.21	0.22
Total	**16.12**	**100.99**

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

Note 5. Receivables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured considered good		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Outstanding for a period less than six months	81.64	15.09
	81.64	**15.09**

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

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

Ageing schedule

(1) Current year

(₹ in millions)

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

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(1) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	15.04	0.04	0.01	-	-	15.09
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

Note 6. Loans and advances

(₹ In Millions)

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

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

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

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

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Note 7. Investments

(₹ in millions)

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

(₹ in millions)

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
	Numbers/Units	Numbers/Units
Investment in Subsidiaries		
1. Capri Global Housing Finance Limited Equity Shares of ₹10/- each fully paid up	7,12,03,790.00	6,07,14,280.00
2. Capri Global Resources Private Limited Equity Shares of ₹10/- each fully paid up	-	11,05,000.00
Investment in Equity		
1. Equity Shares of CARE Ratings Limited of ₹10/- each fully paid up	94,242.00	94,242.00
Investment in Mutual Funds		
1. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	92,90,561.00	74,90,392.66
2. ICICI Pru. Floating Interest Fund -Direct Growth	-	9,18,910.39
3. HDFC Low Duration Fund Direct Growth	-	3,76,034.86
4. Aditya Birla Sun Life Banking & PSU Debt Fund - DG	-	6,93,806.12

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Particulars	As at March 31, 2022 Numbers/Units	As at March 31, 2021 Numbers/Units
5. Nippon India Floating Rate Fund - DG	-	83,80,194.95
6. HDFC Corporate Bond Fund	-	1,58,84,064.32
7. Aditya Birla Sun Life Savings Fund - DG	6,76,389.73	1,88,159.74
8. HDFC Ultra Short Term Fund	-	83,84,762.47
9. ICICI Prudential Money Market Fund Regular Growth	1,98,269.03	-
10. ICICI Prudential Money Market Fund Direct Growth	16,29,143.98	-
11. Nippon India Money Market Fund Direct Growth	1,85,170.45	-
12. Aditya Birla Sun Life Money Manager Fund - Direct Growth	6,69,388.31	-
13. Aditya Birla Sun Life Liquid Fund - Direct Growth	5,83,099.82	-
14. Nippon Indian Liquid Fund Direct Growth	38,439.85	-
Investment in Bonds		
1. Aditya Birla Finance Limited SR PPMLD K1 BR NCD 04MY21 FVRS10LAC	-	130.00
2. 8.50% Shriram Transport Finance Co. Ltd - SR-D-14 8.5 NCD 16AG21 FVRS10LAC	-	150.00
3. 8.85% Shriram Transport Finance Co. Ltd - SR-D-11 8.85 NCD 03AG21 FVRS10LAC	-	40.00
4. Shriram City Union Finance Co. Ltd - SR I TR I 9.55 NCD 30AP21 FVRS1000	-	3,50,000.00
5. Shriram Transport Finance Co. Ltd - SR F-16 OPT I NCD 31MY21 FVRS10LAC	-	200.00
6. Edelweiss Financial Services Ltd - 11 NCD 05OCT23 FVRS10LAC	250.00	-
Investment in Commercial Papers		
1. ADANI ENTERPRISES LIMITED - 181D CP 23SEP21	-	1,000.00
2. ADANI ENTERPRISES LIMITED - 185D CP 06SEP21	-	1,000.00
Investment in Pass Through Certificates		
1. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A1 PTC 01MR19	-	1,750.00
2. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A2 PTC 01MR19	1,168.00	2,318.00

Note 8. Other Financial Assets

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	25.11	15.73
Interest Accrued but not due on Commercial Papers	-	3.68
Interest Accrued but not due on Debt Instruments	2.03	43.06
Interest Accrued but not due on PTC	3.06	-
Receivable from Subsidiary Company	16.75	9.68
Receivable on sale of Investment in Equity share	-	27.50
Spread receivable on assigned portfolio	168.45	-
Other Receivable	1.61	0.48
Total	**217.01**	**100.13**

Note 9. Current Tax Assets (Net)

(₹ In Millions)

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

Notes

Forming part of Standalone Financial Statements

Note 10. Deferred Tax Assets

The major components of deferred tax assets and liabilities are :

(₹ In Millions)

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

Refer Note 35 for Deferred tax movement

Note 11. Property, plant and equipment & Intangible Assets

Property, plant and equipment :

(₹ in millions)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	For the Year	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Buildings										
Buildings	2.70	-	-	2.70	0.49	0.11	-	0.60	2.10	2.21
Leasehold Premises	22.85	-	-	22.85	15.83	1.82	-	17.65	5.20	7.02
Computer Hardware	65.16	40.10	12.85	92.41	51.77	17.11	12.08	56.80	35.61	13.39
Furniture and Fixtures	42.22	1.45	0.71	42.96	29.02	3.51	0.57	31.96	11.00	13.20
Office Equipments	24.32	2.48	3.37	23.43	21.12	1.57	3.14	19.55	3.88	3.20
Vehicles	56.72	8.51	8.58	56.65	39.49	5.32	5.41	39.40	17.25	17.23
Electrical Installation	9.64	-	-	9.64	6.81	0.73	-	7.54	2.10	2.83
Right of Use	264.10	41.09	20.84	284.35	91.26	28.73	11.92	108.07	176.28	172.84
Total	**487.71**	**93.63**	**46.35**	**534.99**	**255.79**	**58.90**	**33.12**	**281.57**	**253.42**	**231.92**

Intagible Assets under development:

(₹ in millions)

Particulars	Gross			
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022
Software	0.69	12.71	1.01	12.39
Total	**0.69**	**12.71**	**1.01**	**12.39**

Notes

Forming part of Standalone Financial Statements

Intangible assets:

(₹ in millions)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	For the Year	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	68.13	21.50	-	89.63	55.06	14.24	-	69.30	20.33	13.07
Total	**68.13**	**21.50**	**-**	**89.63**	**55.06**	**14.24**	**-**	**69.30**	**20.33**	**13.07**

Previous Year

Property, plant and equipment :

(₹ in millions)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings :										
Buildings	2.70	-	-	2.70	0.38	0.11	-	0.49	2.21	2.32
Leasehold Premises	22.85	-	-	22.85	13.38	2.45	-	15.83	7.02	9.47
Computer Hardware	62.24	9.56	6.64	65.16	50.17	7.90	6.30	51.77	13.39	12.07
Furniture and Fixtures	40.39	1.85	0.02	42.22	24.69	4.34	0.01	29.02	13.20	15.70
Office Equipments	23.15	1.48	0.31	24.32	19.68	1.73	0.29	21.12	3.20	3.47
Vehicles	50.89	6.93	1.10	56.72	33.91	5.95	0.37	39.49	17.23	16.98
Electrical Installation	9.61	0.03	-	9.64	5.83	0.98	-	6.81	2.83	3.78
Right of Use	255.95	8.15	-	264.10	46.00	45.26	-	91.26	172.84	209.95
Total	**467.78**	**28.00**	**8.07**	**487.71**	**194.04**	**68.72**	**6.97**	**255.79**	**231.92**	**273.74**

Intagible Assets under development:

(₹ in millions)

Particulars	Gross			
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021
Software	1.97	6.67	7.95	0.69
Total	**1.97**	**6.67**	**7.95**	**0.69**

Intangible assets:

(₹ in millions)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	54.65	13.48	-	68.13	38.52	16.54	-	55.06	13.07	16.13
Total	**54.65**	**13.48**	**-**	**68.13**	**38.52**	**16.54**	**-**	**55.06**	**13.07**	**16.13**

Note 12. Other Non-Financial Assets

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	156.95	148.06
Less: Provision on Capital Advances	(3.71)	(3.71)
Net Capital Advances	**153.24**	**144.35**
Assets Held for sale	42.98	48.24
Less: Provision on Assets held for sale	(42.98)	(44.48)

Notes

Forming part of Standalone Financial Statements

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Net Assets Held for Sale	**-**	**3.76**
Prepaid Expenses	26.25	14.92
Accrued Income	141.29	6.14
Advance to vendor	7.07	9.79
Other Assets	3.74	0.74
Deferred lease rentals	-	8.52
Total	**331.59**	**188.22**

Note 13. Payables

Trade Payables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises*	0.99	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	271.21	44.09
Total	**272.20**	**44.09**

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

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
1) Principal amount due and remaining unpaid	0.99	-
2) Interest due on (1) above and the unpaid interest	-	-
3) Interest paid on all delayed payment under the MSMED Act	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay other than (3) above	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

Ageing schedule

(1) Current year

(₹ in millions)

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

(2) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	36.91	2.79	1.04	0.02	3.33	44.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

Notes

Forming part of Standalone Financial Statements

Other Payables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Employee Benefit Expense	62.04	57.85
Total	**62.04**	**57.85**

(1) Current year

(₹ in millions)

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

(2) Previous year

(₹ in millions)

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

Note 14. Debt Securities

(₹ In Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	4,330.90	4,330.90	6,492.81	6,492.81
Total (A)	**4,330.90**	**4,330.90**	**6,492.81**	**6,492.81**
Debt securities in India	4,330.90	4,330.90	6,492.81	6,492.81
Debt securities outside India	-	-	-	-
Total (B)	**4,330.90**	**4,330.90**	**6,492.81**	**6,492.81**

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

(₹ in millions)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2022	As at March 31, 2021
Series 4 (FV ₹10 Lacs)	09-08-2029	Bullet payment on maturity	10.23%	1,500.00	1,500.00
Series 8 (FV ₹10 Lacs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	333.33	500.00
Series 6 (FV ₹10 Lacs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	500.00
Series 5 (FV ₹10 Lacs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	2,000.00
Series 9 (FV ₹10 Lacs)	04-02-2022	Bullet payment on maturity	8.35%	-	1,500.00
Series 7 (FV ₹10 Lacs)	16-01-2022	Bullet payment on maturity	8.25%	-	500.00
Total (A)				**4,333.33**	**6,500.00**
Less : Unamortised borrowing cost (B)				(2.43)	(7.19)
Total (A+B)				**4,330.90**	**6,492.81**

Notes
Forming part of Standalone Financial Statements

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

Debenture Trustees:

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

Disclosure under regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Related party transaction - Refer Note 41

Disclosure under regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Asset Cover

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

Note 15A. Derivative financial instruments

(₹ In Millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Notional Amounts *	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives:						
- Forwards	4,238.82	-	8.63	-	-	-
Total Derivative Financial Instruments	**4,238.82**	**-**	**8.63**	**-**	**-**	**-**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cashflow Hedging:						
- Currency Derivatives : Forwards	4,238.82	-	8.63	-	-	-
Total Derivative Financial Instruments	**4,238.82**	**-**	**8.63**	**-**	**-**	**-**

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

Note 15B. Borrowings (Other Than Debt Securities) - At Amortised Cost

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans from Banks*	23,985.57	16,953.78
Term Loans from others**	4,487.50	2,685.00
Loan Repayable on Demand		
From Banks (Cash Credit)	701.55	47.29
Total (A)	**29,174.62**	**19,686.07**
Borrowings in India	29,174.62	19,686.07
Borrowings outside India	-	-
Total (B)	**29,174.62**	**19,686.07**

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

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

Notes

Forming part of Standalone Financial Statements

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

Weighted average cost for FY 21-22 is 8.27% p.a. and for FY 20-21 is 9.59% p.a.

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

(₹ in millions)

Nature of Facility	Maturity Range	Interest Range	As at March 31, 2022	As at March 31, 2021
Term Loans	0-3 yrs	8% - 9.50%	5,416.05	2,695.14
Term Loans	3-5 yrs	8% - 9.50%	13,184.78	12,087.97
Term Loans	5-7 yrs	8% - 9.50%	9,999.43	4,981.52
Total (A)			**28,600.26**	**19,764.63**
Less : Unamortised borrowing cost (B)			(127.19)	(125.85)
Total (A+B)			**28,473.07**	**19,638.78**

Note 16. Other Financial Liabilities

(₹ In Millions)

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

Note 17. Current tax liabilities (Net)

(₹ In Millions)

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

Note 18. Provisions

(₹ In Millions)

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

Notes

Forming part of Standalone Financial Statements

Note 19. Other non-financial liabilities

(₹ In Millions)

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

Note 20. Equity Share Capital

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
36,00,00,000 Equity Shares of ₹2 each	720.00	720.00
(Previous Year 36,00,00,000 Equity Shares of ₹2 each)		
	720.00	**720.00**
Issued, subscribed and fully paid up		
17,56,54,055 Equity Shares of ₹2 each	351.31	350.57
(Previous Year 17,52,85,355 Equity Shares of ₹2 each)		
	351.31	**350.57**

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

(₹ In Millions)

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

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

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

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

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

Notes

Forming part of Standalone Financial Statements

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

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

Terms/Rights attached to equity shares:

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

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

Shares reservation :

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

Objective for managing capital:

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

Note 21. Other equity

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per the last Financial Statements	2,407.96	2,120.04
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	323.77	287.92
Closing balance	**2,731.73**	**2,407.96**
Securities premium		
Balance as per the last financial statements	4,491.79	4,471.00
Add: On account of ESOP Exercised	49.34	20.79
Closing balance	**4,541.13**	**4,491.79**
General Reserve		
Balance as per the last financial statements	642.05	642.05
Closing balance	**642.05**	**642.05**

Notes

Forming part of Standalone Financial Statements

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Other reserves & surplus - Employee stock option outstanding		
Balance as per the last Financial Statements	78.77	57.92
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	26.28	20.85
Closing balance	**105.05**	**78.77**
Retained earnings (Surplus in profit & loss account)		
Surplus in statement of profit and loss	8,301.54	7,184.89
Profit for the year	1,618.84	1,435.18
Other Comprehensive Income	(3.21)	4.42
Dividend Paid	(70.14)	(35.03)
Transfer to Reserve Fund under Section 45-IC of Reserve Bank of India Act,1934	(323.77)	(287.92)
	9,523.26	**8,301.54**
Total	**17,543.22**	**15,922.11**

Securities premium

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

General reserve

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

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

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

Employee stock option outstanding reserves

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

Note 22. Interest Income

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on Loans	6,269.39	5,292.85
Interest on deposits	20.66	38.04
Interest income from investments	179.39	12.88
Interest on Others	1.63	-
Total	**6,471.07**	**5,343.77**

Notes
Forming part of Standalone Financial Statements

Note 23. Fee and commission Income

(₹ In Millions)

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

Note 24. Net gain on fair value changes

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in Shares	139.49	17.13
- Mutual Fund & Bonds	54.63	161.55
(B) Total Net gain on fair value changes	194.12	178.68
(C) Fair Value changes:		
- Realised	186.90	171.41
- Unrealised	7.22	7.27
Total Net gain on fair value changes	**194.12**	**178.68**

Note 25. Other Operating Income

(₹ In Millions)

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

Note 26. Other Income

(₹ In Millions)

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

Notes
Forming part of Standalone Financial Statements

Note 27. Finance Costs

(₹ In Millions)

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

Note 28. Impairment on financial instruments (at Amortised Cost)

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans and advances to customers	408.19	468.84
Loan commitments	48.75	(6.14)
Bad Debts Written Off	340.29	54.25
Total impairment loss	**797.23**	**516.95**

Note 29. Employee Benefits Expenses

(₹ In Millions)

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

Note 30. Other Expenses

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advertising	4.54	6.24
Auditors' Remuneration	4.20	4.22
Business Development Expenses	22.92	6.98
Corporate Social Responsibility Expenses*	38.67	34.11
Directors' Fees and Commission	6.41	6.21
Electricity Charges	5.57	5.22
Legal Expenses	157.69	89.79
Loss On Sale of Fixed Assets	0.39	0.14
Membership & Subscription Expenses	2.47	2.45
Processing Fees on Co Lending	0.03	-
Postage, Telephone and Fax	19.44	18.13
Printing and Stationery	14.00	5.35
Recruitment Expenses	36.12	13.93
Rent	20.15	(0.27)
Software Expenses	46.82	24.87
Filing & Other Fees to ROC	0.03	0.06

Notes
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(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Travelling and Conveyance	89.00	45.15
Service fees Subsidiary	33.10	16.28
NOC Review Charges	13.52	18.43
Write off - Others	1.34	-
Miscellaneous Expenses	39.36	20.61
Total	**555.77**	**317.90**

*The above CSR expenses includes ₹0.36 millions pertaining to the previous year funds utilization which was transferred to the designated bank account in line with the notification No. G.S.R. 40(E) dated 22nd January, 2021 issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021

1. Auditors' Remuneration

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) For Statutory Audit	1.50	1.30
b) For Tax Audit	0.30	0.30
c) For Limited Review	0.90	0.90
d) For other services (Certification Fees and Interim audit Fees)	0.97	1.38
e) For reimbursement of expenses	0.06	0.11
f) GST to the extent of ITC not availed	0.47	0.23
Total	**4.20**	**4.22**

2. Corporate Social Responsibility Expenses

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross Amount Required to be spent during the year	38.67	34.11
Amount spent during the year on CSR		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	38.67	34.11
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Refer note 3 below	Refer note 3 below
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 41	Refer note no. 41

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

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

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

Notes

Forming part of Standalone Financial Statements

Note 31. Other Comprehensive Income

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement gain on defined benefit plan	0.01	5.90
Income tax relating to these items	-	(1.48)
Items that may be reclassified to profit or loss		
Fair Value Gain on time value of forward element of forward contract in hedging relationship	(4.30)	-
Income tax relating to these items	1.08	-
Total comprehensive income for the year, net of tax	**(3.21)**	**4.42**

Note 32. MSME Loans

1.1 Credit quality of assets

(₹ in millions)

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

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

(₹ in millions)

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

Notes

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Reconciliation of ECL balance is given below:

(₹ in millions)

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

#Internal rating grades are classified on below basis

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

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

Loan Given Default

(In %)

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

Probability of Default

(In %)

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

Notes

Forming part of Standalone Financial Statements

E. Details of collateral received against loan portfolio:

Nature of security against advances:

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

Advances (LTV band wise):

(₹ In Millions)

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

Credit impaired advances (LTV band wise):

(₹ In Millions)

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

Note 32.1 Construction Finance Loans

1.1 Credit quality of assets

(₹ in millions)

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

Notes

Forming part of Standalone Financial Statements

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

(₹ in millions)

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

Reconciliation of ECL balance is given below:

(₹ in millions)

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

 # Internal rating grades are classified on below basis

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

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

Notes

Forming part of Standalone Financial Statements

Loan Given Default

(in %)

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

Probability of Default

(in %)

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

Note 33.

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

The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, upto the date of approval of these financial results. In order to cover the impact of COVID-19 on the future expected credit losses, the Company carries a management and macro economic variable outlay of ₹340.25 millions as on March 31, 2022 (as on March 31, 2021 ₹152.70 millions). The Company will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

Note 34. Income Taxes relating to continuing operations

1. Income Tax recognised in statement of profit and loss

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax		
In respect of the current year	624.71	587.15
In respect of prior years	5.80	-
	630.51	**587.15**
Deferred Tax		
In respect of the current year	(80.10)	(92.95)
On Other Comprehensive Income		
	(80.10)	**(92.95)**
Total Income tax expense recognised in the current year relating to continuing operations	**550.41**	**494.20**

Notes

Forming part of Standalone Financial Statements

2. Reconciliation of income tax expense for the year:

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Standalone Profit Before tax	2,169.25	1,929.38
Total tax expense (As per P&L)		
- Current tax	624.71	587.15
- Deferred tax	(80.10)	(92.95)
Total Tax Expenses	**544.61**	**494.20**
Effective tax rate	25.11	25.61
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due Permenant Difference		
a) Non allowability of Claim of CSR	38.67	34.11
b) Earlier year provision for ECL / Lease adjustments	8.83	
c) STT & Brokerage	0.72	
d) Loss on Sale of Fixed assets	(0.42)	0.14
e) Deduction under Chapter VI A u/s 80M & 80JJA	(8.77)	
Total (A)	**39.03**	**34.25**
Difference due to Tax Rate of STCG	139.49	
Total (B)	**139.49**	
Total of items affecting tax rate (A+B)	**178.52**	**34.25**

3. Reconciliation of income tax rate is as follows:

(in %)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Normal Tax Rate	22.00	22.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	2.20
Education cess (including secondary and higher education cess)		
Health and Education Cess	0.97	0.97
Total Tax Rate	**25.17**	**25.17**
Effect in Tax rate due to permenant difference	0.45	0.45
Difference due to Tax Rate of STCG	(0.51)	-
Effecttive Tax Rate	**25.11**	**25.61**

Notes

Forming part of Standalone Financial Statements

Note 35. Deferred Tax

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

(₹ in millions)

Particulars	Deferred Tax Assets	Income Statement	OCI	Deferred Tax Assets
	As at March 31, 2021	2021-22	2021-22	As at March 31, 2022
Deferred Tax Assets:				
Provision for Employee Benefits	10.04	2.24		12.28
Depreciation	19.38	0.89		20.27
Impairment allowance for financial assets	166.59	131.10		297.69
Unmortised fees on loans	13.75	(10.96)		2.79
Others	7.68	(2.67)		5.01
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	(1.83)	0.01		(1.82)
Unmortised fees on borrowings	(2.54)	1.89		(0.65)
Gain on derecognition of financial instruments*	-	(42.40)		(42.40)
Deferred Tax Assets (net)	**213.07**	**80.10**	**-**	**293.17**

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

(₹ in millions)

Particulars	Deferred Tax Assets	Income Statement	OCI	Deferred Tax Assets
	As at March 31, 2020	2020-21	2020-21	As at March 31, 2021
Deferred Tax Assets:				
Provision for Employee Benefits	7.55	2.49	-	10.04
Depreciation	17.97	1.41	-	19.38
Impairment allowance for financial assets	81.05	85.54	-	166.59
Unmortised fees on loans	16.88	(3.13)	-	13.75
Others	3.53	4.15	-	7.68
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	-	(1.83)	-	(1.83)
Unmortised fees on borrowings	(6.84)	4.30	-	(2.54)
Deferred Tax Assets (net)	**120.14**	**92.93**	**-**	**213.07**

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

Notes
Forming part of Standalone Financial Statements

Note 36. Maturity analysis of assets and liabilities

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

(₹ in millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	910.86	-	910.86	1,537.93	-	1,537.93
Bank Balances other than cash and cash equivalents	16.04	0.08	16.12	100.79	0.20	100.99
Receivables	81.64	-	81.64	15.09	-	15.09
Loans	6,939.30	38,831.58	45,770.88	6,262.20	29,379.90	35,642.10
Investments	2,358.39	4,083.32	6,441.71	3,674.41	3,344.75	7,019.16
Other financial Assets	82.44	134.57	217.01	84.40	15.73	100.13
Total Financial Assets	**10,388.67**	**43,049.55**	**53,438.22**	**11,674.82**	**32,740.58**	**44,415.40**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	8.63	-	8.63	-	-	-
Payables	-					
- Trade Payables	272.20	-	272.20	44.09	-	44.09
- Other Payables	62.04	-	62.04	57.85		57.85
Debt Securities	166.67	4,164.23	4,330.90	2,166.67	4,326.14	6,492.81
Borrowings (Other than debt securities)	6,450.05	22,724.57	29,174.62	4,038.17	15,647.90	19,686.07
Other financial liabilities	2,170.01	290.42	2,460.43	2,125.74	223.97	2,349.71
Total Financial Liabilities	**9,129.60**	**27,179.22**	**36,308.82**	**8,432.52**	**20,198.01**	**28,630.53**
Net	**1,259.07**	**15,870.33**	**17,129.40**	**3,242.30**	**12,542.57**	**15,784.87**

Capital Management

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

Note 37. Change in liabilities arising from financing activities

(₹ in millions)

Particulars	As at April 1, 2021	Cash flows	Other	As at March 31, 2022
Debt Securities	6,492.81	(2,166.67)	4.76	4,330.90
Borrowings other than debt securities	19,686.07	8,838.85	649.70	29,174.62
Total liabilities from financing activities	**26,178.88**	**6,672.18**	**654.46**	**33,505.52**

(₹ in millions)

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

Notes

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Note 38. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

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

38.1 Financial instruments by category

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	Amortised cost	FVTOCI	Total	FVTPL	Amortised cost	FVTOCI	Total
Financial assets								
Investments								
- Mutual funds	2,304.43	-	-	2,304.43	1,588.71	-	-	1,588.71
- Commercial Paper	-	-	-	-	-	959.13	-	959.13
- Equity instruments	48.11	-	-	48.11	38.73	-	-	38.73
- Debt Instrument	-	247.66	-	247.66	-	952.76	-	952.76
- Pass Through Certificates	-	591.51	-	591.51	-	1,729.83	-	1,729.83
Trade receivables	-	81.64	-	81.64	-	15.09	-	15.09
Loans	-	45,770.88	-	45,770.88	-	35,642.10	-	35,642.10
Cash and cash equivalents	-	910.86	-	910.86	-	1,537.93	-	1,537.93
Bank Balances other than above	-	16.12	-	16.12	-	100.99	-	100.99
Other financial Assets	-	217.01	-	217.01	-	100.13	-	100.13
Total financial assets	**2,352.54**	**47,835.68**	**-**	**50,188.22**	**1,627.44**	**41,037.96**	**-**	**42,665.40**
Financial liabilities								
Derivative financial instruments	-	-	8.63	8.63	-	-	-	-
Borrowings (including Debt Securities)	-	33,505.52	-	33,505.52	-	26,178.88	-	26,178.88
Trade payables	-	334.24	-	334.24	-	101.94	-	101.94
Other financial liabilities	-	2,460.43	-	2,460.43	-	2,349.71	-	2,349.71
Total financial liabilities	**-**	**36,300.19**	**8.63**	**36,308.82**	**-**	**28,630.53**	**-**	**28,630.53**

38.2 Fair value hierarchy

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

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(₹ in millions)

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

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2022						
Financial assets						
Cash and cash equivalents	3	910.86	910.86	-	-	910.86
Bank Balance other than above	4	16.12	16.12	-	-	16.12
Trade Receivable	5	81.64	-	-	81.64	81.64
Loans						
Loans to employees	6	0.94	-	-	0.94	0.94
Loans - SME & CF		45,769.94	-	-	46,047.48	46,047.48
Investments						
- Commercial Paper	7	-	-	-	-	-
- Debt Instrument		247.66	-	-	247.66	247.66
- Pass Through Certificates		591.51	-	-	591.51	591.51
Other financial assets	8	217.01	-	-	217.01	217.01
Total financial assets		**47,835.68**	**926.98**	**-**	**47,186.24**	**48,113.22**
Financial Liabilities						
Derivative financial instruments	15A	8.63	-	8.63	-	8.63
Trade Payable	13	334.24	-	-	334.24	334.24
Debt Securities	14	4,330.90	4,452.63		-	4,452.63
Borrowings other than Debt Securities	15B	29,174.62	-	-	29,174.62	29,174.62
Other Financial Liabilities	16	2,460.43	-	-	2,460.43	2,460.43
Total financial liabilities		**36,308.82**	**4,452.63**	**8.63**	**31,969.29**	**36,430.55**

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	38.73	38.73	-	-	38.73
Mutual funds	7	1,588.71	1,588.71	-	-	1,588.71
Total financial assets		1,627.44	1,627.44	-	-	1,627.44
Financial liabilities		-	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**	**-**

Notes
Forming part of Standalone Financial Statements

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Cash and cash equivalents	3	1,537.93	1,537.93	-		1,537.93
Bank Balance other than above	4	100.99	100.99	-		100.99
Trade Receivable	5	15.09	-	-	15.09	15.09
Loans						
Loans to employees	6	1.19	-	-	1.19	1.19
Loans - SME & CF		35,640.91	-	-	35,640.91	35,640.91
Investments						
- Commercial Paper	7	959.13	-	959.13	-	959.13
- Debt Instrument		952.76	-	952.76	-	952.76
- Pass Through Certificates		1,729.83	-	-	1,729.83	1,729.83
Other financial assets	8	100.13	-	-	100.13	100.13
Total financial assets		**41,037.96**	**1,638.92**	**1,911.89**	**37,487.15**	**41,037.96**
Financial Liabilities						
Trade Payable	13	101.94	-	-	101.94	101.94
Debt Securities	14	6,492.81	6,492.81	-	-	6,492.81
Borrowings other than Debt Securities	15B	19,686.07	-	-	19,686.07	19,686.07
Other Financial Liabilities	16	2,349.71	-	-	2,349.71	2,349.71
Total financial liabilities		**28,630.53**	**6,492.81**	**-**	**22,137.72**	**28,630.53**

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

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

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

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

Note 39. Risk Management

39.1. Risk Disclosures

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

39.2. Credit risk

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

Notes
Forming part of Standalone Financial Statements

39.2.1 Impairment assessment

39.2.1.1 Exposure at Default

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

The advances have been bifurcated into following three stages:

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

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

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

39.2.1.2 Significant increase in credit risk

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

39.2.1.3 Definition of default and cure

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

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

39.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 32).

a) The Company has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

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39.2.1.5 Loss Given Default ("LGD")

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

39.2.2 Analysis of risk concentration - Refer Note 56.10.3

39.2.3 Collateral and other credit enhancements

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

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

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

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

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

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

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

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

39.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets by monitoring future cash flows and liquidity on a daily basis.

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

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

Current Year

(₹ in millions)

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	213.42	45.00	234.68	77.36	3,209.23	306.90	1,882.99	5,969.58
Borrowings	238.68	578.35	924.07	1,928.48	4,293.63	15,648.74	8,405.64	2,826.74	34,844.33
Trade Payable	334.25	-	-	-	-	-	-	-	334.25
Lease liability	4.69	4.70	4.69	14.24	28.81	107.00	74.11	8.23	246.47
Other Financial Liability	2,026.05	-	-	-	-	-	-	-	2,026.05

Previous Year

(₹ in millions)

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	-	-	166.67	2,000.00	2,826.14	-	1,500.00	6,492.81
Borrowings	44.80	232.39	731.41	1,005.50	2,024.08	8,541.00	6,443.32	616.29	19,638.78
Trade Payable	101.94	-	-	-	-	-	-	-	101.94
Lease liability	4.77	4.74	4.74	14.20	26.86	92.32	91.38	27.30	266.31
Other Financial Liability	1,792.71	-	-	-	-	-	-	-	1,792.71

39.4. Interest rate risk

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

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

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

(₹ in millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
2021-22					
Loans (₹)	25 Basis point Up	Impact on Profit before Tax	116.08	Impact on equity	86.87
	50 Basis point Up		232.16		173.73
	25 Basis point Down		(116.08)		(86.87)
	50 Basis point Down		(232.16)		(173.73)
Borrowings (₹)	25 Basis point Up	Impact on Profit before Tax	(84.09)	Impact on equity	(62.92)
	50 Basis point Up		(168.18)		(125.85)
	25 Basis point Down		84.09		62.92
	50 Basis point Down		168.18		125.85

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(₹ in millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
2020-21					
Loans (₹)	25 Basis point Up	Impact on Profit before Tax	91.81	Impact on equity	68.70
	50 Basis point Up		183.62		137.41
	25 Basis point Down		(91.81)		(68.70)
	50 Basis point Down		(183.62)		(137.41)
Borrowings (₹)	25 Basis point Up	Impact on Profit before Tax	(49.81)	Impact on equity	(36.98)
	50 Basis point Up		(98.82)		(73.95)
	25 Basis point Down		49.81		36.98
	50 Basis point Down		98.82		73.95

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

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

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

Gearing ratio:

(₹ In Millions)

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

* Debt includes debt securities, borrowings and lease liabilities.

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Note 40B. Defined Contribution Plan

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

(₹ In Millions)

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

Note 40B. Defined Benefit Plan

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

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

Principal assumptions used for the actuarial valuations are as follows:

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

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

(₹ In Millions)

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

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

(₹ In Millions)

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

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

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
(Present Value of Benefit Obligation at the end of the Period)	(43.67)	(34.62)
Fair value of plan assets	33.31	30.15
Funded status (Surplus/ (Deficit))	(10.36)	(4.47)
Net (Liability)/Asset Recognized in the Balance Sheet	(10.36)	(4.47)

Net Interest Cost for current period:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	34.62	32.95
(Fair Value of Plan Assets at the Beginning of the Period)	(30.15)	(25.66)
Net Liability/(Asset) at the Beginning	4.47	7.28
Interest Cost	1.93	2.06
(Interest Income)	(1.68)	(1.60)
Net Interest Cost for Current Period	0.25	0.45

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

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	10.15	10.12
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised		-
Net interest expense	0.25	0.46
Expense Recognized	**10.40**	**10.58**

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

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)	(0.49)	(0.20)
Actuarial (gains) / losses on defined benefit obligations	0.48	(5.70)
Change in asset ceiling		-
Net (Income)/Expense For the Period Recognized in OCI	**(0.01)**	**(5.90)**

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

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds*	33.31	30.15
Others	-	-
Total	**33.31**	**30.15**

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

Maturity Analysis of benefit payments

(₹ In Millions)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2022	As at March 31, 2021
1st Following Year	7.89	5.40
2nd Following Year	7.19	3.78
3rd Following Year	7.14	5.00
4th Following Year	5.75	5.64
5th Following Year	5.64	4.26
Sum of Years 6 To 10	14.64	13.16
Sum of Years 11 and above	6.04	7.87

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

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Sensitivity analysis

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(1.42)	(1.37)	1.53	1.49
2) Future Salary Increases	1.46	1.43	(1.40)	(1.35)
3) Employee Turnover	(0.42)	(0.37)	0.43	0.37

Note :

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 41. Related party disclosures as per Ind AS 24

A. List of Related Parties and related party relationship:

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

Sr. No.	Name of the Related Party	Relationship
a)	**Related Parties over which control exists:**	
1	Capri Global Housing Finance Limited	Wholly owned Subsidiary
2	Capri Global Resources Private Limited	Wholly owned Subsidiary (Ceased w.e.f. 15.01.2022)
b)	**Enterprises over which Management and/or their relatives have control**	
1	Capri Global Holdings Private Limited	
2	Parshwanath Buildcon Private Limited	
c)	**Key Management Personnel of the Company**	
1	Mr. Rajesh Sharma	Managing Director
2	Mr. Jayesh Doshi	Whole Time Director (Resigned w.e.f.31.03.20)
3	Mr. Beni Prasad Rauka	Independent Director
4	Ms. Bhagyam Ramani	Independent Director
5	Mr. Mukesh Kacker	Independent Director
6	Mr. Ajay Relan	Independent Director
7	Mr. Ajit Mohan Sharan	Independent Director
8	Mr. Desh Raj Dogra	Independent Director
d)	**Trust under common control:**	
1	Capri Foundation	
2	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	

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

(₹ in millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		Year Ended March 31, 2022	Year Ended March 31, 2021	**Year Ended March 31, 2022**	Year Ended March 31, 2021	**Year Ended March 31, 2022**	Year Ended March 31, 2021	**Year Ended March 31, 2022**	Year Ended March 31, 2021	**Year Ended March 31, 2022**	Year Ended March 31, 2021
a.	**Statement of Profit and Loss Items:**										
I	**INCOMES :**										
i	**Interest on Loan Given to Subsidiaries**										
	Capri Global Resources Private Limited	0.04	-	-	-	-	-	-	-	0.04	-
ii	**Service Charge Income from Subsidiary**										
	Capri Global Housing Finance Limited	12.00	12.00	-	-	-	-	-	-	12.00	12.00
iii	**Sale of Investment**										
	Capri Global Holdings Pvt. Ltd.	-	-	0.28	-	-	-	-	-	0.28	-
II	**EXPENSES :**										
i	**Rent Paid**										
	Parshwanath Buildcon Private Limited	-	-	0.10	0.13	-	-	-	-	0.10	0.13
ii	**Service Charge Expenses to Subsidiary**										
	Capri Global Housing Finance Limited	26.74	15.09	-	-	-	-	-	-	26.74	15.09
iii	**Salaries, Commission and other benefits**										
	Mr. Rajesh Sharma	-	-	-	-	2.40	-	-	-	2.40	-
	Mr. Jayesh Doshi	-	-	-	-	-	10.35	-	-	-	10.35
iv	**Director Sitting Fees**										
	Mr. Beni Prasad Rauka	-	-	-	-	1.26	1.81	-	-	1.26	1.81
	Ms. Bhagyam Ramani	-	-	-	-	2.76	1.98	-	-	2.76	1.98
	Mr. Mukesh Kacker	-	-	-	-	0.84	1.06	-	-	0.84	1.06
	Mr. Desh Raj Dogra	-	-	-	-	0.78	-	-	-	0.78	-
	Mr. Ajit Sharan	-	-	-	-	0.60	0.70	-	-	0.60	0.70
	Mr. Ajay Kumar Relan	-	-	-	-	0.16	0.57	-	-	0.16	0.57
v	**Employee Benefits**										
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	4.50	7.50	4.50	7.50
vi	**Corporate Social Responsibility**										
	Capri Foundation	-	-	0.63	33.91	-	-	-	-	0.63	33.91

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(₹ in millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
b	**Balance Sheet Items (Transaction during year):**										
i	**Investment in Equity Shares of Subsidiaries**										
	Capri Global Housing Finance Limited	1,500.00	-	-	-	-	-	-	-	1,500.00	-
ii	**Loan Given to Subsidiary**										
	Capri Global Resources Private Limited	0.54	0.20	-	-	-	-	-	-	0.54	0.20
iii	**Loan Paid by Subsidiary**										
	Capri Global Resources Private Limited	0.74	-	-	-	-	-	-	-	0.74	-
c	**Balance Sheet Items (Closing Balances):**										
i	**Investment in Equity Shares of Subsidiaries**										
	Capri Global Housing Finance Limited	3,250.00	1,750.00	-	-	-	-	-	-	3,250.00	1,750.00
	Capri Global Resources Private Limited	-	11.05	-	-	-	-	-	-	-	11.05
ii	**Other Payable**										
	Parshwanath Buildcon Private Limited	-	-	-	0.16	-	-	-	-	-	0.16
iii	**Other Receivable**										
	Capri Global Housing Finance Limited	16.75	9.68	-	-	-	-	-	-	16.75	9.68
	Capri Global Resources Private Limited	-	0.20	-	-	-	-	-	-	-	0.20

Notes

Forming part of Standalone Financial Statements

Note 42. Segment Information (IND-AS 108)

Operating Segment:

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

Note 43. In Accordance with IND AS - 33 Earnings Per Share

The computation of earning per share is set out below:

Particulars			Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss	(A)	(₹ in millions)	1,618.84	1,435.18
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	17,54,26,904	17,52,85,355
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	17,74,05,541	17,65,79,900
Basic earnings per equity share (Face value of ₹2/- per share)	(A)/(B)	₹	9.23	8.19
Diluted earnings per equity share (Face value of ₹2/- per share)	(A)/(C)	₹	9.13	8.13

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of equity shares for calculating EPS	Nos.	17,54,26,904	17,52,85,355
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	19,78,637	12,94,545
Weighted average number of equity shares in calculation of diluted EPS	Nos.	17,74,05,541	17,65,79,900

Note 44. Leases

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

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value		
Balance as at the beginning of the Year	264.11	255.95
On adoption of IND AS 116		-
Additions/Modifications	41.09	8.16
Terminations	20.84	-
Translation adjustments		-
Balance as at the end of the Year	**284.36**	**264.11**
Accumulated depreciation		
Balance as at the beginning of the Year	91.27	46.00
Depreciation	28.73	45.26
Terminations/modifications	11.92	-
Translation adjustments		-
Balance as at the end of the Year	108.08	91.27
Net Carrying Value at the end of the Year	**176.29**	**172.85**

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

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities		
Balance as at the beginning of the Year	197.55	223.96
Additions/Modification	32.42	8.16
Terminations/modifications	10.51	-
Finance expense	19.88	22.96
Payment of lease liabilities	43.14	57.52
Translation adjustments	-	-
Balance as at the end of the Year	**196.21**	**197.55**

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

(₹ In Millions)

Tenure	As at March 31, 2022	As at March 31, 2021
Less than 1 year	1.57	55.30
1-3 years	19.33	92.32
3-5 years	202.57	91.38
More than 5 years	23.01	27.30
Total	**246.48**	**266.31**

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

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

Note 45. Employee Stock Option

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

Employee Stock Option Plans

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

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

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The activity of the Stock Plans is summarised below:

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

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

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

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Fair Value Methodology:

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

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

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

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

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

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

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

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

ESOP cost recognised in the Statement of Profit and Loss for March 31,2022 ₹50.10 Millions (March 31,2021 ₹26.59 Millions)

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

Note 46. Expenditure in Foreign Currency

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

Note 47. Details of dues to micro and small enterprises

The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006 has been disclosed under note no. 13.

Note 48. Contingent Liabilities

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

Note 49. Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2022 ₹65.27 Millions (March 31, 2021 ₹13.88 Millions)

b) Amount payable towards acquisition of Property for March 31, 2022 ₹39.82 Millions (March 31, 2021 ₹48.10 Millions)

Notes

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c) Other Commitments

Pending disbursements of sanctioned loans for March 31, 2022 ₹10,513.75 Millions (March 31, 2021 ₹7,032.06 Millions)

Note 50. Fraud Reporting

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

Note 51 - Details of all collateral used as security for liabilities

(₹ In Millions)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2022	As at March 31, 2021
Assets type		
Loans receivable as collateral under lending agreements	46,415.70	36,485.83
Loans receivable as collateral under PTC agreements	594.57	1,729.84
Receivables from investment in securities as collateral	2,554.12	2,584.53
Cash and other bank balance collateral under lending agreements	910.86	1,537.95

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

(₹ in millions)

Particulars			Amount O/S	Amount Overdue
Liabilities Side				
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:			
	a)	Debentures:		
		Secured	4,330.90	-
		Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	b)	Deferred Credits	-	-
	c)	Term Loans	28,473.07	-
	d)	Intercorporate loans and borrowings	-	-
	e)	Commercial Paper	-	-
	f)	Other Loans (Cash Credit & Overdraft Facility)	701.55	-
Total			**33,505.52**	**-**

Assets Side				Amount Outstanding
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):			
	a)	Secured		47,177.33
	b)	Unsecured		0.94
3	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities			
	i)	Lease assets including lease rentals under sundry debtors:		
		a)	Financial Lease	-
		b)	Operating Lease	-
	ii)	Stock on hire including hire charges under sundry debtors:		
		a)	Assets on hire	-
		b)	Repossed Assets	-
	iii)	Other loans counting towards AFC activities		

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Assets Side					Amount Outstanding
		a)	Loans where assets have been repossessed		-
		b)	Loans other than (a) above		-
4	Breakup of Investments:				
	Current Investments:				
	1.	Quoted:			
		i)	Shares:	(a) Equity	48.11
				(b) Preference	-
		ii)	Debentures and Bonds		839.17
		iii)	Units of mutual funds		2,304.43
		iv)	Government Securities		-
		v)	Others (please specify)		-
			- Commercial Paper		
	2.	Unquoted:			
		i)	Shares:	(a) Equity	-
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		-
		iv)	Government Securities		-
		v)	Others (please specify)		-
	Long Term investments:				
	1.	Quoted:			
		i)	Shares:	(a) Equity	-
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		-
		iv)	Government Securities		-
		v)	Others (please specify)		-
	2.	Unquoted:			
		i)	Shares:	(a) Equity	3,250.00
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		-
		iv)	Government Securities		-
		v)	Others		-

5 Borrower groupwise classification of assets financed as in (2) and (3) above:

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	45,769.94	0.94	45,770.88
Total	**45,769.94**	**0.94**	**45,770.88**

Notes

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6 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries *	4,580.12	3,250.00
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	3,191.71	3,191.71
Total	**7,771.83**	**6,441.71**

* The fair value of Investment is considered as net worth of Company

7 Other information

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than related parties	1,299.84
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than related parties	397.97
iii) Assets acquired in satisfaction of debt	-

Note 53.

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

Note 54.

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

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

Note 55. Additional regulatory information under division III to schedule III as per notification dated March 24, 2021

(i) Title deeds of Immovable Property:

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

(ii) Revaluation of Property, Plant and Equipment:

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

(iii) Revaluation of Intangible Assets:

The Company has not revalued Intangible assets during the year.

(iv) Loans or Advances:

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

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(v) Intangible assets under development ageing schedule:

(₹ in millions)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Software)	12.39	-	-	-	12.39

(vi) Details of Benami Property held:

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

(vii) Security of current assets against borrowings:

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

(viii) Wilful Defaulter:

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

(ix) Relationship with Struck off Companies:

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

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

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

(xi) Compliance with number of layers of companies:

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

(xii) Analytical Ratios:

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

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

The Company has not entered into any scheme of arrangement.

(xvi) Utilisation of Borrowed funds and share premium

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

(xvi) (a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Notes

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(b) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

56.1 Capital Adequacy Ratio

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

56.2 Investments

(₹ in millions)

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

56.3 Derivatives

56.3.1 Forward Rate Agreement (FRA)/ Interest Rate Swap

(₹ in millions)

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

Notes
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56.3.2 Exchange Traded Interest Rate (IR) Derivative

(₹ in millions)

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

56.3.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

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

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

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

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

B. Quantitative Disclosure

(₹ in millions)

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

Notes
Forming part of Standalone Financial Statements

56.4 Maturity Pattern of Assets & Liabilities

(₹ in millions)

As at March 31, 2022	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	-	15.60	1,613.40	1,062.50	345.40	1,120.30	2,782.10	9,129.90	7,463.40	23,644.73	47,177.33
Investments	-	24.30	2,154.40	4.29	134.30	13.30	27.80	416.80	128.40	3,538.12	6,441.71
Borrowing	701.50	20.80	20.80	375.00	729.90	1,520.20	3,248.30	15,494.30	7,405.50	3,989.22	33,505.52
Foreign currnecy liabilities	-	-	-	-	-	-	-	-	-	-	-

(₹ in millions)

As at March 31, 2021	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Deposits											
Advances	-	-	303.60	2,190.50	349.90	1,210.80	2,207.40	8,095.80	5,348.20	16,933.63	36,639.83
Investments	-	-	369.14	2,009.21	10.24	1,181.79	104.02	284.22	298.08	2,762.46	7,019.16
Borrowing	3.10	-	41.70	232.39	731.41	1,172.17	4,024.08	11,367.14	6,443.32	2,116.29	26,131.59
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-

Note :

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

56.5 Exposures

56.5.1 Exposure to Real Estate Sector

(₹ in millions)

Category	As at March 31, 2022	As at March 31, 2021
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential budlings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc. Exposure shall also include non-fund based limits	12,676.73	8,733.50
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs.)*	3,250.00	1,750.00
Invest in Pass Through Certificate	591.51	1,729.83

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

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

56.5.2 Exposure to Capital Market

(₹ in millions)

Category	As at March 31, 2022	As at March 31, 2021
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	48.11	38.73
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii) bridge loans to companies against expected equity flows / issues;	Nil	Nil
viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	**48.11**	**38.73**

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

56.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
These details are not applicable to Company as the Company has not exceeded the SGL and GBL as prescribed by RBI during the financial year.

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

56.9 Miscellaneous

56.9.1 Registration number obtained from RBI
B-13.01882

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

56.9.3 Related Party Transactions
Refer note 41 to the standalone financial statements

Notes

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

(₹ in millions)

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

56.9.3 Remuneration of Directors

Refer note 41 to the standalone financial statements

56.9.4 Management

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

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

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

56.9.6 Revenue Recognition

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

56.9.7 Consolidated Financial Statements (CFS)

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

56.9.8 Disclosure pursuant to RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" (RBI Circular - RBI/2021-2022/125/DOR.STR.REC.68/21.04.048/2021-22)

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

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

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

(₹ in millions)

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

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

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

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

56.10 Additional Disclosures

56.10.1 Provisions and Contingencies

(₹ in millions)

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

56.10.2 Draw Down from Reserves

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

56.10.3 Concentration of Public deposits, Advances, Exposures and NPAs

56.10.3.1 Concentration of Deposits

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

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56.10.3.2 Concentration of Advances

(₹ in millions)

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

56.10.3.3 Concentration of Exposures

(₹ in millions)

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

56.10.3.4 Concentration of NPAs

(₹ in millions)

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

56.10.3.5 Sector-wise NPAs

(₹ in millions)

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

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56.10.4 Movement of NPAs

(₹ in millions)

Sr. No.	Sector	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%) (Net of Overall Provision)	-ve	1.06%
	Net NPAs to Net Advances (%) (Net of Provision on NPA)	1.91%	2.78%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,406.33	843.11
	(b) Additions during the year	475.11	801.87
	(c) Reductions during the year	581.60	238.65
	(d) Closing balance	1,299.84	1,406.33
(iii)	Movement of Net NPAs		
	(a) Opening balance	994.67	583.48
	(b) Additions during the year	324.73	569.26
	(c) Reductions during the year	417.53	158.07
	(d) Closing balance	901.87	994.67
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	411.67	259.63
	(b) Provisions made during the year	150.37	232.61
	(c) Write-off / write-back of excess provisions	164.07	80.57
	(d) Closing balance	397.97	411.67

56.10.5 Overseas Assets

The Company does not have any overseas assets.

56.10.6 Off-balance Sheet SPVs sponsored

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

56.10.7 Customer Complaints

(₹ in millions)

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

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

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

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

56.11.2 Top 20 large deposits

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

56.11.3 Top 10 borrowings

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

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56.11.4 Funding concentration based on significant instrument/product

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

Notes:

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

56.11.5 Stock ratios

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

56.11.6 Institutional set-up for liquidity risk management

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

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

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

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

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

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

The Company exceeds the regulatory requirement of liquidity coverage ratio (LCR) introduced by the RBI in FY 2020. This requirement stipulates that NBFCs with an asset size of ₹5,000 crore and above are required to maintain 50% of its

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expected net cash outflows in a stressed scenario in high quality liquid assets (HQLA) by December 2021; which has to be increased to 100% by December 2024 in a phased manner.

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

(₹ in millions)

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

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

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

(₹ in millions)

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

Notes

Forming part of Standalone Financial Statements

Provisioning Details as on 31st March 2021

(₹ in millions)

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

Note 57 Previous year figures

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

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Independent Auditor's Report

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

Opinion

1. We have audited the accompanying consolidated financial statements of Capri Global Capital Limited ('the Holding Company') and its subsidiary – Capri Global Housing Finance Limited (the Holding Company and its subsidiary together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
(Refer Note 2.5 for significant accounting policies and Note 40.2 for credit risk disclosures)	
As at 31 March 2022, the Group has reported gross loan assets of ₹64,414.80 million against which an impairment loss of ₹1,706.77 million has been recorded. The Group recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the techniques adopted by the Group including the key inputs and assumptions. Since assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Group's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109 • Understanding management's updated processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 Regulatory Package.

Key audit matter	How our audit addressed the key audit matter
• techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Group's historical data. During the previous and current years, RBI announced various relief measures for the borrowers which were implemented by the Group such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020 and 4 June 2021, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. On the basis of an estimate made by the respective management of the entities included in the Group, an overlay to the tune of Rs 443.30 million has been recognized by the Group as at 31 March 2022 on account of increase in default risk due to the impact of COVID-19 on recoverability of loans of the Group. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Group periodically and significantly depend on future developments in the economy including expected impairment losses. **Disclosure** The disclosures regarding the Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to ECL computation. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements, additional complexities involved on account of ongoing impact of COVID-19 and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets. Also evaluated the controls over the validation of data and related approvals. • Evaluated the appropriateness of the Company's determination of Significant Increase in Credit Risk ("SICR") in accordance with the applicable accounting standard considering the impact of COVID-19 on account of moratorium and restructuring benefit extended by the Holding Company and the basis for classification of various exposures into various stages. Further, assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the movement between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others. • Verified that the Group's approved policy in relation to moratorium and restructuring is in accordance with the RBI requirements. Evaluated that the restructuring was approved and implemented in accordance with such policy, and the provisions created on such restructured loan assets were in accordance with the Company's policy. • Performed test of details over calculations of ECL, in relation to the completeness and accuracy of data. • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 40.2 "Credit risk" and ECL disclosed in the accompanying financial statements, including disclosure of key judgements and assumptions involved, in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
Information Technology system for the financial reporting process	
The Group is highly dependent upon its information technology (IT) systems for carrying out its operations and processing significant volume of transactions, which impacts key financial accounting and reporting activities. The Group has put in place the IT General Controls and application controls to ensure that the information produced by the company complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the financial statements.	Our audit procedures for assessment of the IT systems and controls with reference to financial statements, included but were not limited to the following: • Obtained an understanding of the key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management and application controls relevant to our audit.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the consolidated financial statements, we have determined the audit of IT systems and related control environment for accounting and financial reporting as a key audit matter.	• Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users; • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit for evaluating completeness and accuracy; • Tested compensating controls or performed alternate audit procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and/or accuracy of data.

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

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Management and the Board of Directors. The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Management and the Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of respective Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

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

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

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

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

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The consolidated financial statements include the audited financial statements of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 20,354.33 million as at 31 March, 2022, total revenue (before consolidation

Independent Auditor's Report (Contd.)

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

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

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

Report on Other Legal and Regulatory Requirements

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

18. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary, as noted in 'other matters paragraph', we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 49 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses, on long-term contracts including derivative contracts during the year ended 31 March 2022;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2022;

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement

v. The dividend declared during the year ended 31 March 2022 by the Holding Company is in compliance with section 123 of the Act.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sd/-
Sanjay Khemani
Partner
Membership No. 044577
UDIN: 22044577AJJZNF5940

Mumbai
21 May 2022

Independent Auditor's Report (Contd.)

Annexure I

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

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

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

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

2. The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in the subsidiary company in terms of their reports referred to in the other matters below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of

the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Opinion

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

Other Matter

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

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sd/-
Sanjay Khemani
Partner
Membership No. 044577
UDIN: 22044577AJJZNF5940

Mumbai
21 May 2022

Consolidated Balance Sheet

As at March 31, 2022

(₹ in millions)

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

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in millions)

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

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Consolidated Cash Flow Statement

For the year ended March 31, 2022

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Operating activities		
Profit before tax from continuing operations	2,726.23	2,357.13
Adjustments for:		
Depreciation & amortisation	98.77	105.11
Impairment on financial instruments	1,056.68	607.01
Net gain on fair valuation of financial instruments	(236.17)	(288.23)
Net gain on derecognition of financial instruments	(170.01)	-
Loss/(Gain) on sale of fixed assets	(0.73)	0.21
Loss/(Gain) on sale of Investment Property	(2.93)	-
Gain on sale of Investments	-	-
Share Based Payments to employees	54.78	25.45
Dividend income	(1.23)	(1.19)
Fair value of derivative	(4.30)	-
Interest on lease liability	26.12	25.56
Interest income	(8,395.78)	(6,735.23)
Finance cost	3,308.47	2,887.05
Interest received	8,285.99	6,632.39
Interest Paid	(3,434.45)	(2,545.84)
Operating profit before working capital changes	**3,311.44**	**3,069.42**
Working capital changes	-	
Loans	(16,701.66)	(8,124.83)
Trade receivables & other financial assets	(48.76)	(49.32)
Other non-financial assets	(175.79)	(30.24)
Trade payables	261.31	3.03
Other financial liability	817.09	2,537.62
Other non-financial liability	67.02	14.02
Provision	(15.11)	46.85
Cash flows (used in)/generated from operating activities	**(12,484.46)**	**(2,533.45)**
Income tax paid	(922.41)	(652.48)
Net cash flows (used in)/generated from operating activities	**(13,406.87)**	**(3,185.93)**
Cash Flow From Investing activities	-	
Increase/(decrease) in Fixed deposits not considered as cash and cash equivalent	235.35	(417.50)
Purchase of fixed and intangible assets	(106.55)	(64.25)
Intangible Assets Under Development	(11.70)	1.28
Proceeds from sale of property and equipment	3.98	2.73
Sale/(Purchase) of investment in Mutual Funds (net)	2,329.16	(529.43)
Proceeds from Sale of investment	3,228.62	-
Purchase of investment	(1,018.59)	(3,649.61)
Dividend received	1.23	1.18
Proceeds from sale of Investment Properties	5.01	2.15
Net cash flows (used in)/generated from investing activities	**4,666.51**	**(4,653.45)**

Consolidated Cash Flow Statement

For the year ended March 31, 2022

(₹ in millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow From Financing activities	-	
Debt securities Issued	-	5,250.00
Debt securities Redeemed	(2,416.67)	-
Proceed from Borrowings other than debt securities	18,640.00	14,810.00
Repayment of Borrowings other than debt securities Repaid	(6,514.25)	(11,078.76)
Other short term loan (net)	654.26	-
Payments for the principal portion of the lease liability	(33.59)	(19.83)
Payments for the interest portion of the lease liability	(26.12)	(25.56)
Dividends paid	(70.14)	(35.04)
Issue of Equity Share	26.29	21.09
Net cash flows (used in)/generated from financing activities	**10,259.78**	**8,921.90**
Net increase in cash and cash equivalents	1,519.42	1,082.52
Cash and cash equivalents at April 1, 2021	1,706.02	623.50
Cash and cash equivalents at March 31, 2022	**3,225.44**	**1,706.02**
Components of cash and cash equivalents		
Cash on hand	14.88	14.75
Cheques on Hand	8.81	-
Balances with banks	-	
In current accounts	1,101.54	1,691.05
In Unpaid Dividend Account	0.21	0.22
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	2,100.00	-
Total cash and cash equivalents	**3,225.44**	**1,706.02**

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

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Consolidated Statement of Changes in Equity
As at March 31, 2022

A. Equity share capital
(1) Current year

(₹ in millions)

Balance as at April 01, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the current year	Balance as at March 31, 2022
350.57	**-**	**350.57**	**0.74**	**351.31**

(2) Previous year

(₹ in millions)

Balance as at April 01, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2020	Changes in equity share capital during the current year	Balance as at March 31, 2021
350.27	-	350.27	0.30	350.57

B. Other equity

(₹ in millions)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve under Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (Gratuity - OCI)	Hedging Reserve (Forward Contract - OCI)	
Balance as at April 1, 2020	642.05	4,471.01	7,656.42	57.92	2,120.04	91.10	3.04	-	15,041.58
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	**642.05**	**4,471.01**	**7,656.42**	**57.92**	**2,120.04**	**91.10**	**3.04**	**-**	**15,041.58**
Profit for the year	-	-	1,769.55	-	-		-	-	1,769.55
Other Comprehensive income / (losses)	-	-	-	-	-		4.71	-	4.71
Dividends	-	-	(35.04)	-	-		-	-	(35.04)
Transfer from retained earnings	-	-	(355.12)	-	-		-	-	(355.12)
Addition during the Year	-	20.79		20.85	287.92	67.20	-	-	396.76
Balance as at March 31, 2021	**642.05**	**4,491.80**	**9,035.81**	**78.77**	**2,407.96**	**158.30**	**7.75**	**-**	**16,822.44**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**642.05**	**4,491.80**	**9,035.81**	**78.77**	**2,407.96**	**158.30**	**7.75**	**-**	**16,822.44**
Profit for the year	-	-	2,050.41	-	-		-	-	2,050.41
Other Comprehensive income / (losses)	-	-	-	-	-		(0.36)	(4.57)	(4.93)
Dividends	-	-	(70.14)	-	-		-	-	(70.14)
Transfer from retained earnings	-	-	(410.17)	-	-		-	-	(410.17)
Addition during the Year	-	49.34	-	26.28	323.77	86.40	-	-	485.79
Balance as at March 31, 2022	**642.05**	**4,541.14**	**10,605.91**	**105.05**	**2,731.73**	**244.70**	**7.39**	**(4.57)**	**18,873.40**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

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

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Notes

Forming part of Consolidated Financial Statements

1. Corporate Information

Capri Global Capital Limited (""the Company/Holding Company"") having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Holding Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

Capri Global Housing Finance Limited (the Subsidiary Company) holds registration certificate No. 07.0139.16 with National Housing Bank under section 29A of the National Housing Bank Act, 1987 dated 18th July 2016 and is engaged in the business of providing loans primarily to customers for purchase / construction / repair and renovation of residential property.

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2. Presentation of financial statement

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

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

2.3. Statement of compliance

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

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

2.4 Basis of Consolidation

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

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

(ii) Principles of Consolidation:

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

Notes
Forming part of Consolidated Financial Statements

financial statements have been prepared on the following basis:

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

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

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

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

2.5 Financial instruments

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

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

(i) Classification of financial instruments

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

1. Financial assets to be measured at amortised cost

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

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

Business model assessment

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

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

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

Notes
Forming part of Consolidated Financial Statements

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Items at fair value through profit or loss comprise:

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

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

(iv) Debt securities and other borrowed funds

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

(v) Reclassification

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

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds are received by the Group.

Notes

Forming part of Consolidated Financial Statements

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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

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

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

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

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

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

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

b) Financial liabilities

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The

Notes

Forming part of Consolidated Financial Statements

12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

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

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

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

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where

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a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

Collateral Valuation

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

Collateral repossessed

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

(viii) Write-offs

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

(ix) Determination of fair value

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

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

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield

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curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

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

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

Difference between transaction price and fair value at initial recognition

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

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

2.6 Revenue from operations

(i) Interest Income

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

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

(ii) Dividend Income

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

(iii) Fees & Commission Income

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

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

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance

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obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

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

(iv) Net gain on Fair value changes

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

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

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

(V) Loan Processing Fees

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

2.7 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Group who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an

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expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

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

(iii) Leases

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

The Group assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

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

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

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

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

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

2.8 Cash and cash equivalents

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

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term cash commitments (rather than for investment or other purposes).

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

2.9 Property, plant and equipment

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

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

Depreciation

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

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

2.10 Intangible assets

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

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

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

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

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

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

2.11 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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2.12 Contingent Liabilities

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

2.13 Earning Per Share

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

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

2.14 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

(i) Defined employee benefit assets and liabilities - Refer 2.7(ii)

(ii) Impairment of loans portfolio - Refer 2.5(vii)

(iii) Effective Interest Rate (EIR) method - Refer 2.6(i) and 2.7(i)

(iv) Lease accounting - Refer 2.7(iii)

(v) Impairment test of non-financial assets - Refer 2.7(v)

(vi) Useful life of property, plant, equipment and intangibles - Refer 2.9 & 2.10

(vii) Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions - Refer 2.7(vi)

(viii) Recognition and Measurement of Provision and Contingencies - Refer 2.11 and 2.12

(ix) Determination of the fair value of financial instruments - Refer 2.5(ix)

(x) Business Model Assessment - Refer 2.5(i)

2.15 Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Group is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts."

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Note 3. Cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	14.89	14.75
Cheques on hand	8.81	-
Balances with banks:		
- in current accounts	1,101.36	1,691.05
- In Deposit accounts with original maturity of 3 months or less	2,100.00	-
Total	**3,225.06**	**1,705.80**

Note 4. Bank balances other than cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks		
- Original Maturity more than 3 months	305.94	536.46
- Unclaimed Dividend Account	0.21	0.22
Total	**306.15**	**536.68**

Out of the above ₹184.60 Millions (March 31, 2021 - ₹185.67 Millions) balance in deposit accounts with banks are being earmarked towards Borrowings from National Housing Bank.

Balance in deposit accounts with banks are being earmarked towards Overdraft facilities and agaisnt Customer Advance.

Deposits are made for varying period from 7 days to 10 years and earn interest at the respective fixed rate.

Note 5. Receivables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good		
- Outstanding for a period exceeding six months from the due date of payment of payment	-	-
- Outstanding for a period less than six months	81.64	15.08
Total	**81.64**	**15.08**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Group has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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Ageing schedule

(1) Current year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	81.64	-	-	-	-	81.64
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

(1) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	15.03	0.04	0.01	-	-	15.08
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

Note 6. Loans

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured (Amortised Cost)		
Term Loans	64,413.67	48,005.46
Unsecured (Amortised Cost)		-
Loan to employees	1.13	1.19
Total – Gross (A)	**64,414.80**	**48,006.65**
Less : Expected Credit Loss	(1,706.77)	(1,144.10)
Total – Net (A)	**62,708.03**	**46,862.55**
(a) Secured by Tangible Assets	61,291.34	44,924.87
(b) Secured by Book Debts	3,122.33	3,080.59
(c) Unsecured	1.13	1.19
Total - Gross (B)	**64,414.80**	**48,006.65**
Less : Expected Credit Loss	(1,706.77)	(1,144.10)
Total - Net (B)	62,708.03	46,862.55
Loans in India		
i) Public Sector	-	-
ii) Others	64,414.80	48,006.65
Total - Gross (C)	**64,414.80**	**48,006.65**
Less: Expected Credit Loss	(1,706.77)	(1,144.10)
Total - Net (C)	**62,708.03**	**46,862.55**

Notes

Forming part of Consolidated Financial Statements

Note 1 - The Group's business model is to Collect contractual cash flows, being the payment of Principal and Interest, accordingly the loans are measured at amortised cost.

Note 2 - Underlying for the term loans secured by tangible assets are properties.

Note 3 - The Group does not have any loans outside India.

Note 7. Investments

(₹ in millions)

Investments	As at March 31, 2022			As at March 31, 2021		
	At Fair Value Through profit or loss	At Amortized Cost	Total	At Fair Value Through profit or loss	At Amortized Cost	Total
Investments in Mutual funds	2,304.43	-	2,304.43	4,394.08	-	4,394.08
Investments in Commercial Paper	-	-	-	-	959.13	959.13
Investments in Debt Securities			-			
- Debt Instrument	-	247.66	247.66	-	952.76	952.76
- Pass Through Certificates	-	1,174.64	1,174.64	-	1,729.83	1,729.83
Investments in Equity Instruments	48.11	-	48.11	38.73	-	38.73
Total - Gross (A)	**2,352.54**	**1,422.30**	**3,774.84**	**4,432.81**	**3,641.72**	**8,074.53**
i) Investments outside India	-	-	-	-		-
ii) Investments in India	2,352.54	1,422.30	3,774.84	4,432.81	3,641.72	8,074.53
Total (B)	**2,352.54**	**1,422.30**	**3,774.84**	**4,432.81**	**3,641.72**	**8,074.53**

Particulars	As at March 31, 2022	As at March 31, 2021
	Numbers/Units	Numbers/Units
Investment in Equity		
1. Equity Shares of CARE Ratings Limited of Rs.10/- each fully paid up	94,242.00	94,242.00
Investment in Mutual Funds		
1. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	92,90,561.00	74,90,392.66
2. ICICI Pru. Floating Interest Fund -Direct Growth	-	9,18,910.39
3. HDFC Low Duration Fund Direct Growth	-	3,76,034.86
4. Aditya Birla Sun Life Banking & PSU Debt Fund - DG	-	6,93,806.12
5. Nippon India Floating Rate Fund - DG	-	83,80,194.95
6. HDFC Corporate Bond Fund	-	2,02,54,665.89
7. Aditya Birla Sun Life Savings Fund - DG	6,76,389.73	1,88,159.74
8. HDFC Ultra Short Term Fund	-	83,84,762.47
9. ICICI Prudential Money Market Fund Regular Growth	1,98,269.03	-
10. ICICI Prudential Money Market Fund Direct Growth	16,29,143.98	-
11. Nippon India Money Market Fund Direct Growth	1,85,170.45	-
12. Aditya Birla Sun Life Money Manager Fund - Direct Growth	6,69,388.31	-
13. Aditya Birla Sun Life Liquid Fund - Direct Growth	5,83,099.82	-
14. Nippon Indian Liquid Fund Direct Growth	38,439.85	-
15. ICICI Prudential Liquid Fund	-	2,02,667.70
16. Kotak Short term Fund	-	34,57,849.03
17. Aditya Birla Sunlife Liquid Fund	-	1,50,823.16
18. Baroda Liquid Fund	-	12,689.66
19. ICICI Prudential Liquid Fund	-	3,28,174.61
20. Kotak Liquid Fund	-	36,072.83
21. SBI Liquid Fund	-	31,046.09

Notes
Forming part of Consolidated Financial Statements

Particulars	As at March 31, 2022 Numbers/Units	As at March 31, 2021 Numbers/Units
22. UTI Liquid Fund	-	23,852.06
23. Aditya Birla Sunlife Money Manager Fund	-	13,95,891.84
24. UTI Money Market Fund	-	1,25,600.20
25. Nippon India Money Market Fund	-	1,24,459.18
26. ICICI Prudential Ultra Short Fund	-	87,83,819.42
27. Axis Ultra Short Fund	-	75,76,459.83
28. ICICI Prudential Savings Fund	-	5,74,082.59
29. Kotak Low Duration Fund	-	36,052.05
30. Aditya Birla Sunlife Floating Rate Fund	-	4,83,024.04
31. ICICI Prudential Floating Interest Fund	-	3,10,073.14
Investment in Bonds		
1. Aditya Birla Finance Limited SR PPMLD K1 BR NCD 04MY21 FVRS10LAC	-	130.00
2. 8.50% Shriram Transport Finance Co. Ltd - SR-D-14 8.5 NCD 16AG21 FVRS10LAC	-	150.00
3. 8.85% Shriram Transport Finance Co. Ltd - SR-D-11 8.85 NCD 03AG21 FVRS10LAC	-	40.00
4. Shriram City Union Finance Co. Ltd - SR I TR I 9.55 NCD 30AP21 FVRS1000	-	3,50,000.00
5. Shriram Transport Finance Co. Ltd - SR F-16 OPT I NCD 31MY21 FVRS10LAC	-	200.00
6. Edelweiss Financial Services Ltd - 11 NCD 05OCT23 FVRS10LAC	250.00	-
Investment in Commercial Papers		
1. ADANI ENTERPRISES LIMITED - 181D CP 23SEP21	-	1,000.00
2. ADANI ENTERPRISES LIMITED - 185D CP 06SEP21	-	1,000.00
Investment in Pass Through Certificates		
1. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A1 PTC 01MR19	-	1,750.00
2. INDIAN RECEIVABLE TRUST 2019 SERIES 5 - SERIES A2 PTC 01MR19	2,318.00	2,318.00

Note 8. Other Financial Assets

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	32.30	23.43
Interest Accrued but not due on Commercial Papers	-	3.68
Interest Accrued but not due on Debt Instruments	2.03	43.06
Interest Accrued but not due on PTC	6.08	-
Receivable on sale of Investment Equity share	-	27.50
Spread receivable on assigned portfolio	168.45	-
Advertisement Income Receivable	11.62	14.99
Other Receivable	1.66	0.48
Total	**222.14**	**113.14**

Note 9. Current Tax Assets (Net)

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax	100.38	82.63
[net of provision for tax of ₹ 3,129.87 Millions (March 31, 2021 ₹ 1,896.46 Millions)]		
Total	**100.38**	**82.63**

Notes

Forming part of Consolidated Financial Statements

Note 10. Deferred Tax Assets

The major components of deferred tax assets and liabilities are :

(₹ In Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
a) Depreciation	24.25	-	22.95	-
b) Provision for Employee Benefits	15.21	-	12.63	-
c) Unmortised fees on borrowings	-	1.38	-	4.36
d) Impairment allowance for financial assets	359.08	-	195.69	-
e) Unmortised fees on loans	4.20	-	13.75	-
f) MAT Credit Entitlement	-	-	8.08	-
g) Financial Instruments at FVTPL	0.75	-	-	3.81
h) Others	7.12	-	12.36	-
i) Gain on derecognition of financial instruments	-	42.40	-	-
Total	**410.61**	**43.78**	**265.46**	**8.17**
Net Deferred tax assets		**366.83**		**257.29**

Note 11. Investment Properties

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment Properties	-	6.67
Total	**-**	**6.67**

(₹ In Millions)

Cost or Deemed Cost	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	6.67	8.82
Additions during the year	-	-
Disposals	2.21	2.15
Transferred to Assets held for sale	4.46	-
Balance at the end of the year	-	6.67
Total	**-**	**6.67**

* Investment Properties are in the nature of freehold properties and fair value of the properties is ₹25.19 millions as on March 31, 2021

Notes

Forming part of Consolidated Financial Statements

Note 12 - Property, plant and equipment & Intangible Assets

Current Year:

Property, plant and equipment :

(₹ In Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2021	Additions	Deductions	As at March 31,2022	As at April 01,2021	For the Year	Deductions	As at March 31,2022	As at March 31,2022	As at March 31,2021
Buildings :										
Buildings	2.70	-	-	2.70	0.49	0.11	-	0.60	2.10	2.21
Leasehold Premises	22.85	-	-	22.85	15.84	1.81	-	17.65	5.20	7.01
Computer Hardware	91.67	51.92	14.76	128.83	75.37	20.80	13.89	82.28	46.55	16.30
Furniture and Fixtures	50.31	1.52	2.46	49.37	34.03	4.25	1.80	36.48	12.89	16.28
Office Equipments	33.22	3.96	3.75	33.43	28.35	2.54	3.47	27.42	6.01	4.87
Vehicles	61.40	9.88	8.58	62.70	42.02	6.04	5.41	42.65	20.05	19.38
Electrical Installation	9.94	-	0.12	9.82	7.02	0.74	0.09	7.67	2.15	2.92
Right of Use	296.79	93.90	37.75	352.94	111.15	42.82	24.10	129.87	223.07	185.64
Total	**568.88**	**161.18**	**67.42**	**662.64**	**314.27**	**79.11**	**48.76**	**344.62**	**318.02**	**254.61**

Intangible Assets under development:

(₹ In Millions)

Particulars	GROSS AMOUNT			
	As at April 01,2021	Additions	Deductions	As at March 31,2022
Software	0.70	23.52	1.02	23.20
Total	**0.70**	**23.52**	**1.02**	**23.20**

Intangible assets :

(₹ In Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2021	Additions	Deductions	As at March 31,2022	As at April 01,2021	For the Year	Deductions	As at March 31,2022	As at March 31,2022	As at March 31,2021
Software	78.74	28.48	-	107.22	61.93	19.63	-	81.56	25.66	16.81
Total	**78.74**	**28.48**	**-**	**107.22**	**61.93**	**19.63**	**-**	**81.56**	**25.66**	**16.81**

Notes
Forming part of Consolidated Financial Statements

Previous Year:

Property, plant and equipment

(₹ In Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2020	Additions	Deductions	As at March 31,2021	As at April 01,2020	For the Year	Deductions	As at March 31,2021	As at March 31,2021	As at March 31,2020
Leasehold Premises	22.85	-	-	22.85	13.39	2.45	-	15.84	7.01	9.46
Computer Hardware	88.01	11.08	7.42	91.67	72.01	10.39	7.03	75.37	16.30	16.00
Furniture and Fixtures	48.59	1.86	0.14	50.31	28.68	5.43	0.08	34.03	16.28	19.91
Office Equipments	32.35	1.50	0.63	33.22	25.77	3.14	0.56	28.35	4.87	6.58
Vehicles	55.57	6.93	1.10	61.40	35.46	6.93	0.37	42.02	19.38	20.11
Electrical Installation	9.91	0.03	-	9.94	6.00	1.02	-	7.02	2.92	3.91
Right of Use	273.24	23.55	-	296.79	56.20	54.95	-	111.15	185.64	217.04
Total	**533.22**	**44.95**	**9.29**	**568.88**	**237.89**	**84.42**	**8.04**	**314.27**	**254.61**	**295.33**

Intangible Assets under development:

(₹ In Millions)

Particulars	GROSS BLOCK			
	As at April 01,2020	Additions	Deductions	As at March 31,2021
Software	1.98	6.67	7.95	0.70
Total	**1.98**	**6.67**	**7.95**	**0.70**

Intangible assets :

(₹ In Millions)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01,2020	Additions	Deductions	As at March 31,2021	As at April 01,2020	For the Year	Deductions	As at March 31,2021	As at March 31,2021	As at March 31,2020
Software	59.43	19.31	-	78.74	41.25	20.68	-	61.93	16.81	18.18
Total	**59.43**	**19.31**	**-**	**78.74**	**41.25**	**20.68**	**-**	**61.93**	**16.81**	**18.18**

Notes
Forming part of Consolidated Financial Statements

Note 13. Other Non-Financial Assets

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	156.95	148.06
Less: Provision on Capital Advances	(3.71)	(3.71)
Net Capital Advances	**153.24**	**144.35**
Assets Held for sale	47.44	48.24
Less: Provision on Assets held for sale	(42.98)	(44.48)
Net Assets Held for Sale	**4.46**	**3.76**
Prepaid expenses	35.33	8.61
Accrued Income	170.46	9.65
Deferred lease rentals	-	0.47
GST Input Credit	-	11.91
Advance to vendor	7.59	1.55
Other Assets	4.66	4.66
Total	**375.74**	**204.34**

Note 14. Payables

Trade Payables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises*	1.75	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	333.10	74.94
Total	**334.85**	**74.94**

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
1) Principal amount due and remaining unpaid	1.75	-
2) Interest due on (1) above and the unpaid interest	-	-
3) Interest paid on all delayed payment under the MSMED Act	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay other than (3) above	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-
Total	**1.75**	**-**

Ageing schedule

(1) Current year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1.75	-	-	-	1.75
(ii) Others	325.10	6.21	0.24	1.55	-	333.10
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

Notes

Forming part of Consolidated Financial Statements

(2) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	63.08	6.46	1.60	0.46	3.34	74.94
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-

Other Payables

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued Employee Benefit Expense	78.25	72.27
Total	**78.25**	**72.27**

(1) Current year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Others	-	78.20	0.05	-	-	78.25

(2) Previous year

(₹ in millions)

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Others	-	64.35	6.40	0.74	0.78	72.27

Note 15. Debt Securities

(₹ In Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	4,330.90	4,330.90	6,741.30	6,741.30
Total (A)	**4,330.90**	**4,330.90**	**6,741.30**	**6,741.30**
Debt securities in India	4,330.90	4,330.90	6,741.30	6,741.30
Debt securities outside India	-	-	-	-
Total (B)	**4,330.90**	**4,330.90**	**6,741.30**	**6,741.30**

Notes

Forming part of Consolidated Financial Statements

Terms of repayment, nature of security & rate of interest in case of Non Convertible Debentures.

(₹ in millions)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2022	As at March 31, 2021
Series 4 (FV ₹10 Lacs)	09-08-2029	Bullet payment on maturity	10.23%	1,500.00	1,500.00
Series 8 (FV ₹10 Lacs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	333.33	500.00
Series 6 (FV ₹10 Lacs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	500.00
Series 5 (FV ₹10 Lacs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	2,000.00
Series 9 (FV ₹10 Lacs)	04-02-2022	Bullet payment on maturity	8.35%	-	1,500.00
Series 7 (FV ₹10 Lacs)	16-01-2022	Bullet payment on maturity	8.25%	-	500.00
Series 1 (FV ₹10 Lacs)	28-01-2022	Bullet payment on maturity	8.00%	-	250.00
Total (A)				**4,333.33**	**6,750.00**
Less : Unamortised borrowing cost (B)				(2.43)	(8.70)
Total (A+B)				**4,330.90**	**6,741.30**

Disclosure under regulation 53(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Debenture Trustees:

Catalyst Trusteeship Limited
604, Windsor, Off CST Road,
Kalina, Santacruz East,
Mumbai - 400098.
Contact : + 91 (022) 49220555

Disclosure under regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Related party transaction - Refer Note 42

Disclosure under regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Asset Cover

The above NCD's are secured against first pari-passu charge by way of hypothecation on the immovable property, loan receivables/book debts, bank balances and investments of the Group with asset cover range of 1.25 to 1.33 times.

Note 16A. Derivative financial instruments

(₹ In Millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Notional Amounts*	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency Derivatives:						
- Forwards	6,129.62	-	12.42	-	-	-
Total Derivative Financial Instruments	**6,129.62**	**-**	**12.42**	**-**	**-**	**-**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cashflow Hedging:						
- Currency Derivatives : Forwards	6,129.62	-	12.42	-	-	-
Total Derivative Financial Instruments	**6,129.62**	**-**	**12.42**	**-**	**-**	**-**

* Notional amount of the respective currency has been converted as at March 31,2022 exchange rate.

Notes

Forming part of Consolidated Financial Statements

Note 16B. Borrowings (Other Than Debt Securities) - At Amortised Cost

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans from Banks*	37,017.16	26,314.10
Term Loans from others**	6,034.26	4,633.16
Unsecured		
Loan from Director	-	0.02
Loan Repayable on Demand		
From Banks (Cash Credit)	701.55	47.29
Total (A)	**43,752.97**	**30,994.57**
Borrowings in India	43,752.97	30,994.57
Borrowings outside India	-	-
Total (B)	**43,752.97**	**30,994.57**

* Exclusive charge by way of hypothecation of Group's loan receivables, bank balances with asset cover of 1.20 times in favour of borrowing from SBI of ₹1,640.80 millions.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balances and investments with asset cover of 1.10 to 1.33 times.

** Exclusive charge by way of hypothecation of Group's loan receivables with minimum assets cover of 1.25 times in favour of borrowing from NABARD of ₹3,600 millions and asset cover of 1.25 to 1.35 times in favour of borrowing from NHB of ₹1,546.76 millions.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balance and investments with asset cover in the range of 1.15 to 1.33 times.

Terms of repayment & rate of interest in case of Borrowings (Other than Debt Securities)

(₹ in millions)

Nature of Facility	Maturity Range	Interest Range	As at March 31, 2022	As at March 31, 2021
Term Loans	0-3 yrs	7.50% - 9.50%	5,770.10	2,707.64
Term Loans	3-5 yrs	7.50% - 9.50%	17,623.69	17,316.58
Term Loans	5-7 yrs	7.50% - 9.50%	16,561.00	7,694.94
Term Loans	Beyond 7 years	7.50% - 9.50%	1,749.99	1,499.99
Refinance from NHB	0-3 yrs	3% - 6.50%	347.20	-
Refinance from NHB	3-5 yrs	3% - 6.50%	4.85	473.60
Refinance from NHB	5-7 yrs	3% - 6.50%	795.91	1,007.81
Refinance from NHB	Beyond 7 years	3% - 6.50%	398.80	466.75
Total (A)			**43,251.54**	**31,167.31**
Less : Unamortised borrowing cost (B)			(200.10)	(220.05)
Total (A+B)			**43,051.44**	**30,947.26**

Notes
Forming part of Consolidated Financial Statements

Note 17. Other Financial Liabilities

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Book Overdraft	2,817.52	2,008.13
Unclaimed dividend	0.21	0.22
Margin money received from Customer	139.98	179.81
Advances from customers	1.55	3.29
Lease Liability	248.20	211.74
Interest Accrued but not due on borrowings	238.17	372.98
Other Financial Liabilities	63.18	0.37
Total	**3,508.81**	**2,776.54**

Note 18. Current tax liabilities (Net)

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax	27.89	148.86
[net of advance tax of ₹740.87 Millions (March 31, 2021 ₹1,131.56)]		
Total	**27.89**	**148.86**

Note 19. Provisions

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision on non-fund exposure	93.76	38.61
Provision for Interest on Interest Waiver	-	34.39
Provision for employee benefits		
- Gratuity	13.15	6.38
- Compensated Absences	59.28	46.29
Total	**166.19**	**125.67**

Note 20. Other non-financial liabilities

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Remittances	90.70	23.67
Total	**90.70**	**23.67**

Note 21. Equity Share Capital

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
36,00,00,000 Equity Shares of ₹ 2 each	720.00	720.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)		
	720.00	**720.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,56,54,055 Equity Shares of ₹ 2 each	351.31	350.57
(Previous Year 17,52,85,355 Equity Shares of ₹ 2 each)		
	351.31	**350.57**

Notes

Forming part of Consolidated Financial Statements

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ In Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,52,85,355	350.57	17,51,34,805	350.27
Issued during the year	3,68,700	0.74	1,50,550	0.30
Equity shares outstanding as at the end of the year	17,56,54,055	351.31	17,52,85,355	350.57

During the year the Holding Company has allotted 3,68,700 equity shares of ₹2/- each for consideration of ₹21.60 Millions as ESOPs. In previous year the Holding Company had allotted 1,50,550 equity shares of ₹2/- each for consideration of ₹11.38 Millions as ESOPs.

During the period of five years immediately preceding the Balance Sheet date, the Holding Company has not issued any shares without payment being received in cash or by way of bonus shares. Further there have been no shares bought back.

Details of shareholders holding more than 5 percent shares in the Holding Company are given below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.61%	6,78,24,643	38.69%
Rameshchandra Sharma	-	0.00%	4,37,64,930	24.97%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	9.97%	1,75,17,060	9.99%
Rajesh Sharma	4,59,00,035	26.13%	-	0.00%

Details of Promoters holding shares in the Holding Company are given below:

Particulars	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Individuals / Hindu Undivided Family					
Ramesh Chandra Sharma	-	0.00%	4,37,64,630	24.97%	-100.00%
Ramesh Chandra Sharma Huf	-	0.00%	21,35,405	1.22%	-100.00%
Rajesh Sharma	500	0.00%	500	0.00%	0.00%
Jahnavi Sharma	100	0.00%	100	0.00%	0.00%
Jinisha Sharma	100	0.00%	100	0.00%	0.00%
Raghav Sharma	100	0.00%	100	0.00%	0.00%
Promoter Trust					
Rajesh Sharma	4,59,00,035	26.13%	-	0.00%	100.00%
Bodies Corporate					
Capri Global Holdings Private Limited	6,78,24,643	38.61%	6,78,24,643	38.69%	0.00%
Capri Global Advisory Services Private Limited	1,75,17,060	9.97%	1,75,17,060	9.99%	0.00%
Total	**13,12,42,538**	**74.72%**	**13,12,42,538**	**74.87%**	**0.00%**

Terms/Rights attached to equity shares:

1. The Holding Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees.

2. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Shares reservation :

In FY 2021-22, 30,40,800 shares (FY 2020-21 15,80,45 shares) of ₹2 each towards outstanding employee stock options granted (Refer Note 46)

Notes
Forming part of Consolidated Financial Statements

Objective for managing capital:

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, Reserve Bank of India (RBI). The adequacy of the Holding Company's capital is monitored using, among other measures, the regulations issued by RBI.

Note 22. Other equity

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per the last Financial Statements	2,407.96	2,120.04
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	323.77	287.92
Closing balance	**2,731.73**	**2,407.96**
Statutory Reserve Section 29C of the National Housing Bank Act, 1987		
Balance as per the last Financial Statements	158.30	91.10
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	86.40	67.20
Closing balance	**244.70**	**158.30**
Securities premium		
Balance as per the last financial statements	4,491.80	4,471.01
Add: On account of ESOP Exercised	49.34	20.79
Closing balance	**4,541.14**	**4,491.80**
General Reserve		
Balance as per the last financial statements	642.05	642.05
Closing balance	**642.05**	**642.05**
Other reserves & surplus - Employee stock option outstanding		
Balance as per the last Financial Statements	78.77	57.92
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	26.28	20.85
Closing balance	**105.05**	**78.77**
Retained earnings (Surplus in profit & loss account)		
Surplus in statement of profit and loss	9,043.56	7,659.46
Profit for the year	2,050.41	1,769.55
Other Comprehensive Income	(4.92)	4.71
Dividend Paid	(70.15)	(35.04)
Transfer to Reserve Fund Section 29C of the National Housing Bank Act, 1987	(86.40)	(67.20)
Transfer to Reserve Fund under Section 45-IC of Reserve Bank of India Act,1934	(323.77)	(287.92)
Closing Balance	**10,608.73**	**9,043.56**
Total	**18,873.40**	**16,822.44**

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes

Forming part of Consolidated Financial Statements

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Every non-banking financial company is required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.

Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987

Every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its profit every year as disclosed in the profit and loss account and before any dividend is declared. Explanation - A housing finance institution creating and maintaining any special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 (43 of 1961) may take into account any sum transferred by it for the year to such special reserve for the purposes of this sub-section. For the previous comparative periods, company has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Employee Stock Option Reserve

This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.

Note 23. Interest Income

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	On Financials Assets measured at Amortised Cost	On Financials Assets measured at Amortised Cost
Interest on Loans	8,100.22	6,679.83
Interest on deposits	32.71	42.49
Interest income from investments	260.83	12.89
Interest on Others	2.02	-
Total	**8,395.78**	**6,735.21**

Note 24. Fee and commission Income

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Application Fees	39.81	20.74
Car Loan Commission	466.96	-
Total	**506.77**	**20.74**

Note 25. Net gain on fair value changes

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in Shares	144.75	126.68
- Mutual Funds and Bonds	91.42	161.55
(B) Others	-	-
(C) Total Net gain on fair value changes	236.17	288.23
(D) Fair Value changes:		
- Realised	228.95	273.10
- Unrealised	7.22	15.13
Total Net gain on fair value changes	**236.17**	**288.23**

Notes

Forming part of Consolidated Financial Statements

Note 26. Other Operating Income

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Advertisement Income	-	153.95
Foreclosure Fees	80.19	61.85
Bad Debts Recovered	0.34	1.10
Legal Charges Received	13.93	7.49
Other Charges	148.39	91.08
Total	**242.85**	**315.47**

Note 27. Other Income

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Advertisement Income	113.60	-
Profit on sale of Investment Property	2.93	3.28
Service Fees	-	1.77
Write Back	7.47	-
Interest on Income Tax Refund	-	4.94
Other	4.00	0.55
Total	**128.00**	**10.54**

Note 28. Finance Costs

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest on borrowings Other than debt Securities	2,721.83	2,361.41
Interest on Bank Overdraft	-	0.32
Interest on debt securities	553.40	497.48
Interest on Bank CC	7.12	2.28
Interest on Lease Liability	26.12	25.56
Total	**3,308.47**	**2,887.05**

Note 29. Impairment on financial instruments (at Amortised Cost)

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Loans and advances to customers	562.59	544.04
Loan commitments	55.16	0.64
Bad Debts Written Off	438.93	-
Total impairment loss	**1,056.68**	**544.68**

Notes

Forming part of Consolidated Financial Statements

Note 30. Employee Benefits Expenses

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and Bonus	1,569.47	900.06
Contribution to provident and other funds	84.65	47.81
Share Based Payments to employees	54.78	31.20
Staff Training and Welfare Expenses	37.14	14.72
Total	**1,746.04**	**993.79**

Note 31. Other Expenses

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Advertising	6.17	6.24
Auditors' Remuneration	5.76	5.70
Bad Debts Written Off	-	62.32
Banking Charges	7.44	9.19
Business Development Expenses	22.92	6.98
Corporate Social Responsibility Expenses*	44.92	37.47
Directors' Fees and Commission	7.93	7.74
Electricity Charges	13.07	9.00
Legal Expenses	224.61	124.89
Loss On Sale of Fixed Assets	1.02	0.20
Recruitment Expenses	36.12	13.93
Membership & Subscription Expenses	2.47	2.45
Processing Fees on Co Lending	0.03	-
Postage, Telephone and Fax	33.98	25.84
Printing and Stationery	21.65	10.50
Rent	28.42	9.08
Software Expenses	62.39	35.86
Filing & Other Fees to ROC	0.09	0.12
Travelling and Conveyance	103.85	55.50
Service fees*	3.96	4.05
NOC Review Charges	13.52	18.43
Write off - Others	1.34	-
Miscellaneous Expenses	49.23	38.12
Total	**690.89**	**483.61**

*The above CSR expenses includes ₹1.22 millions pertaining to the previous year funds utilization which was transferred to the designated bank account in line with the notification No. G.S.R. 40(E) dated 22nd January, 2021 issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021

Notes
Forming part of Consolidated Financial Statements

1. Auditors' Remuneration

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a) For Statutory Audit	1.66	1.70
b) For Tax Audit	0.38	0.40
c) For Limited Review	1.08	1.05
d) For other services (Certification Fees and Interim audit Fees)	2.09	2.20
e) For reimbursement of expenses	0.08	0.12
f) GST to the extent of ITC not availed	0.47	0.23
Total	**5.76**	**5.70**

2. Corporate Social Responsibility Expenses

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Gross Amount Required to be spent during the year	44.92	37.47
Amount spent during the year on CSR		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	44.92	37.47
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Refer note 3 below	Refer note 3 below
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 42	Refer note no. 42

3. **Nature of CSR activities** - Women Empower, Livelihood Initiative, Education Initiative, Health Initiative (including nutrition project), COVID-19 Relief support, Animal Welfare

4. **Disclosure in relation to undisclosed income** - There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

5. **Details of Crypto currency or Virtual currency** - The Group has not traded or invested in crypto currency or virtual currency during the financial year

Note 32. Other Comprehensive Income

(₹ In Millions)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement loss (gain) on defined benefit plan	(0.47)	6.27
Income tax relating to these items	0.12	(1.56)
Items that may be reclassified to profit or loss		
Fair Value Gain on time value of forward element of forward contract in hedging relationship	(6.10)	-
Income tax relating to these items	1.53	-
Other comprehensive income for the year, net of tax	**(4.92)**	**4.71**

Notes

Forming part of Consolidated Financial Statements

Note 33. MSME Loans

1.1 Credit quality of assets

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	24,458.84	-	-	24,458.84	18,508.18	-	-	18,508.18
Standard grade	1,468.90	-	-	1,468.90	1,942.41	-	-	1,942.41
Sub-standard grade	-	1,204.54	-	1,204.54	-	976.79	-	976.79
Past due but not impaired	-	1,564.06	-	1,564.06	-	736.26	-	736.26
Restructured	-	1,937.56	-	1,937.56	-	1,817.97	-	1,817.97
Non Performing								
Individually impaired	-	-	1,276.66	1,276.66	-		1,389.58	1,389.58
Total	**25,927.74**	**4,706.16**	**1,276.66**	**31,910.56**	**20,450.59**	**3,531.02**	**1,389.58**	**25,371.19**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	20,450.58	3,531.02	1,389.58	25,371.18	17,700.21	1,664.22	733.20	20,097.63
New assets originated	11,510.38	-	-	11,510.38	7,447.60	-	-	7,447.60
Assets derecognised or repaid (excluding write offs)	(4,010.62)	(519.24)	(264.42)	(4,794.28)	(2,488.39)	(110.65)	(152.36)	(2,751.40)
Transfers to Stage 1	549.53	(334.83)	(214.70)	-	442.02	(389.24)	(52.78)	-
Transfers to Stage 2	(2,205.65)	2,287.75	(82.10)	-	(2,208.77)	2,231.76	(22.99)	-
Transfers to Stage 3	(265.18)	(203.52)	468.70	-	(442.09)	(298.73)	740.82	-
Other movements (on account of change in EAD)	-	-	-	-	-	433.66	197.89	631.55
Amounts written off	(101.30)	(55.02)	(20.40)	(176.72)	-	-	(54.20)	(54.20)
Gross carrying amount closing balance	**25,927.74**	**4,706.16**	**1,276.66**	**31,910.56**	**20,450.58**	**3,531.02**	**1,389.58**	**25,371.18**
Number of Loans	**17,766**	**2,385**	**622**	**20,773**	**14,113**	**1,462**	**566**	**16,141**

Reconciliation of ECL balance is given below:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	135.58	381.95	394.91	912.44	83.86	109.36	256.43	449.65
New assets originated	79.66	-	-	79.66	45.59	-	-	45.59
Assets derecognised or repaid (excluding write offs)	(21.74)	(66.34)	(80.72)	(168.80)	(9.83)	(11.87)	(52.36)	(74.06)
Transfers to Stage 1	6.08	(4.78)	(1.30)	-	35.89	(23.51)	(12.38)	-
Transfers to Stage 2	(210.43)	216.87	(6.44)	-	(10.53)	15.87	(5.34)	-
Transfers to Stage 3	(67.13)	(59.67)	126.80	-	(2.11)	(17.78)	19.89	-
Other movements (on account of change in EAD)	268.29	223.94	18.77	511.00	(7.29)	309.88	202.49	505.08
Amounts written off	(1.16)	(0.89)	(58.85)	(60.90)			(13.82)	(13.82)
ECL allowance - closing balance	**189.15**	**691.08**	**393.17**	**1,273.40**	**135.58**	**381.95**	**394.91**	**912.44**

Notes

Forming part of Consolidated Financial Statements

#Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Restructured	<90 DPD & Resturctured	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
LGD	27.04	25.50

Probability of Default

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	2.56	2.60
Stage 2	36.92	42.44
Stage 3	100.00	100.00

E. Details of collateral received against loan portfolio:

Nature of security against advances:

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	11,578.63	417.57
>50% <= 70%	18,462.35	685.82
>70% <=90%	1,867.77	170.00
>90% <=100%	1.81	0.01

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	415.26	125.13
>50% <= 70%	716.55	216.84
>70% <=90%	144.85	51.20
>90% <=100%	-	-

Notes

Forming part of Consolidated Financial Statements

Note 33.1 Construction Finance Loans

1.1 Credit quality of assets

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	15,209.18	-	-	15,209.18	10,990.72	-	-	10,990.72
Standard grade	3.05	-	-	3.05	27.73	-	-	27.73
Sub-standard grade	-	569.57	-	569.57	-	791.41	-	791.41
Past due but not impaired	-	-	-	-	-	-	-	-
Non Performing								
Individually impaired	-	-	23.18	23.18	-	-	16.75	16.75
Total	**15,212.23**	**569.57**	**23.18**	**15,804.98**	**11,018.45**	**791.41**	**16.75**	**11,826.61**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,018.45	791.41	16.75	11,826.61	9,698.74	1,176.32	16.75	10,891.81
New assets originated	8,404.76	-	-	8,404.76	5,061.12	-	-	5,061.12
Assets derecognised or repaid (excluding write offs)	(3,951.11)	(311.73)	-	(4,262.84)	(3,878.17)	(248.15)	-	(4,126.32)
Transfer to Stage 1	(553.73)	553.73	-	-	605.57	(605.57)	-	-
Transfer to Stage 2	351.44	(351.44)	-	-	(468.81)	468.81	-	-
Transfer to Stage 3	(23.18)	-	23.18	-	-	-	-	-
Amounts written off	(34.40)	(112.40)	(16.75)	(163.55)	-	-	-	-
Gross carrying amount closing balance	**15,212.23**	**569.57**	**23.18**	**15,804.98**	**11,018.45**	**791.41**	**16.75**	**11,826.61**
Number of Loans	**155**	**13**	**1**	**169**	**128**	**11**	**1**	**140**

Reconciliation of ECL balance is given below:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	65.85	4.08	16.75	86.68	65.22	13.70	3.20	82.12
New assets originated	108.66	-	-	108.66	14.49	-	-	14.49
Assets derecognised or repaid (excluding write offs)	(8.76)	(0.83)	-	(9.59)	(25.07)	(2.82)	-	(27.89)
Transfers to Stage 1	(21.19)	21.19	-	-	9.35	(9.35)	-	-
Transfers to Stage 2	2.53	(2.53)	-	-	(3.15)	3.15	-	-
Transfers to Stage 3	(4.80)	-	4.80	-	-	-	-	-
Other movements (on account of change in EAD)	-	-	-	-	5.01	(0.60)	13.55	17.96
Amounts written off	(34.40)	(0.61)	(16.75)	(51.76)	-	-	-	-
ECL allowance - closing balance	**107.89**	**21.30**	**4.80**	**133.99**	**65.85**	**4.08**	**16.75**	**86.68**

Notes
Forming part of Consolidated Financial Statements

Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
LGD	20.70	19.09

Probability of Default

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	2.56	1.50
Stage 2	4.05	3.84
Stage 3	100.00	100.00

Note 33.2 Housing Loans

33.1 Credit quality of assets

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	15,272.03	-	-	15,272.03	9,666.49	-	-	9,666.49
Standard grade	842.71	-	-	842.71	1,035.44	-	-	1,035.44
Sub-standard grade	-	447.97	-	447.97	-	425.14	-	425.14
Past due but not impaired	-	517.49	-	517.49	-	310.24	-	310.24
Restructured Assets	-	131.44	-	131.44	-	22.54	-	22.54
Non Performing								
Individually impaired	-	-	261.94	261.94	-	-	202.06	202.06
Total	**16,114.74**	**1,096.90**	**261.94**	**17,473.58**	**10,701.93**	**757.92**	**202.06**	**11,661.91**

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33.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	10,701.93	757.92	202.06	11,661.91	8,652.57	259.26	108.27	9,020.10
New assets originated or purchased	7,921.01	-	-	7,921.01	3,770.17	-	-	3,770.17
Assets derecognised or repaid (excluding write offs)	(1,876.52)	(95.39)	(38.79)	(2,010.70)	(1,105.23)	(12.84)	(2.22)	(1,120.29)
Transfers to Stage 1	233.86	(216.67)	(17.19)	-	99.86	(99.07)	(0.78)	0.00
Transfers to Stage 2	(703.27)	718.84	(15.57)	0.00	(640.37)	645.00	(4.63)	-
Transfers to Stage 3	(110.92)	(43.62)	154.54	-	(75.07)	(34.43)	109.50	-
Amounts written off	(51.35)	(24.18)	(23.11)	(98.64)	-	-	(8.07)	(8.07)
Gross carrying amount closing balance	**16,114.74**	**1,096.90**	**261.94**	**17,473.58**	**10,701.93**	**757.92**	**202.06**	**11,661.91**

Reconciliation of ECL balance is given below:

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	35.34	57.58	52.07	144.99	21.45	14.32	34.01	69.78
New assets originated or purchased	195.07	-	-	195.07	19.56	-	-	19.56
Assets derecognised or repaid (excluding write offs)	(5.21)	(21.11)	(14.32)	(40.64)	(2.04)	(1.58)	(4.37)	(7.99)
Transfers to Stage 1	2.24	(2.12)	(0.12)	0.00	5.83	(5.61)	(0.23)	(0.01)
Transfers to Stage 2	(114.81)	116.96	(2.15)	(0.00)	(1.53)	2.86	(1.33)	-
Transfers to Stage 3	(34.60)	(12.51)	47.10	(0.01)	(0.18)	(1.88)	2.07	0.01
Other movements	2.27	2.48	(4.75)	-	(7.76)	49.46	21.93	63.63
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**80.30**	**141.28**	**77.83**	**299.41**	**35.34**	**57.58**	**52.07**	**144.98**

*** Internal Rating Grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Restructured Assets	0 DPD & Restructured	Stage 2
Individually impaired	>90 DPD & Restructured	Stage 3

Note - Higher grade has been considered for Customers having 2 or more loans based on the highest DPD

Loan Given Default $

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
LGD	28.68	23.42

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Probability of Default $

(In %)

Particulars	As at March 31, 2022	As at March 31, 2021
Stage 1	1.66	1.50
Stage 2	33.21	33.46
Stage 3	100.00	100.00

$ PD & LGD includes management overlay due to COVID-19 pandemic (refer note no. 34)

Details of collateral received against loan portfolio :

Nature of security against advances:

Underlying securities for the assets secured by tangible assets - Property & book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	5,110.30	66.69
> 50% - <= 70%	5,280.60	65.84
> 70% - <= 90%	7,082.68	166.86

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
<= 50%	37.98	10.89
> 50% - <= 70%	46.36	13.30
> 70% - <= 90%	177.60	53.63

Note 34.

The extent to which any new wave of COVID-19 pandemic will impact the Group's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors/information available, upto the date of approval of these financial results. In order to cover the impact of COVID-19 on the future expected credit losses, the Group carries a management and macro economic variable outlay of ₹ 443.30 millions as on March 31, 2022 (as on March 31, 2021 ₹ 194.40 millions). The Group will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.

Note 35. Income Taxes relating to continuing operations

1. Income Tax recognised in statement of profit and loss

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax		
In respect of the current year	779.55	693.03
In respect of prior years	5.80	-
	785.35	**693.03**
Deferred Tax		
In respect of the current year	(109.53)	(105.45)
On Other Comprehensive Income	-	-
	(109.53)	**(105.45)**
Total Income tax expense recognised in the current year relating to continuing operations	**675.82**	**587.58**

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2. Reconciliation of income tax expense for the year:

(₹ In Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consolidated Profit Before tax	2,726.23	2,357.13
Total tax expense (As per P&L)		
- Current tax	779.55	693.03
- Deferred tax	(109.53)	(105.45)
- Tax Pertaining to earlier Years	5.80	-
Total Tax Expenses	**675.82**	**587.58**
Effective tax rate	24.58%	24.93%
Adjustments of allowable and non-allowable income and expenses:		
Effect on Effective Tax rate due to permanent difference		
a) Non allowability of Claim of CSR, Other Expenses & Special Reserve	50.12	22.52
b) Difference due to Tax Rate of STCG & LTCG	146.41	-
c) Deferred Tax Assets/MAT credit reversal u/s 115JB	(8.08)	-
Total of items affecting tax rate	**188.45**	**22.52**

3. Reconciliation of income tax rate is as follows:

(In %)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Normal Tax Rate	22.00	22.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	2.20
Education cess (including secondary and higher education cess)		
Health and Education Cess	0.97	0.97
Total Tax Rate	**25.17**	**25.17**
Tax Impact on Non allowability of Claim of CSR, Other Expenses & Special Reserve	(0.46)	(0.24)
Tax Impact on Capital Gain on sale of shares, mutual funds, interest, Property etc.	(0.43)	-
Tax Impact on Deferred Tax Assets/MAT credit Reversal u/s 115JB	0.30	-
Effective Tax Rate	**24.58**	**24.93**

Note 36. Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in millions)

Particulars	Deferred Tax Assets	Income Statement	OCI	Deferred Tax Assets
	As at March 31, 2021	2021-22	2021-22	As at March 31, 2022
Deferred Tax Assets:				
Provision for Employee Benefits	12.63	2.58	-	15.21
Depreciation	22.95	1.30	-	24.25
Impairment allowance for financial assets	195.69	163.39	-	359.08
Unmortised fees on loans	18.08	(13.88)	-	4.20
Others	8.03	(0.91)	-	7.12
MAT Credit Entitlement	8.08	(8.08)	-	-
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	(3.81)	4.56	-	0.75
Unmortised fees on borrowings	(4.36)	2.98	-	(1.38)
Gain on derecognition of financial instruments*	-	(42.40)	-	(42.40)
Deferred Tax Assets (net)	**257.29**	**109.54**	**-**	**366.83**

*As per Ind AS 109 'Financial Instruments', on derecognition of loans, the Group recognise difference between the carrying amount (measured at the date of derecognition) and consideration received (including new asset obtained less any new liability assumed) as gain in Statement of profit and loss account. Such gain recognised on derecognition of loans is not a real income as per Income tax Act, 1961, hence is offered to tax over the tenure of loans. Accordingly, deferred tax liability has been created on the Spread receivable on assigned portfolio (Co-lending portfolio).

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(₹ in millions)

Particulars	Deferred Tax Assets As at March 31, 2020	Income Statement 2020-21	OCI 2020-21	Deferred Tax Assets As at March 31, 2021
Deferred Tax Assets:				
Provision for Employee Benefits	9.54	3.09	-	12.63
Depreciation	21.32	1.63	-	22.95
Impairment allowance for financial assets	97.29	98.40	-	195.69
Unmortised fees on loans	21.36	(3.28)	-	18.08
Others	3.68	4.35	-	8.03
MAT Credit Entitlement	8.08	-		8.08
Deferred Tax Liabilities:				
Financial Instruments at FVTPL	-	(3.81)	-	(3.81)
Unmortised fees on borrowings	(9.42)	5.06	-	(4.36)
Deferred Tax Assets (net)	**151.85**	**105.44**	**-**	**257.29**

Deferred Tax Assets / Liabilities are calculated at the applicable rate of 25.17%

Note 37. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Group uses the same basis of expected repayment as used for estimating the EIR.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS				9,698.74	1,176.32	16.75
Financial Assets						
Cash and cash equivalents	3,225.06	-	3,225.06	1,705.80	-	1,705.80
Bank Balances other than cash and cash equivalents	198.57	107.58	306.15	427.63	109.05	536.68
Receivables	81.64	-	81.64	15.08	-	15.08
Loans	8,366.10	54,341.93	62,708.03	7,198.00	39,664.55	46,862.55
Investments	2,411.89	1,362.95	3,774.84	4,729.78	3,344.75	8,074.53
Other financial Assets	78.90	143.24	222.14	94.66	18.48	113.14
Total Financial Assets	**14,362.16**	**55,955.70**	**70,317.86**	**14,170.95**	**43,136.83**	**57,307.78**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	12.42	-	12.42	-	-	-
Payables						
- Trade Payables	334.85	-	334.85	74.94	-	74.94
- Other Payables	78.25	-	78.25	72.27	-	72.27
Debt Securities	166.67	4,164.23	4,330.90	2,415.16	4,326.14	6,741.30
Borrowings (Other than debt securities)	9,201.84	34,551.13	43,752.97	6,002.59	24,991.98	30,994.57
Other financial liabilities	3,124.50	384.31	3,508.81	2,546.39	230.15	2,776.54
Total Financial Liabilities	**12,918.53**	**39,099.67**	**52,018.20**	**11,111.35**	**29,548.27**	**40,659.62**
Net	**1,443.63**	**16,856.03**	**18,299.66**	**3,059.60**	**13,588.56**	**16,648.17**

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value. The Group manages its capital structure and makes adjustments to it according to

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changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

Note 38. Change in liabilities arising from financing activities

(₹ in millions)

Particulars	As at April 1, 2021	Cash flows	Other	As at March 31, 2022
Debt Securities	6,741.30	(2,416.67)	6.27	4,330.90
Borrowings other than debt securities	30,994.57	12,088.92	669.48	43,752.97
Total liabilities from financing activities	37,735.87	9,672.25	675.75	**48,083.87**

(₹ in millions)

Particulars	As at April 1, 2020	Cash flows	Other	As at March 31, 2021
Debt Securities	1,500.00	5,248.49	(7.19)	6,741.30
Borrowings other than debt securities	26,866.11	3,745.94	382.52	30,994.57
Total liabilities from financing activities	28,366.11	8,994.43	375.33	**37,735.87**

Note 39. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 109, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

39.1 Financial instruments by category

(₹ in millions)

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	Amortised cost	FVTOCI	Total	FVTPL	Amortised cost	FVTOCI	Total
Financial assets								
Investments								
- Mutual funds	2,304.43	-	-	2,304.43	4,394.08	-	-	4,394.08
- Commercial Paper	-	-	-	-	-	959.13	-	959.13
- Equity instruments	48.11	-	-	48.11	38.73	-	-	38.73
- Debt Instrument	-	247.66	-	247.66	-	952.76	-	952.76
- Pass Through Certificates	-	1,174.64	-	1,174.64	-	1,729.83	-	1,729.83
Trade receivables	-	81.64	-	81.64	-	15.08	-	15.08
Loans	-	62,708.03	-	62,708.03	-	46,862.55	-	46,862.55
Cash and cash equivalents	-	3,225.06	-	3,225.06	-	1,705.80	-	1,705.80
Bank Balances other than above	-	306.15	-	306.15	-	536.68	-	536.68
Other financial Assets	-	222.14	-	222.14	-	113.14	-	113.14
Total financial assets	**2,352.54**	**67,965.32**	**-**	**70,317.86**	**4,432.81**	**52,874.97**	**-**	**57,307.78**
Financial liabilities								
Derivative financial instruments	-	-	12.42	12.42	-	-	-	-
Borrowings (including Debt Securities)	-	48,083.87	-	48,083.87	-	37,735.87	-	37,735.87
Trade and other payables	-	413.10	-	413.10	-	147.21	-	147.21
Other financial liabilities	-	3,508.81	-	3,508.81	-	2,776.54	-	2,776.54
Total financial liabilities	**-**	**52,005.78**	**12.42**	**52,018.20**	**-**	**40,659.62**	**-**	**40,659.62**

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39.2 Fair value hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2022						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	48.11	48.11		-	48.11
Mutual funds	7	2,304.43	2,304.43		-	2,304.43
Total financial assets		**2,352.54**	**2,352.54**		**-**	**2,352.54**
Financial Liabilities						
Derivative financial instruments	16A	12.42		12.42	-	12.42
Total financial liabilities		**12.42**		**12.42**	**-**	**12.42**

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2022						
Financial assets						
Cash and cash equivalents	3	3,225.06	3,225.06	-	-	3,225.06
Bank Balance other than above	4	306.15	306.15	-	-	306.15
Trade Receivable	5	81.64	-	-	81.64	81.64
Loans						-
Loans to employees	6	1.13	-	-	1.13	1.13
Loans - SME & CF		62,706.90	-	-	62,984.44	62,984.44
Investments						
- Commercial Paper		-	-	-	-	-
- Debt Instrument	7	247.66	-	-	247.66	247.66
- Pass Through Certificates		1,174.64	-	-	1,174.64	1,174.64
Other financial assets	8	222.14	-	-	222.14	222.14
Total financial assets		**67,965.32**	**3,531.21**	**-**	**64,711.65**	**68,242.86**
Financial Liabilities						
Trade and other payable	14	413.10	-	-	413.10	413.10
Debt Securities	15	4,330.90	4,452.63		-	4,452.63
Borrowings other than Debt Securities	16B	43,752.97	-	-	43,752.97	43,752.97
Other Financial Liabilities	17	3,508.81	-	-	3,508.81	3,508.81
Total financial liabilities		**52,005.78**	**4,452.63**	**-**	**47,674.88**	**52,127.51**

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(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	38.73	38.73	-	-	38.73
Mutual funds	7	4,394.08	4,394.08	-	-	4,394.08
Total financial assets		4,432.81	4,432.81	-	-	4,432.81
Financial liabilities		-	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**	**-**

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Cash and cash equivalents	3	1,705.80	1,705.80	-		1,705.80
Bank Balance other than above	4	536.68	536.68	-		536.68
Trade Receivable	5	15.08	-	-	15.08	15.08
Loans						
Loans to employees	6	1.19	-	-	1.19	1.19
Loans - SME & CF		46,861.36	-	-	46,861.36	46,861.36
Investments						
- Commercial Paper	7	959.13	-	959.13	-	959.13
- Debt Instrument		952.76	-	952.76	-	952.76
- Pass Through Certificates		1,729.83	-	-	1,729.83	1,729.83
Other financial assets	8	113.14	-	-	113.14	113.14
Total financial assets		**52,874.97**	**2,242.48**	**1,911.89**	**48,720.60**	**52,874.97**
Financial Liabilities						
Trade and other payable	14	147.21	-	-	147.21	147.21
Debt Securities	15	6,492.81	6,492.81	-	-	6,492.81
Borrowings other than Debt Securities	16B	31,243.06	-	-	31,243.06	31,243.06
Other Financial Liabilities	17	2,776.54	-	-	2,776.54	2,776.54
Total financial liabilities		**40,659.62**	**6,492.81**	**-**	**34,166.81**	**40,659.62**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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Note 40. Risk Management
40.1. Risk Disclosures
Group's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and interest rate risk. It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

40.2. Credit risk
Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

40.2.1 Impairment assessment
40.2.1.1 Exposure at Default
EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-30 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 31 to 90 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with more than 90 days past due or Restructured Advances are classified as Stage 3. Another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

40.2.1.2 Significant increase in credit risk
The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

40.2.1.3 Definition of default and cure
The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate inability to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

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40.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 33).

a) The Group has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

40.2.1.5 Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level.

40.2.2 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Group has guidelines in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothecation of Receivables.

2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Group is unable to recover the dues, the Group through a legal process enforces the security and recovers the dues.

40.2.3 In accordance with the instructions in the RBI circular dated April 07 2021 , all lending institutions shall refund / adjust 'interest on interest' to all borrowers, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly. the Group has estimated the said amount and made provision for refund/adjustment.

40.2.4 The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant volatility and decline in the global and Indian financial markets and slowdown in the economic activities. Pursuant to the guidelines issued by RBI dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package, the Group has granted moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers. For the purpose of asset classification on all such accounts, the number of days past due as on March 31, 2021 excludes the moratorium period to the respective borrower, as per the policy.

40.2.5 Hon'able Supreme court vide order dated March 23, 2021, in the matter of Small Scale industrial Manufacturers Associations VS UOI & Ors. Has stated that interim relief granted vide an interim order dated September 03, 2020 stands vacated. Accordingly the Group has classified non performing assets as per extant RBI guidelines.

40.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets by monitoring future cash flows and liquidity on a daily basis.

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Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

The table below summarises the maturity profile of the undiscounted cash flow of the Group's financial liabilities:

Current Year

(₹ in millions)

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	213.42	45.00	234.68	77.36	3,209.23	306.90	1,882.99	5,969.58
Borrowings	403.95	824.82	1,381.84	2,916.70	6,240.42	23,049.92	12,871.24	5,023.27	52,712.16
Trade Payable	413.10	-	-	-	-	-	-	-	413.10
Lease liability	6.31	6.32	6.30	19.07	37.61	132.18	87.94	16.92	312.65
Other Financial Liability	3,039.19	-	-	-	-	-	-	-	3,039.19

Previous Year

(₹ in millions)

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt Securities	-	-	-	166.67	2,250.00	2,826.14	-	1,500.00	6,742.81
Borrowings	116.30	364.63	827.02	1,541.66	3,152.96	13,221.57	9,799.80	1,923.33	30,947.27
Trade Payable	147.11	-	-	-	-	-	-	-	147.11
Lease liability	5.36	5.33	5.33	15.97	30.08	97.49	92.13	28.50	280.19
Other Financial Liability	2,229.22	-	-	-	-	-	-	-	2,229.22

40.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the Group is providing loans to MSME Construction Finance, Indirect Lending and Housing Finance. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

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The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Group's statement of profit and loss and equity.

(₹ in millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2021-22			
Loans (₹)	25 Basis point Up	Impact on Profit before Tax	159.58	Impact on equity	119.42
	50 Basis point Up		319.15		238.83
	25 Basis point Down		(159.58)		(119.42)
	50 Basis point Down		(319.15)		(238.83)
Borrowings (₹)	25 Basis point Up	Impact on Profit before Tax	(120.73)	Impact on equity	(90.34)
	50 Basis point Up		(241.46)		(180.68)
	25 Basis point Down		120.73		90.34
	50 Basis point Down		241.46		180.68

(₹ in millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2020-21			
Loans (₹)	25 Basis point Up	Impact on Profit before Tax	120.66	Impact on equity	90.29
	50 Basis point Up		241.32		180.59
	25 Basis point Down		(120.66)		(90.29)
	50 Basis point Down		(241.32)		(180.59)
Borrowings (₹)	25 Basis point Up	Impact on Profit before Tax	(78.32)	Impact on equity	(58.31)
	50 Basis point Up		(155.83)		(117.55)
	25 Basis point Down		78.32		58.31
	50 Basis point Down		155.83		117.55

Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

During the year, the Group has not come across any instances of fraud.

Capital Management:

Group's capital management objective is primarily to safeguard business continuity. The Group's capital raising policy is aligned to macro economic situation and incidental risk factors. The Group's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The Group believes this approach would create shareholder value in long run. Also, the Group has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the Group's resource base is equity. Therefore the Group enjoys a low gearing.

The Group maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

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Gearing ratio:

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
The gearing ratio at each date were as follows:		
Debt (I)	48,096.29	37,900.30
Cash and bank balances (II) (refer note 3)	3,225.06	1,705.72
Net debt (I - II)	44,871.23	36,194.58
Total equity	**19,224.71**	**17,173.01**
Net debt to equity ratio	**2.33**	**2.11**

Note 41A. Defined Contribution Plan

The Group's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from Group or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Employer's contribution to provident fund	57.61	28.03
Employer's contribution to National Pension Scheme	2.98	3.25
Total	**60.59**	**31.28**

Note 41B. Defined Benefit Plan

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation/ retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table sets out the status of the Defined Benefit Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Group:

Principal assumptions used for the actuarial valuations are as follows:

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Discount Rate	5.66%	5.58%
Expected Rate of return on Plan Asset	5.66%	5.58%
Salary Escalation	5.00%	5.00%
Attrition Rate	24.00%	20.00%
Mortality Table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

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Movements in the present value of the defined benefit obligation are as follows:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	42.23	38.44
Current Service Cost	12.36	12.35
Interest Cost	2.36	2.40
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(3.80)	(4.99)
Direct Payment by the Group	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(2.14)	(1.60)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.15)	1.15
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.38	(5.52)
Present Value of Benefit Obligation at the End of the Period	**54.24**	**42.23**

Movements in the fair value of the plan assets are as follows:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Fair Value of Plan Assets at the Beginning of the Period	35.84	29.12
Interest income	2.00	1.82
Contributions by employer	6.43	9.60
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(3.80)	(4.99)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.62	0.29
Fair Value of Plan Assets at the End of the Period	41.09	35.84

Amount recognized in the balance sheet from the Group's obligation in respect of its defined benefit plans is as follows:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
(Present Value of Benefit Obligation at the end of the Period)	(54.25)	(42.22)
Fair value of plan assets	41.10	35.84
Funded status (Surplus/ (Deficit))	(13.15)	(6.38)
Net (Liability)/Asset Recognized in the Balance Sheet	(13.15)	(6.38)

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Net Interest Cost for current period:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the Beginning of the Period	42.23	38.44
(Fair Value of Plan Assets at the Beginning of the Period)	(35.84)	(29.13)
Net Liability/(Asset) at the Beginning	6.39	9.31
Interest Cost	2.35	2.40
(Interest Income)	(2.00)	(1.82)
Net Interest Cost for Current Period	**0.35**	**0.58**

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	12.36	12.35
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	0.36	0.58
Expense Recognized	**12.72**	**12.93**

Amounts recognised in the Other Comprehensive Income (OCI) in respect of these defined benefit plans are as follows:

(₹ In Millions)

Particulars	Gratuity Plans	
	As at March 31, 2022	As at March 31, 2021
Return on plan assets (excluding amounts included in net interest expense)	(0.62)	(0.29)
Actuarial (gains) / losses on defined benefit obligations	1.09	(5.98)
Change in asset ceiling		-
Net (Income)/Expense For the Period Recognized in OCI	**0.47**	**(6.27)**

The fair value of the plan assets for India are as follows:

(₹ In Millions)

Category of Assets	Gratuity Fund	
	As at March 31, 2022	As at March 31, 2021
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds*	41.10	35.84
Others	-	-
Total	**41.10**	**35.84**

*The investment further done by the insurer are in Govt. Securities 38.10%, Corporate Bonds 59.28% and Cash, Deposits, Money Market Instruements 2.62%

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Maturity Analysis of benefit payments

(₹ In Millions)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2022	As at March 31, 2021
1st Following Year	9.20	5.94
2nd Following Year	9.18	4.51
3rd Following Year	9.05	6.24
4th Following Year	7.32	6.91
5th Following Year	6.98	5.33
Sum of Years 6 To 10	18.22	16.46
Sum of Years 11 and above	7.63	10.04

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

Sensitivity analysis

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(1.78)	(1.72)	1.92	1.87
2) Future Salary Increases	1.85	1.81	(1.77)	(1.70)
3) Employee Turnover	(0.51)	(0.48)	0.52	0.49

Note :

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Note 42. Related party disclosures as per Ind AS 24

A. List of Related Parties and related party relationship:

Considering only parties with whom transaction has entered during the FY 2021-22

Sr. No.		Name of the Related Party	Relationship
a)	**Enterprises over which Management and/or their relatives have control**		
	1	Capri Global Holdings Private Limited	
	2	Parshwanath Buildcon Private Limited	
b)	**Key Management Personnel**		
	1	Mr. Rajesh Sharma	Managing Director
	2	Mr. Jayesh Doshi	Whole Time Director (Resigned w.e.f.31.03.20)
	3	Mr. Beni Prasad Rauka	Independent Director
	4	Ms. Bhagyam Ramani	Independent Director
	5	Mr. Mukesh Kacker	Independent Director
	6	Mr. Ajay Relan	Independent Director
	7	Mr. Ajit Mohan Sharan	Independent Director
	8	Mr. Desh Raj Dogra	Independent Director
	9	Mr. T.R. Bajalia	Independent Director
c)	**Trust under common control:**		
	1	Capri Foundation	
	2	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	
	3	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	

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B. Details of transactions during the year and closing balances as at the year end:

(₹ in millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
a.	**Statement of Profit and Loss Items:**										
I	**INCOMES :**										
i	**Interest on Loan Given to Subsidiaries**										
	Capri Global Resources Private Limited	0.04	-	-	-	-	-	-	-	0.04	-
ii	**Sale of Investment**										
	Capri Global Holding Private Limited	-	-	0.28	-	-	-	-	-	0.28	-
II	**EXPENSES :**										
i	**Rent Paid**										
	Parshwanath Buildcon Private Limited	-	-	0.20	0.26	-	-	-	-	0.20	0.26
	Capri Global Holding Private Limited	-	-	0.36	0.38	-	-	-	-	0.36	0.38
ii	**Salaries, Commission and other benefits**										
	Mr. Rajesh Sharma	-	-	-	-	3.60	-	-	-	3.60	-
	Mr. Jayesh Doshi	-	-	-	-	-	10.35	-	-	-	10.35
iii	**Director Sitting Fees**										
	Mr. Beni Prasad Rauka	-	-	-	-	1.82	2.38	-	-	1.82	2.38
	Ms. Bhagyam Ramani	-	-	-	-	3.30	2.49	-	-	3.30	2.49
	Mr. Mukesh Kacker	-	-	-	-	0.84	1.06	-	-	0.84	1.06
	Mr. Desh Raj Dogra	-	-	-	-	0.78	0.08	-	-	0.78	0.08
	Mr. Ajit Sharan	-	-	-	-	0.60	0.70	-	-	0.60	0.70
	Mr. Ajay Kumar Relan	-	-	-	-	0.16	0.57	-	-	0.16	0.57
	Mr. T.R. Bajalia	-	-	-	-	0.42	0.45				0.45
iv	**Employee Benefits**										
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	4.50	7.50	4.50	7.50
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	1.93	2.35	1.93	2.35
v	**Corporate Social Responsibility**										
	Capri Foundation	-	-	1.07	37.27	-	-	-	-	1.07	37.27

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(₹ in millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Trust Under Common Control		Total	
		As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
b	**Balance Sheet Items (Closing Balances):**										
i	**Other Payable**										
	Parshwanath Buildcon Private Limited	-	-	-	0.16	-	-	-	-	-	0.16

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Note 43. Segment Information (IND-AS 108)

Operating Segment:

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 44. In Accordance with IND AS - 33 Earnings Per Share

The computation of earning per share is set out below:

Particulars			For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss	(A)	(₹ in millions)	2,050.41	1,769.55
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	17,54,26,904	17,52,85,355
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	17,74,05,541	17,65,01,662
Basic earnings per equity share (Face value of ₹ 2/- per share)	(A)/(B)	₹	11.69	10.10
Diluted earnings per equity share (Face value of ₹ 2/- per share)	(A)/(C)	₹	11.56	10.03

Particulars		For the Year ended March 31, 2022	For the Year ended March 31, 2021
Weighted average number of equity shares for calculating EPS	Nos.	17,54,26,904	17,52,85,355
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	19,78,637	12,16,307
Weighted average number of equity shares in calculation of diluted EPS	Nos.	17,74,05,541	17,65,01,662

Note 45. Leases

The changes in the carrying value of ROU assets are as follows:

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value		
Balance as at the beginning of the Year	296.79	273.24
On adoption of IND AS 116	-	-
Additions/Modifications	93.90	23.55
Terminations	37.75	-
Translation adjustments	-	-
Balance as at the end of the Year	**352.94**	**296.79**
Accumulated depreciation		
Balance as at the beginning of the Year	111.15	56.20
Depreciation	42.82	54.95
Terminations/modifications	24.10	-
Translation adjustments	-	-
Balance as at the end of the Year	129.87	111.15
Net Carrying Value at the end of the Year	**223.07**	**185.64**

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The following is the movement in lease liabilities during the year:

(₹ In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities		
Balance as at the beginning of the Year	211.74	231.58
Additions/Modification	83.23	23.55
Terminations/modifications	16.36	-
Finance expense	26.12	25.56
Payment of lease liabilities	56.53	68.94
Translation adjustments	-	-
Balance as at the end of the Year	**248.20**	**211.74**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022, on an undiscounted basis:

(₹ In Millions)

Tenure	March 31, 2022	March 31, 2021
Less than 1 year	20.05	62.07
1-3 years	44.51	97.49
3-5 years	216.40	92.14
More than 5 years	31.70	28.50
Total	**312.66**	**280.20**

The Group has adequate liquidity for payment of lease liabilities. The Group regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Group has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Group takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

Note 46. Employee Stock Option

The Holding Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Holding Company and Subsidiary spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under: -

Name of Plan	As at March 31, 2022		As at March 31, 2021	
	Number of options under the Plan	Range of Exercise Price	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	30,40,800	₹ 2 to ₹ 300	15,80,450	₹ 2 to ₹194.9

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The activity of the Stock Plans is summarised below:

Particulars	Year ended			
	As at March 31, 2022		As at March 31, 2021	
	Numbers	Exercise Price/ Vesting Price (₹)	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	4,42,000	100.00	5,74,000	100.00
	2,85,000	70.00	2,85,000	70.00
	7,32,950	2.00	5,55,000	2.00
	50,500	130.00	2,00,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	15,000	158.20
Granted	10,000	232.80	2,95,000	2.00
	3,70,000	225.00	20,000	194.90
	8,75,000	250.00	-	-
	9,50,000	300.00		
Exercised	1,29,600	2.00	1,13,000	100.00
	85,500	70.00	37,550	2.00
	1,53,600	100.00		
Forfeited, expired and cancelled	37,950	2.00	25,500	100.00
	28,000	130.00	52,000	2.00
	10,000	232.80	1,50,000	130.00
	3,00,000	225.00	15,000	158.20
			21,000	2.00
Outstanding at the end of the year	2,88,400	100.00	4,42,000	100.00
	1,99,500	70.00	2,85,000	70.00
	5,65,400	2.00	7,32,950	2.00
	22,500	130.00	50,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	20,000	194.90
	70,000	225.00	-	-
	8,75,000	250.00	-	-
	9,50,000	300.00	-	-

The Weighted average fair value of the new ESOPs granted during the year is ₹335.20 (previous Year ₹164.12).

The following table summarises information about stock option plans:

Exercise Price (₹)	Year ended			
	As at March 31, 2022		As at March 31, 2021	
	Numbers	Weighted Average Remaining Life (Months)	Numbers	Weighted Average Remaining Life (Months)
130.00	22,500	19	50,500	31
174.00	50,000	19	50,000	31
194.90	20,000	35	20,000	48
100.00	2,88,400	10	4,42,000	16
70.00	1,99,500	6	2,85,000	12
2.00	5,65,400	21	7,32,950	28
225.00	70,000	44	-	-
250.00	8,75,000	46	-	-
300.00	9,50,000	48	-	-

Notes
Forming part of Consolidated Financial Statements

Fair Value Methodology:

The fair value of the shares are measured using Black-Scholes-Merton formula. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

The following table summarizes the assumptions used in calculating the grant date fair value.

Particulars	March 31, 2022	March 31, 2021
Expected life of the options	3 to 5 Years	3 to 5 Years
Expected volatility	50% to 60%	60%
Dividend yield	1%	1%
Risk-free interest rate	4.72% to 6.28%	4.59% to 5.62%

Expected life of the options: Expected life of the options is the period for which the holding company expects the Options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised, and the maximum life is the period after which the options cannot be exercised.

Expected volatility: The measure of volatility used in ESOP pricing model is the annualised standard deviation of the continuously compounded rates of return (calculated by log function) on the share over a period prior to the date of grant corresponding to the expected life of the option.

Dividend yield: Dividend Yield has been calculated as an average of dividend yields of six financial years preceding the date of grant. The dividend yield for the year is derived by dividing the dividend per share by the share price as on dividend effective date.

Risk-free interest rate: The rate used to discount employee benefit obligations reflects the estimated timing of benefit payments and the currency in which the benefits are to be paid. We have used the Discount Rate which relates to the par-yield rate available on ZYC Government Securities (G. Sec.) for the tenure of the expected life of options. (Ref: G Sec. rates available through www.fbil.org.in with prices/yields published by FBIL).

The Weighted average market price of the ESOPs exercised during the year is ₹530.71 (previous year ₹269.37).

ESOP cost recognised in the Statement of Profit and Loss for March 31,2022 ₹54.78 Millions (March 31, 2021 ₹31.20 Millions)

Note 47. Expenditure in Foreign Currency

Software Expenses ₹1.47 Millions (March 31, 2021 ₹1.61 Millions)

Note 48. Details of dues to micro and small enterprises

The Group has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006 has been disclosed under note no. 14.

Note 49. Contingent Liabilities

Income Tax matters under dispute: March 31, 2022 ₹115.18 Millions (March 31, 2021 ₹3.63 Millions)

Note 50. Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2022 ₹66.55 Millions (March 31, 2021 ₹13.88 Millions)

b) Amount payable towards acquisition of Property for March 31, 2022 ₹39.82 Millions (March 31, 2021 ₹48.10 Millions)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31, 2022 ₹13,341.79 Millions (March 31, 2021 ₹9,259.46 Millions)

Notes

Forming part of Consolidated Financial Statements

Note 51. Fraud Reporting

The group has reported frauds aggregating March 31, 2022 ₹ NIL (March 31, 2021 ₹ NIL) based on management reporting to risk committee and to the RBI through prescribed returns.

Note 52. Details of all collateral used as security for liabilities

(₹ In Millions)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2022	As at March 31, 2021
Assets type		
Loans receivable as collateral under lending agreements	63,627.34	47,853.20
Loans receivable as collateral under PTC agreements	1,177.71	1,729.84
Receivables from investment in securities as collateral	2,554.12	5,389.90
Cash and other bank balance collateral under lending agreements	3,515.09	2,141.42

Note 53A. Additional regulatory information under division III to schedule III as per notification dated March 24, 2021

(i) Revaluation of Property, Plant and Equipment:

The Group has not revalued Property, Plant and Equipment during the year.

(ii) Revaluation of Intangible Assets:

The Group has not revalued Intangible assets during the year.

(iii) Loans or Advances:

During the year, the Group has not provided any loans or advances granted to promoters, directors and KMPs.

However, the loan was provided to one of the subisidiary and the same was repaid as well.

(iv) Intangible assets under development ageing schedule:

(₹ in millions)

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Software)	23.20	-	-	-	23.20

(v) Details of Benami Property held:

No proceedings have been initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder.

(vi) Security of current assets against borrowings:

Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(vii) Wilful Defaulter:

The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

(viii) Relationship with Struck off Companies:

Details of transaction with struck off Companies is as follows-

Name of struck off Company	Nature of transaction with struck off Company	Balance outstanding	Relationship with struck off Company
Netclick Infocomm Private Limited	Internet service	-	NA

Notes

Forming part of Consolidated Financial Statements

(ix) Compliance with number of layers of companies:

The Group has complied with the requirements of number of layers as per Section 186 of Companies Act, 2013.

(x) Compliance with approved Scheme(s) of Arrangements:

The Group has not entered into any scheme of arrangement.

(xi) Utilisation of Borrowed funds and share premium

Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

(xvii)

(a) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53B. Additional Disclosures

(i) Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" (RBI Circular - RBI/2021-2022/125/DOR.STR.REC.68/21.04.048/2021-22) the Group had aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. Subsequently on February 15, 2022 vide circular RBI/2021-2022/158/DOR.STR.REC.85/21.04.048/2021-22 (RBI Clarification), RBI has deferred the implementation of Para 10 of circular till September 30, 2022. Accordingly, the Group, in accordance with the said RBI clarification, has decided to implement the change in Income Recognition, Asset Classification and Provisioning norms by September 30, 2022. The impact of the RBI circular, which was recognized in the results of nine months' period ended December 31, 2021 has been reversed by derecognizing such assets as credit impaired.

(ii) Events after reporting date - There have been no events after the reporting date that require disclosure in these financial statements.

Notes

Forming part of Consolidated Financial Statements

Note 54. Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

Name of the entity in the Group	Net Assets, i.e. total assets minus total liability		Share in Profit or Loss		Share in Other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ in millions)	As % of Consolidated Profit or Loss	Amount (₹ in millions)	As % of Consolidated other comprehensive income	Amount (₹ in millions)	As % of total Comprehensive income	Amount (₹ in millions)
Parent								
Capri Global Capital Limited (net off elimination)	93.02%	17,883.54	79.83%	1,636.86	65.23%	(3.21)	79.87%	1,633.65
Subsidiaries								
Indian								
Capri Global Housing Finance Limited (net off elimination)	6.98%	1,341.17	20.17%	413.55	34.77%	(1.71)	20.13%	411.84
Total	**100.00%**	**19,224.71**	**100.00%**	**2,050.41**	**100.00%**	**(4.92)**	**100.00%**	**2,045.49**

Note 55. Previous year figures

Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

For **M M Nissim & Co LLP**
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Sd/-
Sanjay Khemani
Partner
Membership No. 044577

Place: Mumbai
Date: May 21, 2022

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director & Chief Financial Officer
DIN 00020037

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Annexure A

Form AOC -1

(Pursuant to first proviso to Sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(₹ In Millions)

Particulars	As at March 31, 2021
Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA
Share Capital	7,120.38
Reserves & Surplus	38,680.91
Total Assets	2,03,543.26
Total Liabilities	1,57,741.98
Investments	5,831.37
Turnover	22,043.65
Profit/(Loss) Before Taxation	5,571.85
Provision for Taxation	1,254.15
Profit after Taxation*	4,317.70
Proposed Dividend	-
% of Shareholding	100

*PAT without considering the Other Comprehensive Income.

Notes:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year : 1. Capri Global Resources Private Limited

Part "B": Associate and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **Not Applicable**

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director & Chief Financial Officer
DIN 00020037

Sd/-
(Beni Prasad Rauka)
Independent Director
DIN 00295213

Sd/-
(Yashesh Bhatt)
Company Secretary
ACS-20491

Place: Mumbai
Date: May 21, 2022

Corporate Information

Board Of Directors

Mr. Rajesh Sharma
Managing Director &
Chief Financial Officer

Mr. Beni Prasad Rauka
Non-Executive & Independent

Ms. Bhagyam Ramani
Non-Executive & Independent

Mr. Mukesh Kacker
Non-Executive & Independent

Mr. Ajit Mohan Sharan
Non-Executive & Independent

Mr. Desh Raj Dogra
Non-Executive & Independent

Mr. Ajay Kumar Relan
Non-Executive & Non – Independent
(Ceased to be Director due to his sad demise on October 1, 2021)

Chief Financial Officer (CFO)

Mr. Raj Ahuja
(upto November 15, 2021)

Mr. Rajesh Sharma
Managing Director & Chief Financial Officer (Appointed as CFO w.e.f. April 23, 2022)

Company Secretary & Compliance Officer

Mr. Harish Agarwal
Senior – Senior Vice President & Company Secretary
(up to November 19, 2021)

Mr. Yahsesh Bhatt
Vice President & Company Secretary
(w.e.f. November 20, 2021)

Board Committees

Audit Committee

Mr. Beni Prasad Rauka
Chairman

Ms. Bhagyam Ramani
Member

Mr. Mukesh Kacker
Member

Corporate Social Responsibility Committee

Ms. Bhagyam Ramani
Chairperson

Mr. Beni Prasad Rauka
Member

Mr. Rajesh Sharma
Member

Nomination and Remuneration Committee

Ms. Bhagyam Ramani
Chairperson

Mr. Beni Prasad Rauka
Member

Mr. Ajit Mohan Sharan
Member

Mr. Desh Raj Dogra
Member

Risk Management Committee

Mr. Rajesh Sharma
Chairman

Mr. Beni Prasad Rauka
Member

Ms. Bhagyam Ramani
Member

Mr. Desh Raj Dogra
Member

Stakeholders Relationship Committee

Mr. Beni Prasad Rauka
Chairman

Ms. Bhagyam Ramani
Member

Mr. Rajesh Sharma
Member

Auditors

M/s. M M Nissim & CO. LLP
Chartered Accountants
Barodawala Mansion,
B-Wing, 3rd Floor,
81, Dr. Annie Besant Road,
Worli, Mumbai 400 018.
Tel. no. (022) 2496 9900

Bankers and Financial Institutions

State Bank of India
Union Bank of India
Life Insurance Corporation of India
National Housing Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Dhanlaxmi Bank
HDFC Bank
Indian Bank
Indian Overseas Bank
Karnataka Bank Limited
National Bank for Agriculture and Rural Development
NABKISAN Finance Limited
Punjab & Sind Bank
Punjab National Bank
Small Industries Development Bank of India
UCO Bank
World Business Capital, Inc.
Yes Bank Limited

Registered and Corporate Office

502, Tower A, Peninsula Business Park,
S.B. Marg, Lower Parel, Mumbai
400 013
Tel. No. (022) 40888100
Fax No. (022) 40888170

Registrar and Share Transfer Agents

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C 101, 247 Park, LBS Marg,
Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270
Fax: +91 (22) 49186060

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Paud Road, Pune 411 038

Corporate Identification Number (CIN)

L65921MH1994PLC173469

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