September 06, 2022

To,
The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

**Script Code: 540268**

**Subject: Compliance under Regulation 30(2), 34(1), 42, 44 and 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

We wish to inform you that the 28th Annual General Meeting (**"AGM"**) of the Members of the Company is scheduled to be held on Thursday, September 29, 2022, at 03:00 p.m. (IST) through Video Conferencing (**"VC"**)/Other Audio-Visual Means (**"OAVM"**) in accordance with the applicable circulars issued by the Ministry of Corporate Affairs ("**MCA**") and the Securities and Exchange Board of India ("**SEBI**") to seek the approval of the Members on matters as specified in the notice of the AGM.

In this regard and in compliance with the provisions of Regulation 30(2), 34(1) and 53(2) read with Schedule III and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), please find enclosed herewith the notice of the AGM dated August 10, 2022 and Annual Report for the financial year 2021-22.

Pursuant to Regulation 42 of the Listing Regulations, Register of Members and Share Transfer Books of the Company will remain closed as per details below:

| Scrip code | Type of security | Book Closure (both days inclusive) | | Record Date | Purpose |
|---|---|---|---|---|---|
| | | From | To | | |
| 540268 | Equity | September 23, 2022 | September 29, 2022 | N.A. | Holding of 28th AGM and payment of dividend. |

Further, final dividend of Re. 0.01/- per equity share having face value of Rs. 2/- each, as recommended by the Board of Directors at its Meeting held on May 30, 2022, if approved by the Members at the AGM, will be paid to those Members whose names appear in the Company's Register of Members as on September 29, 2022 and in respect of equity shares held in dematerialized form to those beneficial owners of the equity shares as at the end of business hours as on September 22, 2022, as per the details furnished by the depositories for this purpose.

The notice of the AGM along with the Explanatory Statement, Director's Report, Auditor's Report and Audited Financial Statements of the Company for the year ended

TruCap Finance Limited

tru

March 31, 2022 is being sent electronically to those members whose e-mail addresses are registered with the Company's Share Transfer Agent i.e. M/s. MCS Share Transfer Agent Limited or Depository Participant, in compliance with the relevant circulars issued by MCA and SEBI.

Pursuant to Regulation 44 of the Listing Regulations and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended, the Company is providing remote e-voting facility to its Members holding shares as on Thursday, September 22, 2022 being the cut-off date to exercise their rights to vote by electronic means on all resolutions set forth in the Notice of the AGM through e-voting facilitated by Central Depository Services (India) Limited. The remote e-voting shall commence on Monday, September 26, 2022 at 09.00 a.m. (IST) and ends on Wednesday, September 28, 2022 at 05:00 p.m. (IST). The facility of e-voting shall also be made available during the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM.

The Notice of AGM and Annual Report has also been uploaded on the Company's website and can be accessed at www.trucapfinance.com.

You are requested to take the same on record and oblige.

Thanking You,

Yours faithfully,
**For TruCap Finance Limited**

**Lalit Chendvankar**
**Company Secretary & Compliance Officer**

TruCap Finance Limited

Encl: a/a

# TruCap Finance Limited

(formerly Dhanvarsha Finvest Limited)
CIN: L24231MH1994PLC334457
Registered Office: 3rd Floor, A Wing, D.J. House, Old Nagardas Road,
Andheri (East), Mumbai – 400 069
Website: www.trucapfinance.com

# Notice of the Twenty-Eighth Annual General Meeting

Notice is hereby given that the **28th Annual General Meeting ("AGM")** of the Members of **TruCap Finance Limited** (formerly Dhanvarsha Finvest Limited) (**"Company"**) will be held on **Thursday, September 29, 2022 at 03:00 p.m.** (IST) through Video Conferencing (**"VC"**)/Other Audio-Visual Means (**"OAVM"**) without the physical presence of the Members at a common venue, to transact the businesses mentioned below:

## Ordinary Business:

1. To consider and adopt:

   (a) the audited standalone financial statement(s) of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and Statutory Auditors thereon; and

   (b) the audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2022, together with Statutory Auditor's Report thereon.

2. To declare a final dividend of ₹ 0.01/- per equity share, for the financial year ended March 31, 2022.

3. To appoint a director in place of Mr. Rohanjeet Singh Juneja (DIN: 08342094) who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152(6) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mr. Rohanjeet Singh Juneja (DIN: 08342094) who retires by rotation at this Twenty-Eighth Annual General Meeting, and being eligible offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

## Special Business:

4. To approve the re-appointment of Mr. Rohanjeet Singh Juneja (DIN: 08342094), as Managing Director & Chief Executive Officer of the Company and remuneration payable to him and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 **("the Act")** (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors (collectively referred to as the **"Board"**) at their respective meetings, consent of the Company be and is hereby accorded for the appointment of Mr. Rohanjeet Singh Juneja (DIN: 08342094) as the Managing Director and Chief Executive Officer (CEO) of the Company, for a period of 3 (Three) years effective from December 17, 2022 to December 16, 2025 (both days inclusive) on the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in Item No. 4 of the Explanatory Statement annexed to the Notice convening 28th Annual General Meeting of the Company, with liberty to the Board to alter and vary the terms & conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Rohanjeet Singh Juneja.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorised to revise the remuneration of Mr. Rohanjeet Singh Juneja, from time to time, to the extent the Board may deem appropriate, provided that such revision is in compliance with the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

   **RESOLVED FURTHER THAT** the Board and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. To approve appointment of Mrs. Rushina Mehta (DIN: 01042204) as a Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of the Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors at their respective meetings, the approval of members of the Company, be and is hereby accorded for the appointment of Mrs. Rushina Mehta (DIN: 01042204), who was appointed as an additional director of the Company, under the provisions of Section 161 of the Companies Act, 2013 and whose term of appointment expires at the $28^{th}$ Annual General Meeting of the Company, as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, and shall be eligible for sitting fees, reimbursement of expenses and profit related commission as may be permissible under the law from time to time."

6. To approve amendment in Dhanvarsha ESOP Plan 2018 and in this regard, to consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment, modification or re-enactment to the Act or the regulations for the time being in force) ("**Act**"), and such other applicable provisions, including rules and regulations formed under the Act, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, and other applicable laws, rules and regulations and such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the above authorities, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for the amendment to the Dhanvarsha ESOP Plan 2018 ("**ESOP Plan**") adopted by the Company, as described in Item No. 6 of the explanatory statement annexed to the Notice convening this $28^{th}$ Annual General Meeting.

   **RESOLVED FURTHER THAT** the Nomination and Remuneration Committee and the Board of Directors of the Company, be and are hereby severally authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations or revisions in the ESOP Plan or to suspend, withdraw or revive the ESOP Plan, in accordance with applicable laws prevailing from time to time, as it may deem fit, to give effect to this resolution.

   **RESOLVED FURTHER THAT** the Nomination and Remuneration Committee or any authority delegated by them be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and to delegate all or any of the powers herein vested in the Nomination and Remuneration Committee to any director(s), officer(s) of the Company as may be required to give effect to this resolution."

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

**Sd/-**
**Lalit Chendvankar**
**Company Secretary & Compliance Officer**

**August 10, 2022**
**Mumbai**

**Regd. Office**
$3^{rd}$ Floor, A Wing, D.J. House,
Old Nagardas Road, Andheri (East),
Mumbai - 400 069
Email: corpsec@trucapfinance.com
Website: www.trucapfinance.com

## Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") has vide its General Circular nos. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively, General Circular no. 20/2020 dated May 05, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively and General Circular No. 02/2022 dated May 05, 2022, (collectively referred to as "**MCA Circulars**") and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 and circular no. SEBI/HO/DDHS/P/CIR/2022/0063 issued by the Securities and Exchange Board of India ("**SEBI**") on May 13, 2022 (collectively referred to as "**SEBI Circulars**"), permitted the holding of the Annual General Meeting ("**AGM**") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and applicable rules made thereunder ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Pursuant to the Circular No. 17/2020 dated April 13, 2020, as amended, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. Pursuant to MCA Circulars and SEBI Circulars, relaxation has been granted to the companies in respect of sending physical copies of annual report to the shareholders. Accordingly, the Notice of the AGM will be sent electronically to all the members of the Company who have registered their email addresses with the Company or depository participants or with the Company's Registrar and Share Transfer Agent i.e. MCS Share Transfer Agent Limited ("**RTA**") and the physical copies will not be sent.

4. In accordance with the MCA Circulars and SEBI Circulars, the financial statements (including Board's Report, Auditor's Report and other documents forming part of this Annual Report) are being sent only through electronic mode to those shareholders whose email addresses are registered with the RTA or Depository Participants (DPs), and whose names appear in the register of members as on Monday, September 05, 2022.

5. The explanatory statement pursuant to Section 102 of the Act, relating to the Special Businesses to be transacted at the AGM is annexed hereto.

6. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA for assistance in this regard.

7. To support the 'Green Initiative', members who have not registered their email addresses so far, are requested to register their email addresses with their DPs in case the shares are held by them in electronic form/demat form and with RTA, in case the shares are held by them in physical form for receiving all communication(s) including report, notices, circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to send their email addresses and mobile numbers to the Company's email address i.e. corpsec@trucapfinance.com. The process for registration of email addresses for obtaining Annual Report and User ID/Password for e-voting is annexed to this Notice.

8. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their DPs with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to the RTA in case the shares are held by them in physical form.

9. Relevant documents referred to in accompanying notice and the explanatory statement, registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to corpsec@trucapfinance.com.

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

11. Pursuant to Section 91 of the Act and Regulation 42 of the Listing Regulations, Register of Members and Share Transfer Books will remain close from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of AGM and payment of final dividend to the shareholders of the Company. Dividend for the financial year 2021-22 has been recommended by the Board of Directors to the members of the Company for their approval. If approved by the members of the Company, payment will be paid within 30 days from the date of the AGM. For the members who are unable to receive dividend directly in their bank accounts, the Company shall dispatch dividend warrants to them.

12. The Finance Act, 2020 has abolished the Dividend Distribution Tax (DDT) and has introduced the system of dividend taxation in the hands of the shareholders with effect from April 01, 2020. Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of payment of dividend, if declared, to its shareholders (resident as well as non-resident).

13. Members are hereby informed that there is no unpaid dividend of earlier years which is due to be transferred to the Investor Education and Protection Fund (IEPF) under the provisions of Section 124 and 125 of the Act.

14. As per Regulation 36(3) of the Listing Regulations and Secretarial Standards (SS)–2 issued by the Institute of Company Secretaries of India, details in respect of a director seeking appointment/re-appointment at the AGM are separately annexed to this Notice.

15. After the AGM, the recorded transcript of the AGM shall also be uploaded on the website of the Company i.e. www.trucapfinance.com.

16. Institutional investors, who are Members of the Company, are encouraged to attend and vote at the 28th AGM of the Company.

17. **Remote e-voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Listing Regulations, MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members through e-voting agency Central Depository Services (India) Limited (**"CDSL"**).

18. Only those Members, whose names appear in Register of Members/List of beneficial owners as on Thursday, September 22, 2022 (**"Cut-off Date"**) shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.

19. The Board of Directors has appointed M/s. Mayank Arora & Co., Practicing Company Secretaries, (FCS 10378 holding Certificate of Practice No. 13609 with the Institute of Company Secretaries of India) (**"Scrutinizer"**), to scrutinize the remote e-voting and voting during the AGM in a fair and transparent manner.

20. The Scrutinizer will issue a consolidated Scrutinizer's report of the total votes cast in favour or against and invalid votes, if any, to the Chairperson/Executive Director of the Company or in his absence, to any other Director or the Company Secretary authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's report, the result will be declared by the Chairperson/Executive Director or in his absence by the Company Secretary within 2 (Two) working days from the date of AGM at the registered office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. Thursday, September 29, 2022.

21. A proxy is allowed to be appointed under Section 105 of the Act to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

**Instructions for the Members for attending the AGM through VC/OAVM:**

22. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (**"MCA"**) vide its General Circular nos. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively, General Circular no. 20/2020 dated May 05, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively and General Circular No. 02/2022 dated May 05, 2022 (collectively referred to as **"MCA Circulars"**) and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 and circular no. SEBI/HO/DDHS/P/CIR/2022/0063 issued by Securities and Exchange Board of India (**"SEBI"**) on May 13, 2022 (collectively referred to as **"SEBI Circulars"**), permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. The forthcoming AGM will thus be held through VC/OAVM. Hence, Members can attend and participate in the 28th AGM through VC/OAVM.

23. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

24. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 (One Thousand) members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
25. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
26. All the members are requested to register their email address with the RTA of the Company for the purpose of service of documents under Section 20 of the Act by e-mode instead of physical service of documents.
27. The members holding the shares in physical form can avail of the nomination facility in terms of Section 72 of the Act, by furnishing Form SH 13 (in duplicate) to the Company or the RTA of the Company. The said form will be made available on request. In case of shares held in dematerialized form, a nomination form will have to be lodged by the members with their DPs.
28. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
29. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.trucapfinance.com. The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the remote e-voting facility) i.e. www.evotingindia.com.
30. In compliance with the provisions of the Act and Listing Regulations as amended from time to time, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM.

**The instructions of Shareholders for E-Voting and joining Virtual Meetings are as under:**

(i) The voting period begins on Monday, September 26, 2022 at 09:00 a.m. (IST) and ends on Wednesday, September 28, 2022 at 05:00 p.m. (IST) During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Thursday, September 22, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by the listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility. Pursuant to aforesaid SEBI Circular, Login method for e-voting and joining virtual meetings for individual shareholders holding securities in demat mode CDSL/NSDL is given below:

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting service providers i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.<br>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also be able to directly access the system of all e-voting service providers. |
| Individual Shareholders holding securities in demat mode with **NSDL** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |

(v) Login method for e-voting and joining virtual meetings for physical shareholders and shareholders other than individuals holding in Demat form:

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br><br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br>If both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank details field. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN "TruCap Finance Limited."

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.

(xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and/or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address i.e. corpsec@trucapfinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## Instructions for Shareholders attending the AGM through VC/OAVM & E-Voting during meeting are as under:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at corpsec@trucapfinance.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at corpsec@trucapfinance.com. These queries will be replied to the shareholders by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Process for those Shareholders whose email address/mobile number are not registered with the Company/Depositories:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Registrar and Share Transfer Agent at subodh@mcsregistrars.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining virtual meetings through Depository.
4. If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (**"CDSL"**), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

## Explanatory statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 4:

The shareholders of the Company vide resolution passed at the 26th Annual General Meeting held on September 21, 2020, approved the appointment of Mr. Rohanjeet Singh Juneja (DIN: 08342094), as Joint Managing Director of the Company for a period of 3 (Three) years w.e.f. December 17, 2019 to December 16, 2022 (both days inclusive). Subsequently, the Shareholders of the Company vide resolution passed at the Extra Ordinary General Meeting held on April 11, 2022, changed the designation of Mr. Rohanjeet Singh Juneja from Joint Managing Director to Managing Director & Chief Executive Officer (CEO) of the Company, w.e.f. March 12, 2022.

The current term of appointment of Mr. Juneja as Managing Director and CEO of the Company expires on December 16, 2022. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Juneja should be available to the Company for a further period of 3 (Three) years w.e.f. December 17, 2022.

Accordingly, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 10, 2022, approved the re-appointment and remuneration of Mr. Rohanjeet Singh Juneja (DIN: 08342094) as the Managing Director & Chief Executive Officer of the Company, for a period of 3 (three) years w.e.f. December 17, 2022 to December 16, 2025 (both days inclusive), subject to the approval of members of the Company.

Mr. Juneja, has over 17 years of experience in research, strategy, portfolio management, financial analysis, mergers and acquisitions etc. He started his career as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. Post FrontPoint Partners, Mr. Juneja was associated with Seawolf Capital LLC as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India and USA. He also worked on companies in similar sectors located in Australia, Brazil and Canada.

Additional disclosure as required pursuant to Schedule V to the Companies Act, 2013 are provided in **Annexure 1** to this Notice. Further, brief details of Mr. Juneja, as stipulated under the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings (**"SS-2"**), are provided as an **Annexure 2** to this Notice.

The material terms and conditions as approved by the Board of Directors and contained in the agreement entered into between Mr. Rohanjeet Singh Juneja (DIN: 08342094) and the Company are as follows:

1. The Managing Director & CEO shall continue to be subject to the supervision and control of the Board of Directors and carry out such duties as may be entrusted to him by the Board of Directors of the Company and shall exercise such powers as are delegated to him by the Board of Directors from time to time.
2. The tenure of re-appointment shall be for a period of 3 (Three) years effective from December 17, 2022 to December 16, 2025 (both days inclusive).

3. Pursuant to Section 197 read with Schedule V to the Companies Act, 2013 and rules made thereunder (**"Act"**), remuneration by way of salary and perquisites permissible to Mr. Rohanjeet Singh Juneja, Manging Director & CEO shall be as under:

   (a) **Basic Salary:** ₹ 75,00,000/- (Rupees Seventy-Five Lakhs only) per annum.

   (b) **Special Allowance:** ₹ 25,81,600/- (Rupees Twenty-Five Lakhs Eighty-One Thousand Six Hundred only) per annum.

   (c) **Performance Pay:** The performance pay will be as per the performance rating for the financial year. The performance pay will be linked to individual and Company performance.

   (d) **Education Allowance:** (for each child ₹ 1,200/-) – ₹ 2,400/- (Rupees Two Thousand Four Hundred only) per annum.

   (e) **Bonus/Ex-gratia:** As may be approved by Nomination and Remuneration Committee.

   (f) **Perquisites:** In addition to the above, Mr. Rohanjeet Singh Juneja shall be entitled to the following perquisites:

      i. House Rent Allowance: ₹ 37,50,000/- (Rupees Thirty-Seven Lakhs Fifty Thousand only) per annum.

      ii. Leave and Travel Allowance: ₹ 2,00,000/- (Rupees Two Lakhs only) per annum.

      iii. Mediclaim insurance: ₹ 5,00,000/- including spouse and children up to 25 years of age.

      iv. Employer's National Pension Scheme: ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) per annum.

      v. Other Allowance: Other allowance in accordance with the policies of the Company.

   (g) **Retirement/Superannuation benefits:**

      i. Provident Fund/Superannuation/Annuity Fund: Contribution to Provident Fund/Superannuation/Annuity Fund shall be in accordance with the approved scheme/fund of the Company as in force from time to time and not included in computation of ceiling on perquisites to the extent that these either singly or put together are not taxable, under the Income Tax Act, 1961.

      ii. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service and in compliance with the Payment of Gratuity Act, 1972 and rules made thereunder.

      iii. Encashment of Leave not availed of: As per the rules of the Company, it shall not be included in the computation of ceiling on Perquisites.

   (h) **Reimbursement:**

      i. Driver's Salary Allowance: ₹ 2,40,000/- (Rupees Two Lakhs Forty Thousand only) per annum.

      ii. Petrol/Maintenance/Insurance Allowance: ₹ 2,40,000/- (Rupees Two Lakhs Forty Thousand only) per annum.

      iii. Mobile Reimbursement: ₹ 36,000/- (Rupees Thirty-Six Thousand only) per annum.

      iv. Uniform Allowance: ₹ 50,000/- (Rupees Fifty Thousand only) per annum.

4. The remuneration payable to Mr. Rohanjeet Singh Juneja would be on a time scale basis to be revised annually w.e.f. 1st of April every year, for the term of his re-appointment, at the discretion of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to the performance of Mr. Rohanjeet Singh Juneja and may be in excess to the limits as specified under the provisions of Section 197 read with Schedule V to the Act.

5. In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Rohanjeet Singh Juneja, Managing Director & CEO, the payment of salary, performance incentives, perquisites and other allowances may exceed pursuant to the provisions of Schedule V of the Act and the same shall not be refundable.

For the purpose of calculating the value of Perquisites herein above, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable.

Mr. Rohanjeet Singh Juneja, Managing Director & CEO shall not be entitled to receive any fees for attending meetings of the Board/ Committee.

A copy of the agreement executed between the Company and Mr. Rohanjeet Singh Juneja (DIN: 08342094), is available for inspection by the members of the Company electronically at the registered office of the Company on all working days (except Saturday) during business hours up to date of the ensuing AGM.

The Board recommends the above resolution to be passed as a Special Resolution.

Except Mr. Rohanjeet Singh Juneja and his relatives, none of the Directors/Key Managerial Personnel of the Company/their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

## Item No. 5

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, has appointed Mrs. Rushina Mehta (DIN: 01042204), as an Additional Director (Non-Executive Non-Independent) pursuant to Section 161 of the Companies Act, 2013 (**"Act"**) and Article 66(i) of the Articles of Association of the Company with effect from June 17, 2022. In terms of Section 161(1) of the Act, Mrs. Rushina Mehta holds office only upto the date of forthcoming Annual General Meeting and is eligible for appointment as a Director. The Company has received a notice under Section 160(1) of the Act, from a member signifying his/her intention to propose appointment of Mrs. Rushina Mehta as a Director.

Mrs. Rushina Mehta has informed the Company that she is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a Director.

Mrs. Rushina Mehta has graduated from University of Mumbai with specialization in financial accounting and auditing. She further completed her MA Inclusion (Special Educational Needs) from University of Birmingham. Mrs. Rushina Mehta is an entrepreneur and a Director in NRAM Regent Private Limited.

Brief details of Mrs. Mehta, as stipulated under the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings (**"SS-2"**), are provided as an **Annexure 2** to this Notice.

The Board of Directors consider that Mrs. Rushina Mehta's appointment as a Director (Non-Executive Non-Independent) will be of advantage to the Company and accordingly, the Board recommends her appointment for acceptance by the members.

The Board recommends the above resolution to be passed as an Ordinary Resolution.

Except Mrs. Rushina Mehta and her relatives, none of the Directors/Key Managerial Personnel of the Company/their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

## Item No. 6

The Dhanvarsha ESOP Plan 2018 (**"ESOP Plan"**) which has been adopted by TruCap Finance Limited (formerly Dhanvarsha Finvest Limited) (**"Company"**) is proposed to be amended.

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to the approval of the Members, it is proposed that the ESOP Plan be amended in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (**"SEBI SBEB & SE Regulations"**). The resolution contained at Item No. 6 of the Notice seeks to obtain the members' approval to authorize the Nomination and Remuneration Committee and/or Board of Directors of the Company or any other duly authorised person(s), to amend the ESOP Plan and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the amendment of the ESOP Plan.

A draft of the ESOP Plan with the proposed amendments will be made available for inspection by the Members of the Company electronically at the registered office of the Company on all working days (except Saturday) during business hours up to date of the ensuing AGM.

1. **Key Variations in the ESOP Plan: Details of the key variations proposed to the ESOP Plan are provided below:**

| Sr. No. | Clause No. | Position under the existing ESOP Plan | Variations proposed |
|---|---|---|---|
| 1. | 5.1 | Registered Office Address **(Old)**:<br><br>2nd Floor, Bldg. No. 4, D. J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069, Maharashtra. | Registered Office Address **(New)**:<br><br>3rd Floor, A Wing, D. J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069, Maharashtra. |
| 2. | 11.1 | Definition of Nomination and Remuneration Committee – **"NOMINATION AND REMUNERATION COMMITTEE** nomination and remuneration committee means the committee constituted by the Board of Directors as per Section 178 of Companies Act, 2013 to administer the plan as defined in Article 15 of the plan." | Definition of Nomination and Remuneration Committee revised as below:<br><br>**"NOMINATION AND REMUNERATION COMMITTEE** or **COMMITTEE** means the committee constituted by the Board of Directors as per Section 178 of Companies Act, 2013 to administer the plan as defined in Article 15 of the plan." |

| Sr. No. | Clause No. | Position under the existing ESOP Plan | Variations proposed |
|---|---|---|---|
| 3. | 11.1 | Definition of **SEBI (SBEB) Regulations –**<br><br>"Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time and shall include any guidelines, regulations or law on the subject of employee stock options that supersede the SEBI (SBEB) Regulations." | Definition of **SEBI (SBEB & SE) Regulations** revised as below:<br><br>"Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time and shall include any guidelines, regulations or law on the subject of employee stock options that supersede the SEBI (SBEB & SE) Regulations." |
| 4. | 15.3 (b) | "determine the performance parameters for Grant and/or Vesting of Options granted to an Employee" | Modification proposed to the power conferred upon the Committee:<br><br>"determine the performance parameters for Grant and/or Vesting and/or Lapse of Options granted to an Employee" |
| 5. | 15.3 (r) | — | Additional power proposed to be conferred upon the Committee:<br><br>"If deemed fit by the Committee, Committee may make an offer to Option Grantee, to fully/partially surrender and cancel their Vested Options against settlement in cash; provided that such an offer, if made, shall be made to all Option Grantee who hold Vested Options; and acceptance of such an offer shall be at complete discretion of the Option Grantee. The Committee may accordingly fully/partially extinguish relevant Vested Options, against settlement in cash." |
| 6. | 15.4 | — | Additional power proposed to be conferred upon the Committee:<br><br>"The Nomination and Remuneration Committee shall be entitled to delegate all or any powers conferred upon it and as set-out in this Plan to the management of the Company, as it may deem fit." |

2. **Rationale for the variation of the ESOP Plan:**

   (a) The proposed amendments, including those mentioned herein, are proposed to be undertaken in order to give authority to Nomination and Remuneration Committee or any other authority who has been authorised by them to undertake and perform several acts and deeds in relation to the Options granted/proposed to be granted under the ESOP Plan.

   (b) The proposed amendments are not detrimental to the interests of the current grantees of the Company.

   (c) Through the proposed amendment, the registered office address mentioned in the ESOP Plan has been updated to reflect the new address.

3. **Details of the employees who are beneficiaries of such variation:**

   All eligible employees to whom the Options have been/will be granted under the ESOP. Plan Further, the Company shall comply with the applicable accounting standards.

Mr. Rohanjeet Singh Juneja, Managing Director & CEO and other Key Managerial Personnel(s) of the Company and its subsidiary are deemed to be concerned or interested, to the extent of Options granted/to be granted pursuant to the ESOP Plan and to the extent of their shareholding in the Company, if any.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

None of the other Directors of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

**Sd/-**
**Lalit Chendvankar**
**Company Secretary & Compliance Officer**

**August 10, 2022**
**Mumbai**

## Annexure 1

# Statement of disclosure pursuant to Schedule V to the Companies Act, 2013 in relation to item no. 4 of the Notice

I. **General Information**

1. Nature of Industry

   The Company is registered as Non-Banking Financial Company (NBFC) and engaged in the lending business. Major products of the Company comprise of Loan against the collateral of Gold and Business loans, etc.

2. Date or expected date of commencement of commercial production – Not applicable

3. Financial performance of the Company.

**(₹ In Lakhs)**

| Particulars | Financial Year | | |
|---|---|---|---|
| | 2021-2022 | 2020-2021 | 2019-2020 |
| Gross Turnover | 7,005.65 | 2,441.98 | 1,929.52 |
| Profit/(Loss) before Tax | 1,067.69 | 173.51 | 558.06 |
| Profit/(Loss) after Tax | 737.21 | 68.45 | 409.89 |
| Dividend | 8.88 | 7.65 | 14.34 |

4. Foreign investments or collaborations

   As on March 31, 2022, the total Foreign Shareholding on fully diluted basis is 85,32,164 equity shares constituting 7.46% of the paid-up share capital which includes Foreign Direct Investments holding 60,02,365 Compulsorily Convertible Debentures, Foreign Portfolio Investor holding of 25,12,058 equity shares and NRI (Re-Patriation basis) holding of 17,741 equity shares.

II. **Information about the appointee**

1. Background details

   Mr. Rohanjeet Singh Juneja, has over 17 years of experience in research, strategy, portfolio management, financial analysis, mergers and acquisitions, etc. He started his career as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. Post FrontPoint Partners, Mr. Juneja was associated with Seawolf Capital LLC as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India and USA. He also worked on companies in similar sectors located in Australia, Brazil and Canada.

2. Past Remuneration

**(₹ In Lakhs)**

| Particulars | Financial Year | | |
|---|---|---|---|
| | 2021-2022 | 2020-2021 | 2019-2020 |
| Salary, Allowance & Perquisites | 64.84 | 52.59 | 17.89 |
| Provident Fund Contribution | 2.5 | 3.6 | 0.94 |
| **Total** | **67.34** | **56.19** | **18.83** |

***Note:*** Contribution to Provident Fund & Superannuation/Gratuity payable is not included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Companies Act, 2013.

3. Recognition or awards

   Mr. Rohanjeet Singh Juneja, age 41 years, is an investment banker and hedge fund manager with over 17 years of experience in research, strategy, portfolio management, financial analysis and mergers & acquisitions.

4. Job profile and his suitability

   He is Managing Director & CEO of the Company. He is a key member in devising and implementing corporate growth strategy for the Company.

5. Remuneration proposed

   As stated in Item No. 4 of the Explanatory Statement.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

   The remuneration for the similar position in the industry, having regard to the size of the companies and profile of persons is not less than the proposed remuneration of Mr. Rohanjeet Singh Juneja.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any – Not applicable.

**III. Other information:**

1. Reasons of loss or inadequate profits.

   (a) FY 2021-22 witnessed further expansion of the offline branch network in multiple cities which requires upfront investment in building the infrastructure. This is needed to acquire market share and improve business volumes and manage customer engagement programs better.

   (b) The Company's strategic interventions to invest and build customer focused digital and technology infrastructure requires upfront capital commitment. It is critical to be able to cater to evolving needs of the customers, build and launch new products, improve operational efficiencies through automation efforts and create an ecosystem focused to promote productivity and performance. It will enable the Company to drive a customer centric culture and align the business to emerging opportunities in future.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

   (a) Transition to an omni-channel business distribution strategy to cover the last mile MSME customers in the cash-carry segment.

   (b) Increasing focus to leverage technology to build collaborative partnerships in the financial ecosystem to ensure that the capital goes a longer mile to deliver efficiency as the Company expands its focus to new regions and empower MSME borrowers through relevant credit solutions.

   (c) Looking beyond the short-term challenges, the Company has undertaken strategic initiatives to improve business volumes, improve its cashflows, reduce costs, retain talent and recalibrate its sales and distribution strategy alongwith marketing to improve customer engagement and deliver better results across business verticals.

## Annexure 2

## Information required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard (SS)-2 with respect to Appointment/Re-Appointment of Directors:

| Name of Director | Mr. Rohanjeet Singh Juneja | Mrs. Rushina Mehta |
|---|---|---|
| Category | Managing Director & CEO | Non-Executive Non-Independent |
| Date of Birth and Age | November 06, 1980<br>Age – 41 years | December 05, 1982<br>Age – 39 years |
| Nationality | Indian | Indian |
| DIN | 08342094 | 01042204 |
| Date of re-appointment/first appointment on the Board | December 17, 2019 | June 17, 2022 |
| Expertise in specific functional areas | Investment Banking | Financial Accounting and Auditing |
| Qualifications | Chartered Financial Analyst from CFA Institute, USA | 1. University of Mumbai with specialization in financial accounting and auditing.<br>2. MA Inclusion (Special Educational Needs) from University of Birmingham |
| Last drawn remuneration (including sitting fees and commission) | ₹ 64.84 lakhs p.a. for FY 2021-2022 | Not Applicable |
| Directorship held in other companies | DFL Technologies Private Limited | NRAM Regent Private Limited |
| Membership/Chairmanship of Committees of other public companies as on August 10, 2022 (only Statutory Committees as required to be constituted under the Act are considered) | Member – Stakeholders Relationship Committee | NIL |
| Shareholdings (%) of Non-Executive Director in the Company including shareholding as a beneficial owner | Not Applicable | 13.45% |
| Relationship with other Directors/ Manager/Key Managerial Personnel | None | None |
| The number of Meetings of the Board attended during the F.Y. 2021-22 | 06 | NIL |
| Brief Profile | Mr. Rohanjeet Singh Juneja, has over 17 years of experience in research, strategy, portfolio management, financial analysis, mergers and acquisitions, etc. He started his career as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. Post FrontPoint Partners, Mr. Juneja was associated with Seawolf Capital LLC as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India and USA. He also worked on companies in similar sectors located in Australia, Brazil and Canada. | Mrs. Rushina Mehta has graduated from University of Mumbai with specialization in financial accounting and auditing. She further completed her MA Inclusion (Special Educational Needs) from University of Birmingham. Mrs. Rushina Mehta is an entrepreneur and a Director in NRAM Regent Private Limited. |

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

**Sd/-**
**Lalit Chendvankar**
**Company Secretary & Compliance Officer**

**August 10, 2022**
**Mumbai**

tru


# EMPOWERING MSMEs

ANNUAL REPORT 2022

# TruCap Finance Limited

# CONTENTS

## STRATEGIC OVERVIEW



## STATUTORY REPORTS



## FINANCIAL STATEMENTS



### Forward Looking Statements

This Annual Report contains statements about expected future events and financial and operating results of TruCap Finance Limited (formerly known as Dhanvarsha Finvest Limited), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Do not place undue reliance on forward looking statements as a number of factors could cause assumptions and actual future results or events to differ materially from those expressed in these forward-looking statements.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

| | |
|---|---|
| Mr. Rakesh Sethi | Independent Director-Chairperson |
| Mr. Nirmal Vinod Momaya | Independent Director |
| Ms. Geetu Gidwani Verma | Independent Director |
| Mr. Krishipal Raghuvanshi | Independent Director |
| Ms. Abha Kapoor | Independent Director |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director |
| Mr. Atwood Porter Collins | Non-Executive Non-Independent Director |
| Ms. Rushina Mehta | Non-Executive Non-Independent Director |
| Mr. Rohanjeet Singh Juneja | Managing Director & CEO |

## Key People

| | |
|---|---|
| Mr. Sanjay Kukreja | Chief Financial Officer |
| Mr. Mahendra Kumar Servaiya | Chief Credit & Risk Officer |
| Mr. Lalit Chendvankar | Chief Compliance Officer, Company Secretary & Legal Head |
| Ms. Priyanka Singh | Chief Impact & Marketing Officer |
| Ms. Namita Pradhan | Head - Human Capital Management |
| Mr. Gaurav Bhargava | Head - Gold Loans |
| Mr. Vishal Miglani | Head - Collaborations |
| Mr. Vivek Dugar | Head - Sales |
| Mr. Rambabu Yadav | Head - Treasury |
| Mr. Syamantak Mayekar | Head - Collections & Operations |
| Ms. Radhika Seshadri | Vice President - Business Analysis & Financial Planning |
| Mr. Siddharth Bharadwaj | Assistant Vice President - Strategy & Capital Raising |
| Mr. Vidur Jee Singh | Head - Contact Centre |

## Registered Office Address

3rd Floor, A Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai - 400 069

## Debenture Trustee

Catalyst Trusteeship Limited
Address: GDA House, 1stFloor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune - 411 038

## Statutory Auditors

M/s. Bansal Bansal & Co.
Chartered Accountants
Address: 6/120, Mittal Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai - 400 059

## Internal Auditors

Grant Thornton Bharat LLP
Chartered Accountants
Address: L- 41 Connaught Circus, Delhi - 110 001

## Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited
Address: 209-A, C Wing , 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-op. Industrial Area, B/H Times Square, Andheri (East), Mumbai - 400 059

## Secretarial Auditor

M/s. U. Hegde & Associates
Company Secretaries
Address: B-401, Janki Niwas, Shree Rambalakdas Nagri CHS., Tapovan, Malad ( East), Mumbai - 400 097

## Lenders

HDFC

SBI

Bank of India

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

Indian Overseas Bank

IDBI BANK

बैंक ऑफ़ बड़ौदा
Bank of Baroda

YES BANK

OIKO CREDIT
investing in people

DCB BANK

NORTHERN ARC

caspian

InCred
Borrow. With Confidence.

Utkarsh Small Finance Bank

Chola
Enter a better life

CREDIT SAISON

smc finance

wint

NABKISAN

CAPRI GLOBAL
CAPITAL LIMITED

NABARD

Punjab & Sind Bank
(A Govt. of India Undertaking)
Where service is a way of life

a.k.
A. K. CAPITAL SERVICES LIMITED
BUILDING BONDS

AMBIT Finvest
Pragati ke partner

NABSAMRUDDHI FINANCE LIMITED

HINDUJA LEYLAND FINANCE

EXCELLENCE THROUGH ENDEAVOURS
MAS
FINANCIAL SERVICES LTD.
The Power of Distribution

# BOARD OF DIRECTORS

## Mr. Rakesh Sethi

Independent Director-Chairperson

Mr. Rakesh Sethi is a Gold Medalist in Master of Commerce from the Osmania University, Hyderabad. He has been a career banker and has held several top positions during his 38 years of experience in banking industry.

Some of his accomplishments include being the Executive Director with Punjab National Bank ("PNB") from January 1, 2011, to March 11, 2014 (appointment by the Government of India), Chairman and Managing Director of Allahabad Bank from March 12, 2014 to April 30, 2017, and in various capacities in Andhra Bank. He is a veteran banker and has worked in various segments in banking industry including but not limited to Corporate Banking, Foreign Exchange, Credit, Risk Management, Deposit Planning, Corporate Communications, Government Business, etc.

## Mr. Nirmal Vinod Momaya

Independent Director

Mr. Nirmal Vinod Momaya, possess over 27 years of professional experience in Finance, Taxation, Audit and Management Consultancy. He holds a bachelor's degree in Commerce and is a Chartered Accountant. He has been recently appointed as Managing Director in Camlin Fine Sciences Limited.

## Ms. Geetu Gidwani Verma

Independent Director

Ms. Geetu Gidwani Verma is a global business leader & innovator driven by the urgency to build businesses with purpose that have a lasting impact on the health of the world. A seasoned leader, she has over 30 years' experience in the FMCG sector with Procter & Gamble, Pernod Ricard, Pepsico and Unilever.

After her last 10 years in Unilever, She is now a Global Management Consultant, focused on helping businesses with innovation, strategy & new business models to create sustainable growth. She partners Oxfordsm, a BCorp and a global strategic and marketing consultancy headquartered in the UK.

She has been recognized as among the most powerful women in Indian business by Business Today and ranked among the top 10 most influential marketers, several years in a row. She in an immensely respected FMCG industry voice, an ardent advocate on authentic leadership and a strong proponent of an inclusive culture that helps diversity thrive. She actively supports causes related to underprivileged children's health care and education.

## Mr. Krishipal Raghuvanshi

Independent Director

Mr. Krishipal Raghuvanshi is a IPS officer (1980 batch) and has held a wide array of important and sensitive postings in the state of Maharashtra.

He has varied experience over 35 years in leadership roles across Administration, Collection of Intelligence Investigations, Security Management (Valued Assets, General & VIP), Prevention & Detection of Crime, Vigilance, Anti-Corruption, Maintenance of Law and Order, Counter Terrorism measures and Anti Naxal Operations, etc. He has previously served as Additional Director General of Police (Law & Order), Maharashtra. He is currently acts as a Strategic Security Advisor to the Reserve Bank of India. He currently acting as Security Adviser at Hindustan Petroleum Corporation Limited and also advising Rajasthan Royals on ethics and is on the governing council of Rajasthan Royals of Indian Premier League (IPL).

## Ms. Abha Kapoor

Independent Director

Ms. Abha Kapoor is the founding partner of K&J Associates, a pioneer and leading executive search firm in Media, Entertainment and Communication sector. She co-founded the company in 1995 with her business partner Nita Joshi and over the course of over two decades together, they made it a byword in excellence and professionalism in this emerging space.

A commerce graduate of Sydenham college with a Masters in Marketing management from NMIMS (Narsee Monjee Institute of Management Studies), Mumbai University, She started her career working for an International Bank before moving on as Regional Head, West, for a financial services company. Always a people’s person, her informal recommendations for banking and finance personnel during international travels became well known, prompting to eventually co found K&J Search Consultants.

She has been extremely gratifying to be at the forefront of Executive Search Consultancy in Media & Entertainment space; to have partnered with a diverse set of clients in their growth, as also to have been a mentor to her candidates. Through building start-up teams and placing key leadership positions for various organizations, from their inception to the stellar market presence they each have today, she is proud to have significantly contributed to the rapid expansion of India's M&E sector over the last two and a half decades.

She is currently an Independent & Non-Executive Director on the Board of Quint Digital Media (The Quint), a digital news platform founded by Raghav Bahl & Ritu Kapur Bahl.

## Mr. Rajiv Kapoor

Non-Executive Non-Independent Director

Mr. Rajiv Kapoor holds a Post Graduate Diploma in Management from the Indian Institute of Management, Calcutta and a Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology, New Delhi.

He has over 38 years of international corporate experience in senior positions in Marketing, Sales, Product Management, General Management and Corporate Advisory. His last corporate role was as Senior Vice President, Marketing and Cross Border for Asia Pacific at Visa Inc. Prior to that he worked at Proctor & Gamble, Nestle, PepsiCo, across multiple geographies including India, Switzerland, Australia, Singapore, United Kingdom, with oversight for international markets in Asia Pacific, Middle East, Eastern Europe, Russia and Africa. He is currently an Advisor and Board Member in fintech, healthtech and market research & data analytics companies.

## Mr. Atwood Porter Collins

Non-Executive Non-Independent Director

Mr. Atwood Porter Collins has over 22 years' experience investing in global financial services companies with over 15 years of investing experience in India. He was Co-founder and Portfolio Manager of Seawolf Capital LLC, an equity hedge fund investing in global financial services companies based in New York City from 2011-2018.

Prior to co-founding Seawolf Capital, Mr. Collins was a Partner of the FrontPoint Financial Services Fund where he was featured in the Michael Lewis book and the movie 'The Big Short' for accurately predicting the Global Financial Crisis of 2008. Winning substantial critical acclaim for foreseeing excess leverage in the US financial system well before 2008, Mr. Collins and his team made several presentations to US Government offices on resurrecting the economy post the crisis.

Prior to joining FrontPoint in 2004, Mr. Collins was a Financial Services Analyst and a Retail/Consumer Analyst at Chilton Investment Co., Inc and also served as a Portfolio Analyst at Goldman Sachs & Co. Commodities Corporation.

Mr. Collins is on the Board of the Emily Hall Tremaine Foundation, the Investment Committee of Salisbury School, the Board of Directors of the National Rowing Foundation and the Board of Stewards of Power Ten New York, Inc., and is a Steward of the Brown Rowing Association.

## Ms. Rushina Mehta

Non-Executive Non-Independent Director

Ms. Rushina Mehta has graduated from University of Mumbai with specialization in Financial Accounting and Auditing. She further completed her MA Inclusion (Special Educational Needs) from University of Birmingham. She is an entrepreneur and a Director in NRAM Regent Private Limited.

## Mr. Rohanjeet Singh Juneja

Managing Director & CEO

Mr. Rohanjeet Singh Juneja is an investment banker and hedge fund manager with over 17 years of experience in Research, Strategy, Portfolio Management, Financial Analysis, Mergers and Acquisitions, etc.

He started his career as an Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. Post FrontPoint Partners, he was associated with Seawolf Capital LLC as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India and USA. He also worked on companies in similar sectors located in Australia, Brazil and Canada.

# KEY PEOPLE

## Mr. Sanjay Kukreja

Chief Financial Officer

Mr. Sanjay Kukreja has 27 years of experience in Financial Planning and Control, Profit Center Operations, Taxation & Budgeting etc. He has previously worked as Joint CEO in Masscorp Ltd. and KPL exports Pvt. Ltd and has also been previously associated with Rotex Wheels Pvt. Ltd and Welspun Group of Companies. Prior to joining TRU, he was a part of Wilson Holdings Pvt. Ltd as Chief Financial Officer. He has completed his FCA from The Indian Institute of Chartered Accountants of India.

## Mr. Mahendra Kumar Servaiya

Chief Credit and Risk Officer

Mr. Mahendra Kumar Servaiya is one of the most experienced members of the core team with over three decades of banking experience. He last served as an AGM in the Credit team of Union Bank of India. At TRU, Mr. Servaiya has a dual responsibility; he takes care of communication and compliance filings with the Reserve Bank of India as Principal officer and heads the Credit & Risk function of the company.

## Mr. Lalit Chendvankar

Chief Compliance Officer, Company Secretary and Legal Head

Mr. Lalit Chendvankar is a qualified company secretary and LL.B. with nearly 16 years of experience in steering Secretarial, Compliance and Legal functions.

He was previously associated as Head - Corporate Affairs, Company Secretary and Legal with MIRC Electronics Limited, a well-known name in the Consumer Durables industry. He has robust experience in handling Mergers & Acquisitions, IPOs, Corporate Restructuring, Corporate Advisory Services, Private Equity Investments and Foreign Investments.

## Ms. Priyanka Singh

Chief Impact & Marketing Officer

Ms. Priyanka Singh has extensive experience across Financial Services, Fintech, and Consulting. Her forte leading projects from ideation to execution. She has over 8 years of experience collaborating with global stakeholders across industries such as I-Banking, TMT, Automobiles, NBFCs and P2P Lending. She has led and worked as a stakeholder spanning verticals such as Product Development, Technology, Marketing and new business initiatives to impact revenue generation and align departments towards a common goal. Academically, she comes with a blend of M.B.A. (Finance), Technology and Humanities.

## Ms. Namita Pradhan

Head - Human Capital Management

Ms. Namita Pradhan has an experience of over 6 years and is a seasoned professional in the field of Human Resources. With her diverse knowledge and expertise she is responsible for driving the HR function at TRU. She was previously associated with Oberoi Realty Limited. She is a Mass Media graduate and has completed her MBA in Human Resources Management.

## Mr. Gaurav Bhargava

Head - Gold Loans

Mr. Gaurav Bhargava is a Post-Graduate in MBA Marketing from ICFAI Business School, Hyderabad. He has over 17+ years of experience in retail assets industry. He has worked with various reputed finance companies and has rich experience in all retail assets products viz. Personal Loans, Business Loans, Loan Against Property, Home Loans and Gold Loans. He is skilled in Business Planning, Development, Retail Sales and Portfolio Analysis. Gaurav has been instrumental in setting up the Gold loan business at TRU and is currently managing the Dhanvarsha branch network.

## Mr. Vishal Miglani

Head - Collaborations

Mr. Vishal Miglani has an extensive background in team building, Project Management, Financial Analysis and new product development right form building relationship to distribution to manufacturing. He has an overall experience of over 22 years in operations, sales & marketing in Financial & Automotive industry. He has had a successful career in running self-owned businesses previously in the automotive industry. He has completed his graduation from University of Mumbai.

## Mr. Vivek Dugar

Head - Sales

Mr. Vivek Dugar has been associated with the Wilson Group since the last 5 years and is among the first employees' to set up the foundation of TRU. He is responsible for spear heading the Sales function across India. He has a proven track record of consistently growing the business in a short span of time. He was previously associated with a Telecom company as Product Manager and was responsible for Continuous Technology Enhancement for the company's clients based out of Singapore, China, Hong Kong, etc. He holds a degree in Bachelors of Technology - Electronics from SRM University

## Mr. Rambabu Yadav

Head - Treasury

Mr. Rambabu Yadav joins us with an experience of 20 years in the areas of Treasury, Risk Analysis & Fund Management, Debtors & Creditors Analysis, Fund Mobilization, Evaluation of Internal Control System, Cost Analysis etc. He was previously associated with companies such as Piramal Capital and Housing Finance Limited and Rahul Gautam Divan & Associates. He holds a Bachelor's degree in Finance and Accounts and MBA-Finance.

## Mr. Syamantak Mayekar

Head – Collections & Operations

Mr. Syamantak Mayekar joins us with an experience of over 20 years in Operations, Assets, Liabilities, Internal Audit & Product Management in BFSI. He has completed his PGDBA in Marketing from Symbiosis Pune. He has been associated with companies like SBFC Finance Ltd., Karvy Financial Services Limited, IIFL, Reliance Commercial Finance, HDFC Bank, etc.

## Ms. Radhika Seshadri

Vice President - Business Analysis & Financial Planning

Ms. Radhika Seshadri is a seasoned professional in research and business planning with significant experience in the Financial Services Industry. She has a work experience of 12 years in the BFSI sector and has over 9 years of extensive experience in working for an affordable housing company catering to low middle income consumers. She holds a bachelor's degree in Management Studies and had done her PGDBA in Finance.

## Mr. Siddharth Bharadwaj

Assistant Vice President - Strategy & Capital Raising

Mr. Siddharth Bharadwaj is a seasoned professional in the Indian Financial Markets, having worked across Equity and Debt Capital Markets, and has been associated with raising capital for marquee companies in the Indian Capital Markets. Before joining TRU, he was part of Investec SBI Capital in the Institutional Equities vertical advising large Domestic and International Investors. Siddharth has close to 20 years of experience spread across SBI Capital Markets, Motilal Oswal Securities, ITI Group amongst others. He holds a MBA (Finance) from Mumbai University.

## Mr. Vidur Jee Singh

Head – Contact Centre

Mr. Vidur Jee Singh is a self-motivated and dynamic professional with over 15 years of experience in the domain of Customer Experience, Digital Operations, Vendor Management, Financial Underwriting and Project Management in BFSI. He was previously associated with Axis Bank, Reliance Jio Payment Bank, NeoGrowth Credit Pvt. Ltd., HDFC Bank, ICICI Bank, etc. He has completed his MBA in Finance from Sikkim Manipal University.

# MESSAGE FROM INDEPENDENT DIRECTOR AND CHAIRPERSON

Dear Shareholders,

I hope this finds you well and your loved ones are safe and in good health. I want to begin by extending my heartfelt gratitude towards the medical fraternity and the Government for their contribution and resilience during the Covid-19 pandemic.

The financial year 2021-22 started with a Pan India wave of COVID infections that had widespread human and economic impact. India demonstrated remarkable resilience, validated by the fact that it grew by 9.2% during FY 2021-22, the fastest among major global economies. This was only made possible due to the widescale vaccination campaign across the country, easing of Covid restrictions in a phased manner and proactive policy response from the Government of Indian and Reserve Bank of India ("RBI").

Having delivered strong GDP growth despite the emergence of unprecedented headwinds, we continued our trajectory of sustainable & consistent performance as a "TRU" MSME lender. We have been growing consistently over the years as a company and I am pleased to say, we have been able to reach a net worth of ~INR 174 crores with Capital adequacy at a comfortable 39%.

While your Company continued to build on the traction on liabilities from the previous year, the year gone by, saw a substantial scale up in asset creation. During the year under review, our gross loan under management increased to ~INR 306 crores, compared to ~INR 104 crores in the previous year, recording an increase of ~3x. On the back of our foray into Gold loans business in FY 2021, our gold loan portfolio increased by 10x to close FY 2022 at INR 122 crores.

Our total revenue during the year increased by ~3x to reach. 70 crores, while our profit after tax grew ~10x to touch INR 7.4 crores. We feel these numbers demonstrate the resilience imbibed within the organisation and reflects a solid base to our future.

I want to thank each stakeholder for their continued support for all these years. We would not have reached where we are today if not for the undeterred grit and determination demonstrated by every single employee associated with the Company.

Your Sincerely,

**Rakesh Sethi**

Chairperson

# MESSAGE FROM MANAGING DIRECTOR AND CEO

Dear Shareholders,

We commenced FY2021-22 with a lot of hope and belief that the worst of the pandemic and economic impact was behind us. True to the saying "always expect the unexpected", FY2022 started with the second wave of COVID resulting in another lockdown, which took a far higher human toll on the country. Despite the adversity, your company emerged stronger, both in terms of building our business while ensuring we remain 'Tru' to serve our customers and ensure safety of our employees.

Our efforts which started in FY21 in actively building a branch network, commencing our Gold finance business, and the overlay of technology to completely enable our customer journey, all came together to mark a pivotal year for your company in FY22. We clocked the highest disbursement in the life of the organization at INR 414 crores up ~5x over the previous financial year, with a similar scale up in our customer count to 33,427 borrowers. We are proud to share that your company has further enhanced on building blocks and is well on its way to significantly scale newer heights.

We endeavour to take your company to be a 'Tru' leader in catering to the needs of MSME customers. As a part of this effort, we have renamed your company as 'TruCap Finance Limited' while retaining the brand 'Dhanvarsha' for our branch network. The genesis of 'Tru' is based on a singular focus on Trust, spanning multiple stakeholder touch-points. The aim is to make credit accessible by deploying technology and capital to power the growth of MSMEs. We strive to remove fear of leverage and empower entrepreneurs to win in life. It is our calling to employ responsible lending practices to uplift creditworthiness of all to ensure that we create opportunities to achieve positive social impact by empowering lives and livelihoods.

Our goals will be delivered based on the following pillars:

### 1. Lending - as - a - Service (LAAS):

We signed a substantial co-lending arrangement with Central Bank of India to disburse gold backed MSME loans. This is just the start of many more such relationships your company will stich up going forward. This should potentially lead to higher return on your capital

### 2. Streamlining of Technology:

Our goal remains to use technology to enable us and thus reduce friction currently present in delivering credit to our customers. This will ensure that we increase our reach materially to lend, service and collect from our customers, Both on our balance sheet as well as by partnering with other lenders.

### 3. Capital Efficient Growth:

We will ensure our capital takes us further in our focus to address the MSME borrower. This will be led by secured loans backed by Gold as collateral and through unsecured business loan products by increasing partnerships and deploying scalable technology. Your Company has achieved the credibility and standing amongst the largest lenders in India and we boast of over 30 lenders in our liability mix.

The financial year FY2022 was truly a pivotal year in the journey of your company. We witnessed the single largest capital infusion from non-promoters and towards the end of the financial year, in March 2022 we announced another round of capital infusion that backed the conviction shown in the previous year.

The team is very proud of what your Company has delivered and we remain highly excited to ensure the company scales new targets of achievements in FY23 and the years ahead.

Your Sincerely,

**Rohanjeet Singh Juneja**
Managing Director & CEO

# Financial Highlights

(₹ In Lakhs)

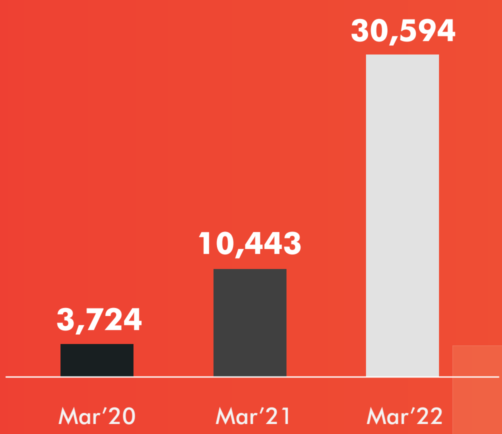
| Particulars | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2020 |
|---|---|---|---|---|---|---|
| | Audited | Audited | Audited | Audited | Audited | Audited |
| | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone |
| Net Worth | 17,207.68 | 17,394.12 | 9,991.37 | 9,936.25 | 3,115.31 | 3,119.12 |
| Cash and Cash Equivalents | 7,879.58 | 7,782.81 | 4,752.90 | 4,673.14 | 348.78 | 347.46 |
| Current Investments | 2,589.37 | 5,089.47 | 1,103.25 | 1,818.67 | 128.41 | 133.41 |
| Net Loan Portfolio | 28,812.20 | 28,905.66 | 9,970.19 | 9,970.19 | 3,285.52 | 3,285.52 |
| Total Debts to Total Assets | 0.61 | 0.61 | 0.43 | 0.44 | 0.33 | 0.33 |
| Interest Income | 4,536.31 | 4,546.75 | 1,224.41 | 1,222.83 | 641.78 | 641.78 |
| Interest Expense | 2,435.97 | 2,435.24 | 423.13 | 423.13 | 168.59 | 168.59 |
| Impairment on financial instruments | 207.34 | 130.23 | 43.67 | 43.67 | 33.67 | 33.67 |
| - Bad Debts | 118.08 | 118.08 | 7.34 | 7.34 | 12.40 | 12.40 |
| - Bad Debts to Account Receivable Ratio | 0.41 | 0.41 | 0.07 | 0.07 | 0.38 | 0.38 |
| Profit After Tax (PAT) | 398.48 | 737.21 | 130.10 | 68.45 | 406.10 | 409.89 |
| Gross NPA (%)* | 3.02 | 3.02 | 2.97 | 2.97 | 5.07 | 5.07 |
| Net NPA (%)* | 2.02 | 2.02 | 1.47 | 1.47 | 2.59 | 2.59 |
| Tier I Capital Adequacy Ratio (%) | 28.34 | 28.34 | 65.48 | 65.72 | 50.51 | 65.99 |

*NPA for Financial year ended March 2022 has been considered as per 90+day NPA recognition norms, whereas, the prior financial years' NPA has been reported as per 180+day NPA recognition norms. As per RBI's Scaled Based Regulation (SBR) framework for NBFC's circulated in November 2021, institutions in the base layer are expected to comply with 90+day NPA recognition norms in a phased manner until March 2026. However, TruCap Finance' Board and Management have taken a conservative call to comply with 90+ day NPA recognition norms from September 2021 onwards. Gross and Net NPA have been calculated based on Assets under Management which includes Off Balance Sheet AUM.

# Key Highlights

## Asset Under Management (AUM)

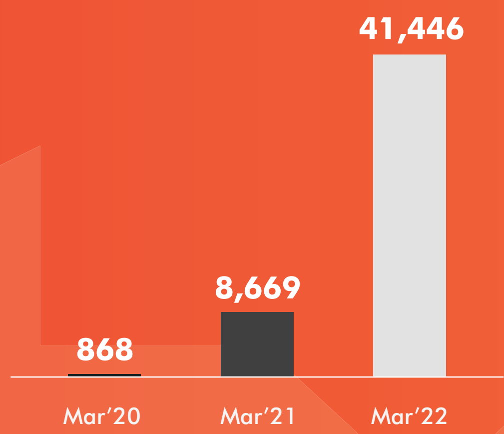
FY22 | ₹30,594 Lakhs | CAGR 187%




**Assets under Management for Financial Year ended March 2022 includes On-balance sheet as well as Off-Balance sheet portfolio*

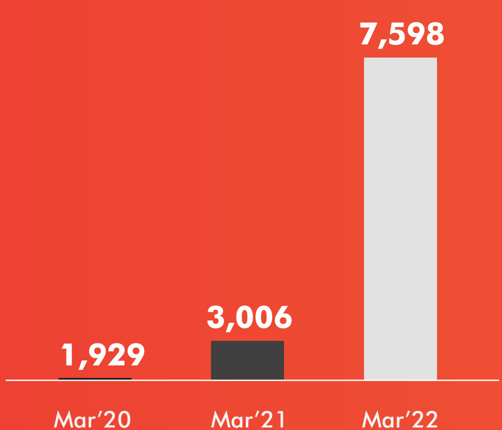
## Disbursement

FY22 | ₹41,446 Lakhs | CAGR 591%



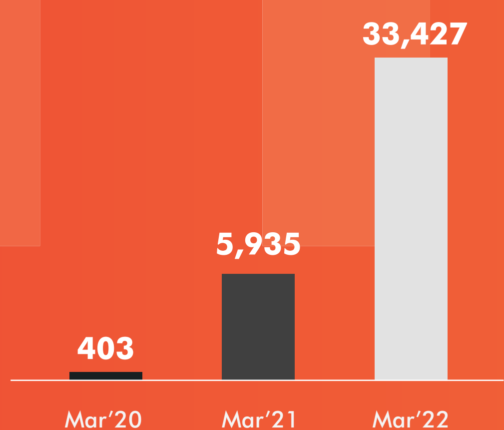

## Total Revenue

FY22 | ₹7,598 Lakhs | CAGR 98%



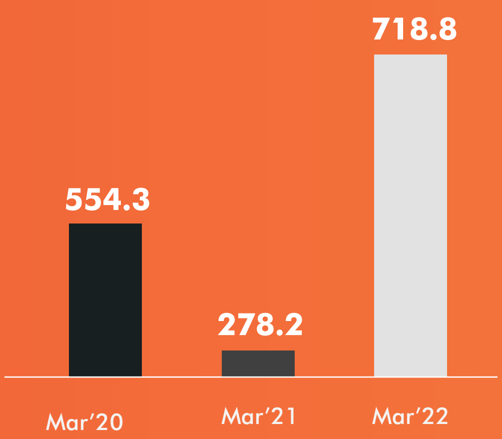

## Customer Count

FY22 | 33,427 | CAGR 811%



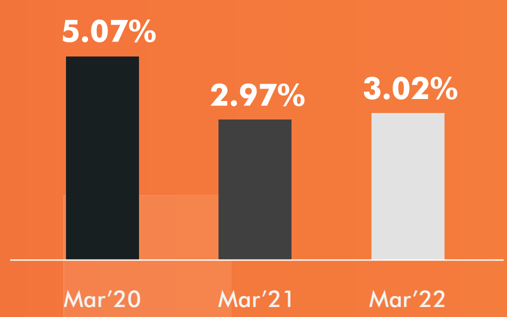
## Pre-Tax Profit

FY22 | ₹718.8 Lakhs | CAGR 14%




## Gross NPAs

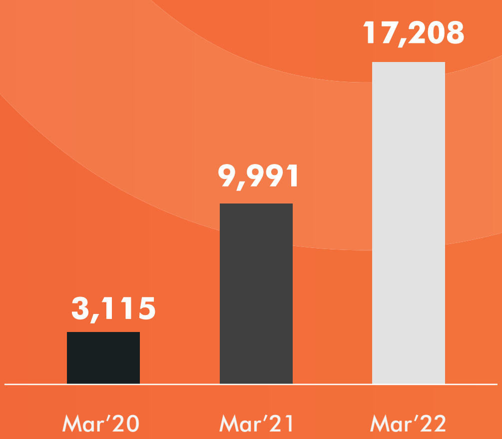
FY22 | 3.02%




** NPA for Financial year ended March 2022 has been considered as per 90+day NPA recognition norms, whereas, the prior financial years' NPA has been reported as per 180+day NPA recognition norms. As per RBI's Scaled Based Regulation (SBR) framework for NBFC's circulated in November 2021, institutions in the base layer are expected to comply with 90+day NPA recognition norms in a phased manner until March 2026. However, TruCap Finance' Board and Management have taken a conservative call to comply with 90+ day NPA recognition norms from September 2021 onwards. Gross & Net NPA have been calculated based on Asset under Management which includes Off Balance Sheet AUM.*

## Net-Worth*

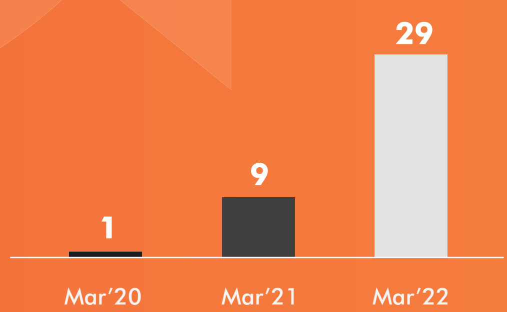
FY22 | ₹17,208 Lakhs | CAGR 135%




** Net-worth post capital infusion completed in May'22 is INR 2.1 billion. Post infusion of equity for conversion of warrant shares, the net worth will be INR 2.4 billion.*

## Number of Lenders

FY22 | 29x Growth



tru

# TEAM

# #truprogress: building lives & livelihoods

## DINESH GALA
PRAGATI SUPER MARKET

**UN-SDGs**

Dinesh Gala after doing MBA and acquiring experience of one year he opened his own shop named PRAGATI SUPER MARKET in Goregaon, Mumbai. He wished to expand his business, but it got tough due to lockdown.

While discussing with his friend about the situation he got to know about Tru.

Tru's cooperative behaviour, personal guidance and easy access to funds helped him improve his business. He increased his stock and stroked into online grocery delivery.

His sales have eventually increased in ecommerce line for about 20% and 10% increase in walk-ins have been noticed.

He says, "we have weathered ups and downs in business with the help of Tru."

**UN-SDGs**

## ROOPALI BHOIR
JAI MALHAR TRANSPORT

Roopali Bhoir is proprietor of the business- JAI MALHAR TRANSPORT, runs the business with the support of her husband and son. The business deals into logistic and transport services, also providing tempo services to grocery delivery across the city.

There came a time when they thought of expanding and improve their margins, but they didn't had access to capital. This is when Roopali and her family heard about Tru.

Tru helped them in covering working capital expense such as diesel for the vehicles, salaries of the drivers, investment in other transport related activities. they now have 100 employees. This success has encouraged them to expand their business with the help of tie ups with ecommerce companies.

In conclusion they shared that "it is through financial institutions like Tru that we could access funds when needed to invest in business."

## HARE RAM MAHATO
MAHATO SPICES

UN-SDGs

In 2011, HARE RAM MAHATO started as a street seller, it took him two years to rent a shop to establish his business of spice. Earlier he was operating as a micro enterprise but then he turned his business into wholesale segment.

He wished to do more so his relative connected him to Tru Finvest Limited.

Earlier he had one spice production unit in Dewa but now he has more two units in Vikhroli and Dombivli. He has employed 20 people. He has established production units and shops. He sells spices with his own brand.
Though it was a difficult time in lockdown, he made sure that his employees are paid regularly.

He mentions in the end that "I have plans to grow and expand further and build my own brand in the business of spice through support of Tru."

## Directors' Report

Dear Members,
**TruCap Finance Limited**
(formerly Dhanvarsha Finvest Limited)
Mumbai.

Your directors are pleased to present the 28th Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2022 **("Report")**. The Company is registered with Reserve Bank of India (**"RBI"**) as a Non-Banking Financial Company (**"NBFC"**) and is classified as a Non-Deposit Accepting Non-Banking Financial Company (NBFC).

As per notification no. RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021, issued by RBI, the Company falls under base layer NBFC since it is a Non-Banking Financial Company Non-Deposit Accepting and the asset size of the Company as on March 31, 2022, is below ₹ 1,000 Crores.

Pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification/(s) or re-enactment/(s) thereof, for time being in force) (**"Act"**) and the Securities and Exchange Board of India (**"SEBI"**) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**), Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI on September 01, 2016, as amended, and other applicable circular(s)/notification(s) issued by RBI, this Report covers the financial statements and other developments during the financial year ended March 31, 2022 and upto the date of the Board Meeting held on August 10, 2022 to approve this Report, in respect of TruCap Finance Limited (hereinafter referred to as "**Company**").

## Dissemination of Annual Reports In Electronic Mode

Pursuant to circulars issued by the Ministry of Corporate Affairs (**"MCA"**) i.e. General Circular nos. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively, General Circular no. 20/2020 dated May 05, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively and General Circular No. 02/2022 dated May 05, 2022, and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 and circular no. SEBI/HO/DDHS/P/CIR/2022/0063 issued by SEBI on May 13, 2022, relaxation has been granted to the companies in respect of sending physical copies of annual report to the shareholders.

Accordingly, in compliance with the aforesaid circulars, electronic copies of the Notice of the 28th Annual General Meeting **("AGM")** and Annual Report for financial year ended March 31, 2022 will be sent to all the members whose e-mail addresses are registered with the Company/Registrar and Share Transfer Agent viz., MCS Share Transfer Agent Limited **("MCS")** or/and Depository Participants ('DPs').

Further, the Annual Report for the financial year ended March 31, 2022 will also be available on the website of the Company at www.trucapfinance.com

## Financial Highlights

A summary of the financial performance of the Company both on a standalone and consolidated basis, for the financial year 2021-22 as compared to the previous financial year 2020-21 is given below:

**(₹ in Lakhs)**

| **Particulars** | **Consolidated** | | **Standalone** | |
|---|---|---|---|---|
| | **2021-22** | **2020-21** | **2021-22** | **2020-21** |
| Gross Total Income | 7,598.20 | 3,006.41 | **7,005.65** | 2,441.98 |
| Profit before Finance Cost, depreciation, share of loss of Joint Venture, exceptional items and taxation | 3,629.50 | 828.42 | 3,910.92 | 716.48 |
| Finance Cost | 2,435.97 | 423.13 | 2,435.24 | 423.13 |
| Depreciation | 474.69 | 127.07 | 408.00 | 119.84 |
| Profit before exceptional items and tax | 718.84 | 278.22 | 1,067.69 | 173.51 |
| Exceptional items | - | - | - | - |
| **Profit before tax** | **718.84** | **278.22** | **1,067.69** | **173.51** |
| Less: Taxation – Current tax | 285.25 | 117.41 | 285.25 | 71.59 |
| Less: Deferred Tax | 35.11 | 29.39 | 45.23 | 32.15 |
| Less: Short or excess provision for income tax | - | 1.32 | - | 1.32 |
| **Net profit for the year** | **398.48** | **130.10** | **737.21** | **68.45** |
| Add: Other Comprehensive Income | 0.98 | 1.41 | -4.81 | 1.41 |
| Total Comprehensive Income | 399.46 | 131.51 | 732.40 | 69.86 |
| Add: Balance brought forward from the previous year | 715.84 | 612.18 | 737.22 | 615.96 |
| Balance available for appropriation | 1,115.30 | 743.68 | 1,469.62 | 685.82 |

(₹ in Lakhs)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Statutory Reserves under Section 45IC of the Reserve Bank of India Act, 1934 | 146.48 | 13.69 | 146.48 | 13.69 |
| Balance to be carried forward | 968.82 | 729.99 | 1,323.14 | 672.13 |
| Basic Earnings Per Share (EPS) (₹) | 0.52 | 0.18 | 0.95 | 0.09 |
| Diluted EPS (₹) | 0.45 | 0.14 | 0.80 | 0.07 |
| Proposed Dividend on equity shares of ₹ 2/- each | 8.88 | 7.65 | 8.88 | 7.65 |

**Note:** *Previous periods figures have been regrouped / rearranged wherever necessary.*

The financial statements are prepared in compliance with the Act, Schedule III in accordance with the Indian Accounting Standards for the financial year ended March 31, 2022 and forms part of this Annual Report.

## Review of Business Operations and State of Affairs of the Company

During the year under review, the Company's total income, on a consolidated basis, amounted to ₹ 7,598.20 lakhs compared to ₹ 3,006.41 lakhs in the previous year and total income, on a standalone basis, amounted to ₹ 7,005.65 lakhs compared to ₹ 2,441.98 lakhs in the previous year. The increase in operating profit of ₹ 1,067.69 lakhs vis-à-vis ₹ 173.51 lakhs in the previous year was due to increase in volume of growth, reduction in cost of funds and better cost management. Profit before tax on consolidated basis stood at ₹ 718.84 lakhs compared to ₹ 278.22 lakhs in the previous year and Profit after tax on consolidated basis stood at ₹ 398.48 lakhs compared to ₹ 130.10 lakhs in the previous year.

The loan assets under management (AUM) grew 189.92% year-on-year to ₹ 28,905.66 lakhs as compared to ₹ 9,970.19 lakhs in the previous year.

## Co-Origination/Co-Lending Tie-Up with Banks

During the year under review, pursuant to the provisions of the circular issued by RBI on Co-Lending by Banks and NBFCs to Priority Sector, the Company has tied up with leading public sector and private sector banks for co-lending/co-origination. Further, the Company has also collaborated with other financial institutions where the Company advances loans under co-lending arrangements or have partnered with these institutions for sourcing of clients. During the year under review, overall Asset under Management through co-lending model stood at ₹ 8577.94 lakhs (includes loan against collateral of Gold).

## Change in Name of the Company

The Shareholders of the Company at their Extra Ordinary General Meeting held on June 29, 2022, inter alia, approved the change in name of the Company from Dhanvarsha Finvest Limited to TruCap Finance Limited.

After the procedural formalities, the name of the Company has been changed from Dhanvarsha Finvest Limited to TruCap Finance Limited w.e.f. August 03, 2022.

## Change in Nature of Business

There has been no change in the nature of business of the Company during the financial year ended March 31, 2022.

## Shifting of Registered Office of the Company

The registered office of the Company was shifted from the premises at 2nd Floor, Building No. 4, D. J. House, Old Nagardas Road, Andheri (East), Mumbai - 400 069 to the new premises at 3rd Floor, A Wing, D. J. House, Old Nagardas Road, Andheri (East), Mumbai - 400 069 within the local limits of the city w.e.f. May 31, 2022.

## Transfer to Statutory Reserves

In compliance with Section 45-IC (1) of Reserve Bank of India Act, 1934, the Company has transferred a sum of ₹ 146.48 lakhs to its Statutory Reserves.

## Sub-Division of Equity Shares of the Company

The shareholders of the Company in the 27th AGM held on September 20, 2021, approved sub-division of equity shares of the Company from ₹ 10/- per share to ₹ 2/- per share. The Board of Directors had fixed October 14, 2021, as record date for sub-division of equity shares of the Company.

Accordingly, the effect of the sub-division has been given for the equity shares and the equity shares issued upon conversion of convertible securities.

## Credit Rating

The details of ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2022 are as follows:

| Rating Agency | Programme | Rating Assigned | Migration in ratings during the year |
|---|---|---|---|
| CARE Ratings Limited | Long Term Bank Facilities – ₹ 450 crores (Enhanced from ₹ 250 crores) | CARE BBB; Stable (Triple B; Outlook: Stable ) | Reaffirmed |
| CARE Ratings Limited | Non-Convertible Debentures – ₹ 50 crores | CARE BBB; Stable (Triple B; Outlook: Stable ) | Reaffirmed |
| CARE Ratings Limited | Market Linked Debentures – ₹ 15 crores | CARE PP-MLD A (CE); Stable | Reaffirmed |
| CARE Ratings Limited | Market Linked Debentures – ₹ 15 crores | CARE PP-MLD BBB; Stable | Reaffirmed |
| Informerics Valuation and Rating Private Limited | Long Term Fund Based Bank Facilities – Term Loans – ₹ 175 crores | IVR BBB / Positive outlook (IVR Triple B with Positive outlook) | Reaffirmed; Outlook revised to Positive from Stable |

## Dividend on Equity Shares

The directors recommend, for consideration and approval of the members at the ensuing AGM, payment of dividend of ₹.0.01/- per equity share i.e. 0.5% of face value of ₹ 2/- each. The total dividend for financial year 2021-22 is ₹ 8.88 lakhs to be paid out of the profits of the Company.

Pursuant to the provisions of Regulation 43A of the Listing Regulations (including any statutory modification/(s) and re-enactment/(s) thereof till date) and circular issued by RBI on declaration of dividends by NBFCs on June 24, 2021, the Company has formulated and adopted a dividend distribution policy approved by the Board of Directors of the Company and the aforesaid dividend recommended is in compliance with the dividend distribution policy.

The dividend recommended is in accordance with the principles and criteria set out in the Dividend Distribution Policy.

Dividend paid for financial year 2020-21 was ₹0.05/- per equity share i.e. 0.5% of face value of ₹10/- each. The amount of dividend and tax thereon aggregated to ₹ 7.65 lakhs.

The Finance Act, 2020 has abolished the Dividend Distribution Tax (DDT) and has introduced the system of dividend taxation in the hands of the shareholders with effect from April 01, 2020.

Accordingly, the Company would be required to deduct Tax at Source ('TDS') in respect of payment of dividend, if declared, to its shareholders (resident as well as non-resident).

The Dividend Distribution Policy is annexed as **Annexure-I** to this Report and the same is also available on the website of the Company i.e. www.trucapfinance.com.

### Debentures

During the financial year under review, the Company issued and allotted Non-Convertible Debentures (**"NCDs"**) to the tune of ₹ 30 Crores on private placement basis. These NCDs are listed on BSE Limited. Further, the Company has issued unlisted NCDs to the tune of ₹ 5 Crores on private placement basis. These NCDs are outstanding as on March 31, 2022.

The details of the Debenture Trustee of the Company for the aforesaid NCDs are as under:

**Catalyst Trusteeship Limited**
Address: GDA House, 1st Floor
Plot No. 85, S.No. 94 & 95,
Bhusari Colony (Right), Kothrud, Pune - 411 038
Website: https://catalysttrustee.com/

## Share Capital of the Company

The members of the Company in the 27th AGM held on September 20, 2021, inter alia, approved the sub-division of equity shares of the Company from ₹ 10/- per share to ₹2/- per share. The Board of Directors had fixed October 14, 2021, as record date for sub-division of equity shares of the Company. Accordingly, the Company has given effect of the sub-division and sub-divided 1 (One) equity share having face value of ₹ 10/- each into 5 (Five) equity shares having face value of ₹ 2/- each.

Accordingly, post giving effect of sub-division, during the financial year 2021-22, the total paid up equity share capital of the Company increased from ₹15,29,24,290/- divided into 7,64,62,145 equity shares having face value of ₹2/-each to ₹17,76,77,878/- divided into 8,88,38,939 equity shares having face value of ₹2/- each.

As on August 10, 2022, the total paid up equity share capital of the Company is ₹ 21,55,48,578/- divided into 10,77,74,289 equity shares of ₹ 2/- each.

The movement of equity share capital during the financial year ended March 31, 2022, till the date of this Report is as under:

**(Amount in ₹)**

| **Particulars** | **No. of equity shares allotted** | **Cumulative outstanding capital (No. of equity shares with face value ₹2/- each)** |
|---|---|---|
| Number of shares/Capital at the beginning of the year. | - | 15,29,24,290 |
| Allotment of shares to employees on May 7, 2021 pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 1,52,415 | 15,32,29,120 |
| Allotment of shares to employee on June 10, 2021 pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 50,000 | 15,33,29,120 |
| Allotment of shares to employees on November 1, 2021 pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 1,73,809 | 15,36,76,738 |
| Allotment of shares to non-promoter individual/entity on December 6, 2021 pursuant to conversion of convertible warrants into equity shares. | 8,98,470 | 15,54,73,678 |
| Allotment of shares to employees on February 14, 2022 pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 96,545 | 15,56,66,768 |
| Allotment of shares to employee on February 28, 2022 pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 50,000 | 15,57,66,768 |
| Allotment of shares to Promoter on March 22, 2022 pursuant to conversion of compulsorily convertible debentures into equity shares. | 1,09,55,555 | 17,76,77,878 |
| Allotment of shares to non-promoter individual on April 20, 2022 pursuant to conversion of convertible warrants into equity shares. | 13,00,989 | 18,02,79,856 |
| Allotment of shares to non-promoters individuals/entities on April 28, 2022 pursuant to conversion of compulsorily convertible debentures into equity shares. | 2,18,750 | 18,07,17,356 |
| Allotment of shares to Promoter on May 2, 2022 pursuant to conversion of compulsorily convertible debentures. | 92,60,075 | 19,92,37,506 |
| Allotment of shares to Promoter on May 2, 2022 pursuant to conversion of convertible warrants into equity shares. | 22,46,180 | 20,37,29,866 |
| Allotment of shares to Promoter on May 2, 2022 pursuant to conversion of convertible warrants into equity shares. | 22,46,180 | 20,82,22,226 |
| Allotment of shares to non-promoter individual on May 2, 2022, pursuant to conversion of convertible warrants into equity shares. | 17,96,945 | 21,18,16,116 |
| Issue and allotment of shares to non-promoter individuals/entities on May 9, 2022, pursuant to preferential issue of equity shares. | 9,83,230 | 21,37,82,576 |
| Allotment of shares to employees on July 12, 2022, pursuant to exercise of options granted under Employee Stock Option Plan 2018. | 4,89,251 | 21,47,61,078 |
| Allotment of shares to non-promoter individuals/entities on July 12, 2022, pursuant to conversion of compulsorily convertible debentures into equity shares. | 2,87,500 | 21,53,36,078 |
| Allotment of shares to non-promoter individuals/entities on July 21, 2022 pursuant to conversion of compulsorily convertible debentures into equity shares. | 1,06,250 | 21,55,48,578 |

**Note:** *For allotment(s) made before October 14, 2021, the aforesaid number of equity shares shown are post sub-division numbers.*

4,95,956 convertible warrants issued to non-promoters have not been exercised till May 02, 2022, i.e. within 18 months from the date of allotment. Accordingly, for these, the right to exercise warrants into equity shares has lapsed and the upfront consideration amounting to ₹27,59,995.14/- (Rupees Twenty-Seven Lakhs Fifty-Nine Thousand Nine Hundred Ninety-Five and Paise Fourteen only) received towards the same has been forfeited by the Company in compliance with Regulation 169(3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

The Finance Committee of the Company in its meeting held on May 09, 2022, has further issued and allotted 27,74,706 convertible warrants on preferential basis having face value of ₹2/- each at issue price of ₹132/- each for aggregate consideration not exceeding ₹36,62,61,192/- (Rupees Thirty-Six Crores Sixty-Two Lakhs Sixty-One Thousand One Hundred and Ninety-Two only) to non-promoter entities/individuals, convertible into equivalent number of equity shares of the Company within 18 months from the date of allotment. These convertible warrants have been allotted against receipt of the subscription price equivalent to 25% of the issue price and balance exercise price equivalent to 75% of the conversion price of the equity shares shall be payable by the warrant holder(s) at the time of exercising options of conversion of the warrants.

## Public Deposits

The Company is registered with RBI as a Non-Deposit accepting NBFC and during the year under review, has neither invited nor accepted any public deposit as defined in Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

## Board of Directors

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage difference in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, gender, etc that will help us retain our competitive advantage.

As on August 10, 2022, the Board of Directors of the Company comprises of the following directors:

| Sr. No | Name of the Director | DIN | Designation |
|---|---|---|---|
| 1. | Mr. Rakesh Sethi | 02420709 | Chairperson & Independent Director |
| 2. | Mr. Nirmal Vinod Momaya | 01641934 | Independent Director |
| 3. | Mr. Krishipal Raghuvanshi | 07529826 | Independent Director |
| 4. | Ms. Abha Kapoor | 01277168 | Independent Director |
| 5. | Ms. Geetu Gidwani Verma | 00696047 | Independent Director |
| 6. | Mr. Rajiv Kapoor | 08204049 | Non-Executive Non-Independent Director |
| 7. | Mr. Atwood Porter Collins | 09239511 | Non-Executive Non-Independent Director |
| 8. | Mrs. Rushina Mehta | 01042204 | Non-Executive Non-Independent Director |
| 9. | Mr. Rohanjeet Singh Juneja | 08342094 | Managing Director & Chief Executive Officer |

During the financial year ended March 31, 2022, and till the date of this Report the composition of the Board of Directors underwent the following changes:

(a) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mrs. Minaxi Mehta as Non-Executive Non-Independent Director of the Company w.e.f June 10, 2021, liable to retire by rotation. The shareholders of the Company have at the 27th AGM of the Company held on September 20, 2021, approved the same. Further, Mrs. Minaxi Mehta, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 17, 2022.

(b) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mr. Atwood Porter Collins as Non-Executive Non-Independent Director of the Company w.e.f. July 31, 2021, liable to retire by rotation. The shareholders of the Company have at the 27th AGM of the Company held on September 20, 2021, approved the same.

(c) Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.

(d) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved change in designation of Mr. Rohanjeet Singh Juneja from Joint Managing Director to Managing Director and Chief Executive Officer w.e.f. March 12, 2022. The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on April 11, 2022, approved the same.

(e) The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, approved the appointment of Ms. Abha Kapoor as an Independent Director of the Company for a term of five consecutive years w.e.f March 30, 2022 till March 29, 2027 (both days inclusive). The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.

(f) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director w.e.f. March 30, 2022, liable to retire by rotation. The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.

(g) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved the appointment of Ms. Geetu Gidwani Verma as an Independent Director of the Company for a term of five consecutive years w.e.f from May 31, 2022 till May 30, 2027 (both days inclusive). The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.

(h) The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mrs. Rushina Mehta as Non-Executive Non-Independent Director of the Company w.e.f. June 17, 2022, liable to retire by rotation.

(i) Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.

In accordance with the provisions of Section 152(6) of the Act, Mr. Rohanjeet Singh Juneja, Managing Director & Chief Executive Officer of the Company, is liable to retire by rotation and being eligible for re-appointment, is recommended by the Board of Directors for re-appointment as Director at the ensuing AGM of the Company.

Further, since the tenure of Mr. Rohanjeet Singh Juneja as Managing Director and Chief Executive Officer expires on December 16, 2022, the Board of Directors of the Company at its meeting held on August 10, 2022, on recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Rohanjeet Singh Juneja as Managing Director and Chief Executive Officer for a period of 3 years i.e. w.e.f. December 17, 2022 to December 16, 2025 (both days inclusive) and recommends the same to the shareholders for their approval in the ensuing AGM.

The notice convening the AGM includes brief information and proposal for appointment of Mrs. Rushina Mehta as Non-Executive Non-Independent Director and re-appointment of Mr. Rohanjeet Singh Juneja as Managing Director and Chief Executive Officer.

## Declaration by Independent Directors

Pursuant to the provisions of Section 149(7) of the Act, the Independent Director(s) have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act. There has been no change in the circumstances affecting the status as Independent Directors of the Company.

Further, the Company has obtained the certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2022, have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

## Meetings of the Board

The Board met 6 (Six) times during the year. The details of the meeting(s) of the Board of Directors of the Company held during the financial year 2021-22 and attendance of the Directors forms part of the Corporate Governance Report which forms part of the Annual Report.

## Composition of Committees of Board

The Board has various board level committees constituted in accordance with the applicable provisions of the Act and Listing Regulations.

### (a) Audit Committee

The constitution of the Audit Committee as on March 31, 2022 and upto the date of this Report, is given below:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Mr. Nirmal Vinod Momaya | Independent Director, Chairperson |
| 2. | Mr. Krishipal Raghuvanshi | Independent Director, Member |
| 3. | Mr. Rajiv Kapoor | None-Executive Non-Independent Director, Member |

The composition, role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Act and Listing Regulations and the same has been provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, the Committee met and discussed on various matters including financials, internal audit reports and audit report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The details of Audit Committee meetings held during the year under review and quorum are provided in the Corporate Governance Report which forms part of the Annual Report.

### (b) Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee as on March 31, 2022 and upto the date of this Report, is given below:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Ms. Abha Kapoor | Independent Director, Chairperson |
| 2. | Mr. Rakesh Sethi | Independent Director, Member |
| 3. | Mr. Nirmal Vinod Momaya | Independent Director, Member |

The composition, terms of reference and powers of the Nomination and Remuneration Committee are in conformity with the requirements of the Act and Listing Regulations and the same has been provided in the Corporate Governance Report which forms part of this Annual Report.

The Company has formulated a policy on evaluation of Directors and the Board that includes the terms of reference of the Nomination and Remuneration Committee and the same is hosted on the website of the Company i.e. www.trucapfinance.com.

The details of Nomination and Remuneration Committee meetings held during the year under review and quorum are provided in the Corporate Governance Report which forms part of this Annual Report.

**(c) Stakeholders Relationship Committee**

The below was the constitution of the Stakeholders Relationship Committee as on March 31, 2022:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director, Chairperson |
| 2. | Mr. Krishipal Raghuvanshi | Independent Director, Member |
| 3. | Mr. Karan Neale Desai | Executive Director, Member |

Further, the Committee was reconstituted on May 30, 2022, with the following members:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director, Chairperson |
| 2. | Mr. Krishipal Raghuvanshi | Independent Director, Member |
| 3. | Mr. Rohanjeet Singh Juneja | Executive Director, Member |

**Notes:**

1. *Mr. Rajiv Kapoor was re-designated as Non-Executive Non-Independent Director w.e.f. March 30, 2022.*
2. *Mr. Rohanjeet Singh Juneja, Managing Director and Chief Executive Officer of the Company, appointed as a member of the Committee w.e.f. May 30, 2022.*
3. *Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer ceased to be member of the Stakeholders Realtionship Committee w.e.f. May 30, 2022.*

The composition, role, terms of reference and powers of the Stakeholders Relationship Committee are in conformity with the requirements of the Act and Listing Regulations and the same has been provided in the Corporate Governance Report which forms part of this Annual Report.

The details of Stakeholders Relationship Committee meetings held during the year under review, quorum and status of investors' complaints are provided in the Corporate Governance Report which forms part of this Annual Report.

**(d) Risk Management Committee**

The constitution of the Risk Management Committee as on March 31, 2022 and upto the date of this Report, consists of the following members:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Mr. Rakesh Sethi | Independent Director, Chairperson |
| 2. | Mr. Nirmal Vinod Momaya | Independent Director, Member |
| 3. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director, Member |
| 4. | Mrs. Minaxi Mehta* | Non-Executive Non-Independent Director, Member |
| 5. | Mr. Rohanjeet Singh Juneja | Executive Director, Member |

* Mrs. Minaxi Mehta, Non-Executive Non-Independent resigned from the directorship of the Company w.e.f of business hours on June 17, 2022.

The composition, role, terms of reference and powers of the Risk Management Committee are in conformity with the requirements of the Listing Regulations and RBI Master Directions and the same has been provided in the Corporate Governance Report which forms part of this Annual Report.

The details of Risk Mangement Committee meetings held during the year under review and quorum are provided in the Corporate Governance Report which forms part of this Annual Report.

## Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board of Directors, Committee and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared after taking into consideration various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees, culture and governance.

The performance evaluation of the Chairperson, Executive Directors, Non-Executive Directors and Independent Directors was carried out by the entire Board of Directors of the

Company excluding the directors being evaluated. The Board of Directors expresses their satisfaction with the evaluation process.

The Board considered and discussed the inputs received from the Directors. The Independent Directors in their meeting held on May 15, 2021, considered and reviewed the following:

(a) Performance of Directors, various committees of Board and the Board as a whole.

(b) Performance of the Chairperson of the Company.

(c) Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

The Appointment and Evaluation Policy which lays down criteria for appointment of Executive Directors and Independent Directors and remuneration of Directors, Key Managerial Personnel and other Senior Management Employees. The said Policy is annexed herewith as **Annexure – II**.

Further, the details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company i.e. www.trucapfinance.com.

## Key Managerial Personnel

As on August 10, 2022, the Company has below mentioned persons as Key Managerial Personnel in terms of the requirement of Section 203 of the Act and applicable rules made thereunder:

| Sr. No. | Name of the Person | Designation |
|---|---|---|
| 1. | Mr. Rohanjeet Singh Juneja | Managing Director & Chief Executive Officer |
| 2. | Mr. Sanjay Kukreja | Chief Financial Officer |
| 3. | Mr. Lalit Chendvankar | Company Secretary & Compliance Officer |

During the year under review and upto the date of this Report, the following changes has occurred in the Key Managerial Personnel of the Company:

(a) Mr. Fredrick Pinto, Company Secretary and Compliance Officer has resigned from the Company w.e.f. close of business hours on September 30, 2021.

(b) Mr. Lalit Chendvankar has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. October 01, 2021.

(c) Mr. Rohanjeet Singh Juneja has been re-designated as Managing Director and Chief Executive Officer of the Company w.e.f. March 12, 2022.

(d) Mr. Karan Neale Desai, Whole Time Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.

## Subsidiary Company

DFL Technologies Private Limited is the wholly owned subsidiary company of the Company (**"WoS"**).

Accordingly, pursuant to the provisions of Section 129, 134 and 136 of the Act, read with applicable rules thereunder, Regulation 33 of the Listing Regulations and applicable Indian Accounting Standards (**"Ind AS"**), the Board of Directors of the Company approves the Consolidated Financial Statements of the Company and its subsidiary. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the WoS are not attached to the accounts of the Company for financial year 2021-22. The Company will make these documents / details available upon request by any member of the Company. These documents / details will also be available for inspection by any member of the Company at its registered office and at the registered office of the WoS during business hours on working days and through electronic means. Members of the Company can request the same by sending an email to corpsec@trucapfinance.com till the date of ensuing AGM. The Company's financial statements including the accounts of its subsidiary which forms part of this Annual Report are prepared in accordance with the Act and Ind AS 110.

As on August 10, 2022, the Company has made total investment of ₹ 31.90 crores in the equity share capital of the WoS.

As required under Regulations 16(1)(c) and 46 of the Listing Regulations, the Board has approved and adopted the Policy on determining Material Subsidiaries. The Policy is available on the Company's website i.e. www.trucapfinance.com Further, pursuant to Regulation 16(1)(c) of Listing Regulations and the policy on determining material subsidiary, based on the audited financial statements of the Company as on March 31, 2022, WoS has become the material subsidiary company of the Company.

A report on the performance and financial position of WoS, as per the Act is provided in the prescribed Form AOC-1 as **Annexure – III** of this report and hence not repeated here for the sake of brevity.

## Joint Ventures/Associates

As per the provisions of the Act, the Company did not have any Joint Ventures/Associates during the financial year under review.

## Directors' Responsibility Statement

In terms of Section 134(5) of the Act read with the Companies (Accounts) Rules, 2014, amended from time to time, your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;

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

(d) the Directors have prepared the annual accounts on a 'going concern' basis;

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

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

## Employees Stock Option Plan

The Company has in force the Dhanvarsha ESOP Plan 2018 (**"ESOP Plan 2018"**) which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (**"SBEB Regulations"**).

Under Ind AS, equity settled share-based payment transactions with employees are required to be accounted for as per Ind AS 102 "Share-based Payment", whereby the fair value of options as on the grant date should be estimated and recognized as an expense over the vesting period. In accordance with above, the Company has followed fair value method for equity options in its accounts.

There is no material change in the ESOP during the year under review and the ESOP Plan 2018 is in line with SBEB Regulations. A certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, Secretarial Auditor of the Company has been obtained that the ESOP Plan 2018 has been implemented in accordance with SBEB Regulations and as substituted by SEBI (Share Based Employee Benefits & Sweat Equity), Regulations, 2021, **("SEBI SBEB & SE Regulations")** as amended, and the same will be available for inspection by members of the Company through electronic means.

The disclosures relating to ESOP Plan 2018 required to be made under the provisions of the Act and the SBEB Regulations and as substituted by SEBI (Share Based Employee Benefits & Sweat Equity), Regulations, 2021 as amended, are provided on the website of the Company i.e. www.dhanvarsha.co and link is https://trucapfinance.com/wp-content/uploads/ESOP-Disclosure.pdf and the same is available for inspection by the members of the Company at the registered office of the Company on all working days, except Saturdays and Public Holidays, during business hours and through electronic means. Members of the Company can request the same by sending an email to corpsec@trucapfinance.com till the date of AGM.

Further, subject to the approval of the shareholders of the Company at the ensuing AGM, the Board of Directors of the Company, based on the recommendations of the Nomination & Remuneration Committee, approved amendment in ESOS Scheme 2018 in order to comply with the regulatory requirements in terms of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 as amended.

## Leverage Ratio

As on March 31, 2022, the Company is registered with RBI as NBFC and is required to maintain a leverage ratio which as per regulatory norms shall not be more than 7 at any point of time. The Leverage Ratio of the Company as on March 31, 2022 was 1.78 times which is well within the limits prescribed by RBI.

## Management Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its business, as stipulated under Regulation 34(2)(e) read with Schedule V of the Listing Regulations, is presented in a separate section forming part of the Annual Report under the head 'Management Discussion and Analysis.'

## Business Responsibility Report

The Business Responsibility Report, in terms of Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

## Corporate Governance

Your Company believes in adopting best Corporate Governance practices. The Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under Regulation 27 and Schedule V to the Listing Regulations forms an integral part of this Annual Report.

Further, certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, confirming compliance with the conditions of the Corporate Governance as stipulated under Regulation 34(3) and Schedule V to the Listing Regulations is annexed to the Corporate Governance Report.

All Board Members and Senior Management Personnel have affirmed compliance with the Company's code of conduct during the financial year under review and a declaration to this effect signed by the Managing Director & CEO is included in this Annual Report.

## Secretarial Standards

The directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## Corporate Social Responsibility (CSR)

As per Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and circulars and notifications issued by the Ministry of Corporate Affairs (**"MCA"**), every company having net worth of ₹ 500 crores or more or turnover of ₹ 1,000 crores or more or net profit of ₹ 5 crores or more during immediately preceding financial year, shall constitute Corporate Social Responsibility **("CSR")** Committee and shall ensure that it spends, in every financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Since the net profit of the Company for the year ended March 31, 2022 is more than ₹ 5 crores, a CSR Committee was constituted in the board meeting of the Company held on May 30, 2022. The composition of CSR Committee is as under:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Ms. Abha Kapoor | Independent Director, Chairperson |
| 2. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director, Member |
| 3. | Mr. Rohanjeet Singh Juneja | Executive Director, Member |

During the year under review, the requirement of compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, was not applicable to the Company.

## Contracts and Arrangements with Related Parties

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved and reviewed in compliance with Regulation 23 of the Listing Regulations, by the Board of Directors on recommendation of the Audit Committee. The Policy provides for identification of Related Party Transactions (RPTs), necessary approvals by the Audit Committee / Board / Shareholders, reporting and disclosure requirements in compliance with the Act and provisions of the Listing Regulations.

All contracts executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such RPTs were placed before the Audit Committee/ Board for approval, wherever applicable. The Audit Committee reviews all RPTs quarterly.

The Company has obtained the shareholder's approval on Material RPT in the previous AGM.

During the year, the Company has entered into contract / arrangement / transaction with related parties, which are not material in accordance with Regulation 23 of Listing Regulations. The policy for determining 'material' subsidiaries and the policy on materiality of RPTs and dealing with RPTs as approved by the Board may be accessed on the website of the Company i.e. www.trucapfinance.com. The policy for determining material subsidiary is available on the website of the Company and the link is https://trucapfinance.com/wp-content/uploads/Policy-on-Determining-Material-Subsidiary.pdf. Further, the policy on materiality of RPTs is also available on the website of the Company and the link is https://trucapfinance.com/wp-content/uploads/Policy-on-RPT.pdf. Please refer to Note no. 44 of the Standalone Financial Statements, which contains related party disclosures. Since all RPTs entered into by the Company were on an arm's length basis and in the ordinary course of business, the Company has not entered into any transaction requiring disclosure in Form AOC-2, and the same is not provided. Disclosures relating to RPTs on consolidated basis are filed with the stock exchange on a half-yearly basis.

## Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements and the same are commensurate with the scale and complexity of its operations. Further, pursuant to provisions of Section 138 of the Act, the Company has appointed internal auditors who conduct internal audits on periodic basis to independently validate the existing controls as per scope assigned to them. The Internal audit program is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Internal Auditors tests the design and effectiveness of the key controls. Significant audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations. The Company also periodically engages outside experts to carry out independent review of the effectiveness of various business processes. The observations and best practices suggested are reviewed and appropriately implemented with a view to continuously strengthen the internal controls.

During the year under review, no reportable material weakness in the design or operations was observed.

## Internal Control System

The Company has adequate internal control system commensurate with its size and business. The internal auditors of the Company reviewed that all the financial transactions of the Company are in line with the compliance of laws, policies and procedures and have been correctly recorded and reported. The internal audit is conducted on regular basis and the reports are submitted to the Audit Committee at their quarterly meetings. The Audit Committee actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same.

## Annual Return

As required under Section 92(3) of the Act and the rules made thereunder and amended from time to time, the Annual Return of the Company as prescribed in Form MGT-7 is available on the website of the Company i.e. www.trucapfinance.com.

## Statutory Auditors and Auditors' Report

As per the provisions of Section 139 of the Act and rules made thereunder, the members of the Company at the 27th AGM appointed M/s. Bansal Bansal & Co., Chartered Accountants (Firm Registration No.100986W with Institute of Chartered Accountants of India), Mumbai, as the Statutory Auditors of the Company **("Statutory Auditors")**, for a period of 3 (three) years from the conclusion of the 27th AGM of the Company till the conclusion of the 30th AGM of the Company to be held in the year 2024.

The audit for the financial year 2021-22 was conducted by the Statutory Auditors and there are no qualifications, reservations, adverse remarks or disclaimers made by them in their audit report. The notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Act. The Report issued by the Statutory Auditors of the Company is annexed with the financial statements in the Annual Report.

## Secretarial Auditors

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 amended from time to time, M/s. U. Hegde and Associates, Practicing Company Secretaries (Membership Number: A22133), has been appointed as the secretarial auditor of the Company for the financial year 2021-22. The Secretarial Audit Report for financial year ended March 31, 2022, is annexed herewith as **Annexure–IV-A** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Regulation 16(1)(c) of Listing Regulations, based on the audited financial statements of the Company as on March 31, 2022, DFL Technologies Private Limited, wholly owned subsidiary of the Company (**"WoS"**) has become the material subsidiary company of the Company.

Accordingly, Regulation 24A of the Listing Regulations, the Secretarial Audit Report of the WoS for financial year 2021-22 is annexed herewith as **Annexure–IV-B** to this Report.

## Annual Secretarial Compliance Report

Pursuant to Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report for the financial year 2021-22 was issued by M/s. U. Hegde & Associates, Practicing Company Secreraries, Secretarial Auditor of the Company. The Annual Secretarial Compliance Report for the financial year 2021-2022 has been submitted to the stock exchange in compliance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, as amended from time to time.

## Reporting of frauds by the Auditors

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company to the Audit Committee under Section 143(12) of the Companies Act, 2013.

## Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 as amended from time to time, are set out in the **Annexure – V.**

## Particulars of loan given, investment made, guarantee given, and securities provided by the Company

The Company, being an NBFC registered with the RBI, provisions prescribed under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, pertaining to loans, guarantees and investments are not applicable to Company. Accordingly, the disclosures under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have not been made in this Report.

## Whistle Blower Policy/ Vigil Mechanism

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, your Company has adopted a Vigil Mechanism /Whistle Blower Policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and is also provided direct access to the Chairperson of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Chairperson of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

The policy has also been uploaded on the website of Company i.e.https://trucapfinance.com/wp-content/uploads/Vigil-Mechanism.pdf

## Risk Management

As an NBFC, the Company is exposed to credit, liquidity, market and interest rate risk. To mitigate such risks, the Company continues to invest in talent, processes and emerging technologies for building advanced risk management capabilities and has a well-defined risk management framework in place for managing and reporting on risks. A systematic approach has been adopted that originates with the identification of risk, categorization and assessment of identified risk, evaluating effectiveness of existing controls and building additional controls to mitigate risk and monitoring the residual risk through effective Key Risk Indicators.

## Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification/(s) and re-enactment/(s) thereof till date), the disclosures pertaining to the remuneration and other details as required is annexed as **Annexure - VI** to this Board Report.

A statement with the names and other particulars of employees drawing remuneration in excess of the limits prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/(s) and re-enactment/(s) thereof till date), is available for the inspection at the registered office of the Company.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may send an email on corpsec@trucapfinance.com.

## Listing Fee

The equity shares and debentures of the Company are listed on BSE Limited. The Listing fee for the financial year 2022-23 for BSE Limited has been paid by the Company.

## Auction for recovery for Loan against Gold

The Company is in into the business of lending and offers loan against the collateral of gold. In its normal course of business whenever default occurs, the Company disposes such assets through auction, to settle outstanding debt as per the auction policy of the Company and in compliance with the provisions specified in the applicable Master Directions issued by RBI. Any surplus funds from the auction proceeds are returned to the customers/obligors. The disclosure in compliance with the Master Directions issued by RBI in respect of auctions made during the year are provided in Note No. 55.12 of the Standalone Audited Financial Statements of the Company annexed to the Annual Report.

## Transfer of Loan Exposure

During the year under review, pursuant to provisions prescribed in the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by RBI on September 24, 2021 (**"Direction"**), the Company has transferred its loan exposure to permitted transferee/(s) under the Direction to the tune of ₹ 1,004.94 lakhs. The disclosure as required under the Direction is included in Note No. 55 of the Standalone Audited Financial Statements annexed to the Annual Report.

## Registration with Reserve Bank of India

The Company is registered as NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liabilities by the Company.

## Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")**, all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

Since there was no dividend declared and paid from financial year 2013-14 till the financial year 2016-17, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of Section 124 of the Act. Therefore, there is no funds which are required to be transferred to IEPF established by the Central Government pursuant to provisions of Section 125 of the Act.

During the year under review the Company did not have any equity shares which were required to be transferred to IEPF as per the provisions of Section 124 of the Act.

## Material changes and commitments affecting financial position between end of the Financial Year and date of this Report

There are no material changes and commitments affecting financial position of the Company during the period between end of the financial year and date of this Report.

## Code of Conduct for Prevention of Insider Trading

The Board of Directors of the Company has adopted the 'Code for Insider Trading & Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' (**"Code"**) as formulated under SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Code lays down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The Code has been formulated to regulate, monitor and ensure reporting of dealings by the employees of the Company and is available on the website of the Company i.e. www.trucapfinance.com

## Prevention of Sexual Harassment

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace, is available on the website of the Company i.e. www.trucapfinance.com and has duly constituted an internal complaints committee under the same.

During the year under review, there were no complaints made or case filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Information under Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(3) read with Schedule V to the Listing Regulations, the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2022 are as under:

| Sr. No. | Description | No. of Shareholders | No. of Shares |
|---|---|---|---|
| 1. | Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the financial year. | Nil | Nil |
| 2. | Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year. | | |
| 3. | Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year. | | |
| 4. | Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the financial year. | | |
| 5. | that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. | | |

## Significant and Material order passed by the Regulatory or Courts

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

## Application under the Insolvency and Bankruptcy Code, 2016

There was no application made against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 against the Company as on March 31, 2022.

## Details of difference between amount of the valuation

During the year under review, there were no settlements made by the Company for any loan/borrowing taken from the Banks and/or Financial Institutions and hence no comment with regard to 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 and/or Financial Institutions along with the reasons thereof.

## General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. None of the Executive Directors of the Company receive any remuneration or commission from any of its subsidiary.

Your directors state that during the financial year 2021-22, the Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.

## Appreciation

Your directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, government and other regulatory Authorities, Stock Exchange, other statutory bodies, bankers and members of the Company for the assistance, co-operation and encouragement and continued support extended to the Company.

Your directors take this opportunity to thank the customers, vendors and investors and other business partners of the Company for their continued support during the year and also place on record their appreciation to the contribution made by the employees of the Company at all levels.

**For and on behalf of the Board of Directors**

**Sd/-**
**Rohanjeet Singh Juneja**
**Managing Director & CEO**
**DIN: 08342094**

**Sd/-**
**Rushina Mehta**
**Non-Executive Non-Independent Director**
**DIN: 01042204**

**August 10, 2022**
**Mumbai**

**Annexure - I**

# Dividend Distribution Policy

## 1. Background and Preamble

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and/or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

This Dividend Distribution Policy ("Policy") will guide dividend declaration and its pay-out by Dhanvarsha Finvest Limited ("Company") in accordance with the provisions of Companies Act, 2013 and rules made thereunder ("Act"), Secretarial Standard issued by Institute of Company Secretaries of India ("SS-3"), Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), Guidelines issued by Reserve Bank of India ("RBI") on Declaration of dividends by Non-Banking Financial Company issued on June 24, 2021, as amended ("RBI Guidelines") and any other applicable rules and regulations. The objective of this Policy is to ensure a regular dividend income for the shareholders and long-term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the Policy for declaring / recommending dividends. This Policy is framed as required under SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, w.e.f. July 8, 2016.

As per newly inserted Regulation 43A of the Listing Regulations amended from time to time (inserted vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, w.e.f. July 8, 2016), the top one thousand listed entities based on market capitalization (calculated as on March 31 of every financial year) are required to formulate a dividend distribution policy and disclosed the same in the annual reports and on the website of the company. In addition, RBI Guidelines requires that a policy to be drafted for distribution of dividend applicable to all systemically and non-systemically important NBFCs.

## 2. Applicability

It shall come into force with effect from August 13, 2021. Any change in applicable law, Listing Regulations, RBI Guidelines shall prevail over this Policy. This Policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only equity shares and no preference shares issued by the Company are outstanding.

## 3. Objective

(a) To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.

(b) To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the audited financial statements of the Company, prior to any declaration and/or payment of dividends.

(c) To create a transparent and methodological dividend policy, adherence to which will be required before declaring dividends.

## 4. Dividend

### (a) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit. The Board may endeavor to declare an interim dividend one or more times in a financial year after finalization of quarterly/ half yearly/yearly financial accounts based on the profits of the Company and in accordance with the provisions of the Act.

### (b) Final Dividend

The Final Dividend shall be recommended to the shareholders of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders of the Company for their approval as an ordinary business item of the Annual General Meeting (AGM) of the Company. If the Board declares more than one interim dividend in a financial year, the Board may recommend to the Shareholder of the Company to treat the last interim dividend as a final dividend.

**5. Eligibility criteria mentioned by RBI**

The Company shall comply with the following minimum prudential requirements to be eligible to declare dividend in a financial year:

| Sr. No. | Parameters | Criteria |
|---|---|---|
| 1. | Capital Adequacy | The Company shall meet the applicable regulatory capital requirement i.e.<br>(a) Leverage Ratio shall not be more than 7 at any point of time;<br>(b) minimum Tier I capital of 12 percent for each of the last three financial years including the financial year for which the dividend is proposed in terms of Paragraph 6 of Master Direction - Non-Banking Financial Company -Non-Systemically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016; or<br>(c) such other capital adequacy ratio as may be prescribed and applicable to the Company. |
| 2. | Net Non-Performing Asset (NPA) | The net NPA ratio of the Company shall be less than 6 percent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared. |
| 3. | Other conditions | The Company shall be compliant with the provisions of Section 45IC of the Reserve Bank of India Act, 1934. The Company shall also be compliant with the prevailing regulations/guidelines issued by the Reserve Bank as applicable from time to time and shall not have placed any explicit restrictions on declaration of dividend. |

In case the Company is eligible to declare dividend as per aforesaid criteria, it may pay dividend, subject to the following:

(a) The maximum Dividend Payout Ratio shall not exceed 50%. For this Policy, the Dividend pay-out Ratio shall be the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

(b) Proposed dividend shall include both dividend on equity shares and compulsorily convertible preference shares (if issued and outstanding) eligible for inclusion in Tier 1 Capital.

(c) In case the net profit for the relevant period includes any exceptional and/or extraordinary profits/income or the financial statements are qualified (including 'emphasis of matter') by the Statutory Auditors of the Company that indicates an overstatement of net profit, the same shall be reduced from net profits while determining the dividend payout ratio.

In the event, if the Company does not meet the aforesaid applicable prudential requirements as prescribed by RBI for each of the last three financial years, then the Company may declare dividend, subject to a cap of 10 percent on the dividend payout ratio, PROVIDED the Company complies with the following conditions:

(a) meets the applicable capital adequacy requirement in the financial year for which it proposes to pay dividend; and

(b) has net NPA of less than 4 per cent as at the close of the financial year.

**6. Parameters to be considered before recommending dividend**

The Board of Directors of the Company shall consider the following financial parameters while declaring or recommending dividend to the shareholders:

**Internal Parameters**

(i) Supervisory findings of RBI on divergence in classification and provisioning for NPAs.

(ii) Profits earned during the financial year.

(iii) Qualifications in the Statutory Auditors' Report to the financial statements.

(iv) Long term growth plans of the Company.

(v) Retained Earnings.

(vi) Earnings outlook for next three to five years.

(vii) funding requirements for expansion, diversification, growth, new projects, brand / business acquisitions.

(viii) Any other relevant factors and material events.

**External Parameters**

(i) Restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the contractual obligations of the Company under the loan agreements/ debenture trust deed and other agreements, documents, writings, limiting/putting restrictions on dividend pay-out.

(ii) Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.

(iii) Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.

(iv) Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

## 7. Circumstances under which the shareholders may or may not expect dividend

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Act and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, shall take into consideration the advice of the executive management of the Company and planned and further investments for growth apart from other parameters set out in this Policy. The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

## 8. Utilisation of Retained Earnings

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. The Company may utilise the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

## 9. Process for Payment of Dividend

- The Company will give prior intimation of 2 working days to Stock Exchange/(s) (excluding the date of intimation and the date of the board meeting) of date of board meeting in which the declaration/ recommendation of dividend will be considered.
- The Company will inform about the decision taken by the board regarding dividend to Stock Exchange/(s) within 30 minutes of the closure of the board meeting.
- The Company will fix Record Date for the purpose of determination for list of shareholders of the Company eligible to receive dividend. Persons appearing as members in the register of members or beneficiary ownership statement provided by the Registrar & Share Transfer Agent of the Company shall be entitled for dividend.
- The intimation for fixing Record Date shall be given to stock exchange/(s) at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of dividend on the amount debited to the dividend account maintained with the banker of the Company with such dividend paying bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

## 10. Unclaimed/Unpaid Dividend

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days transfer to a special account to be opened by the Company in any Scheduled Bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the fund established by the Central Government called the Investor Education and Protection Fund ("IEPF") and investors can claim refund from IEPF and not from the Company.

## 11. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

**12. Reporting with RBI**

Pursuant to the requirement specified in the RBI Guidelines, the Company shall report details of dividend declared during the financial year 2021-22 onwards as per the format prescribed in the RBI Guidelines. The report shall be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank, under whose jurisdiction the Company is registered.

**13. Conflict in Policy**

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Listing Regulations shall prevail.

**14. Amendments**

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

**Annexure-II**

## Appointment and Evaluation Policy

**1. Scope**

1.1 This Policy on Appointment and Evaluation of Directors and the Board **(Appointment and Evaluation Policy)** sets out the criteria for appointment of Directors, Key Managerial Personnel (KMP) and/Senior Management, recommend to the Board the remuneration of the Directors, KMP and Senior Management and evaluating the performance of directors, the board of directors of the Company (**"Board"**) and committees of the Board, as required by the provisions of the Companies Act, 2013 **("Act")**, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Regulations"**), applicable provisions of the Master Directions issued by Reserve Bank of India ("RBI") and other applicable laws, rules and guidelines.

1.2 The Policy applies to and covers Directors, the Board and Board committees, Key Managerial Personnel and/or Senior Management.

1.3 The Nomination and Remuneration Committee (**"NRC"**) shall be constituted as per the provisions of the Act and SEBI Regulations and shall have the right to review this Evaluation Policy from time to time and make suitable modifications, subject to approval of the Board.

**2. Responsibility of NRC and Board**

The NRC and the Board shall be responsible for ensuring that any person proposed to be appointed on the Board of the Company/continues on the Board of the Company shall be fit and proper to be acting on the Board of the Company.

2.1 **Appointment, Removal and Retirement of Directors (including Independent Director)**

**a)** Appointment Criteria and Qualifications

A person proposed to be appointed as a Director, Key Managerial Personnel or Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The NRC evaluate and recommend the appointment basis various information, undertaking, disclosures obtained from the Director under various Acts/Regulations/ Directions ensuring that the Directors are fit and proper to be appointed on the Board of the Company.

(i) Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business and shall have fit and proper status for the proposed appointed.

(ii) Positive attributes of Independent Directors:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his/ her responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

b) Removal of Director, KMP or Senior Management

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or senior management personnel subject to the provisions and compliance of the Act, Rules and Regulations.

**c) Retirement**

The Director, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

2.2 **Remuneration**

**(i) Directors:**

a) Executive Directors (Managing Director, Manager or Whole Time Director):

(i) At the time of appointment or reappointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013, SEBI Regulations and other applicable laws.

(ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.

(iii) The remuneration of the Manager/ Chief Executive Officer/Managing Director/Whole Time Director is broadly divided into fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following: ·

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered, the industry benchmarks and the current trends;
- The Company's performance vis-à-vis the annual budget achievement and individual performance

b) Non-Executive Director:

(i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

(iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.

(iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

(v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.

(vi) The commission shall be payable on prorate basis to those Directors who occupy office for part of the year.

**(ii) KMP & Senior Management Personnel:**

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

a. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

b. Compensation should be reasonable and sufficient to attract, retain and motivate KMP and Senior Management Personnel;

c. Remuneration payable should comprise a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company;

d. Remuneration shall be also considered in the form of long term incentive plans for key employees, based on their contribution, position, and length of service, in the nature of ESOPs.

**3. Evaluation of Directors (including Independent Directors), Board and Committees of the Board**

The Chairman of NRC and the Board shall initiate the process to carry out the performance evaluations of the Directors (including Independent Directors), Board committees and the Board as a whole on an annual basis in accordance with the criteria set out in this policy by following such method as they deem appropriate considering the provisions of the Act and SEBI LODR Regulations. The Chairman of Board shall initiate the process to carry out the performance evaluations of the Chairman of NRC. Similarly, the Chairman of NRC shall initiate the process to carry out the performance evaluations of the Chairman of the Board. A person being appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

3.1 The Chairman of NRC and the Board shall prepare evaluation report and forward the same to all Board Members on or before April 20 in every financial year for the preceding financial year.

3.2 On receipt of the performance evaluation report, the Board shall undertake the following:

a) Review the said performance evaluation report together with any suggestions on improving the effectiveness of the Board, its committees and directors;

b) Set performance objectives for directors, consistent with the varying nature and requirements of the Company's business and strategies, as deemed applicable or relevant;

c) Approve payment of commission payable to eligible directors of the Company based on the said performance evaluation report;

d) Recommend appointment/reappointment of directors to the shareholders; and

e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

3.3 The performance evaluation shall be conducted in a fair, transparent and objective manner. In case of evaluation of individual directors, the concerned director who is being evaluated shall be excluded from the relevant evaluation team of the Board or NRC as the case may be.

3.4 Without prejudice to the foregoing, as required by the relevant provisions of the Act, Independent Directors of the Company shall:

a) review the performance of non-independent directors and the Board as a whole;

b) review the performance of the Chairman of the Board, taking into account the views of executive directors and non-executive directors; and

c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 4. Evaluation Factors

4.1 The following broad parameters shall be considered for the purposes of evaluating the performance of each director and the Board and its committees.

**A. Parameters for evaluating the performance of the Board**

- ➢ Development of suitable strategies and business plans at appropriate time and its effectiveness;
- ➢ Implementation of robust policies and procedures;
- ➢ Size, structure and expertise of the Board;
- ➢ Oversight of the Financial Reporting Process, including Internal Controls;
- ➢ Willingness to spend time and effort to learn about the Company and its business; and
- ➢ Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

**B.** Parameters for evaluating the performance of the Committee(s)

- ➢ Discharge of its functions and duties as per its terms of reference;
- ➢ Process and procedures followed for discharging its functions;
- ➢ Effectiveness of suggestion and recommendation received;
- ➢ Size, structure and expertise of the Committee; and
- ➢ Conduct of its meetings and procedures followed in this regard.

**C.** Parameters for evaluating the performance of the Director(s)

- ➢ Participation at the Board/Committee meetings;
- ➢ Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- ➢ Effective deployment of knowledge and expertise;
- ➢ Effective management of relationship with stakeholders;
- ➢ Integrity and maintenance of confidentiality;
- ➢ Independence of behaviour and judgment; and
- ➢ Impact and influence.

In addition to the above parameters, which shall be common for evaluation to both Independent and Non-executive directors, an Independent director shall also be evaluated on the following parameters:

- ➢ Exercise of objective independent judgment in the best interest of Company;
- ➢ Ability to contribute to and monitor corporate governance practice; and
- ➢ Adherence to the code of conduct for independent directors.

**D.** Parameters for evaluating the performance of the Chairman of the Board

- ➢ Managing relationship with the members of the Board, management and other stakeholders;
- ➢ Demonstration of leadership qualities;

- Relationship and communication within the Board;
- Ease of raising of issues and concerns by the Board members; and
- Personal attributes i.e. Integrity, Honesty, Knowledge etc.

In addition to the above parameters, the performance of the Chairman shall be evaluated on the evaluation parameters applicable to both Independent and Non-Executive directors.

**E.** Parameters for evaluating the performance of the Managing Director/Executive Director

- Achievement of financial/business targets prescribed by the Board;
- Developing and managing/executing business plans, operational plans, risk management and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of clear mission/vision statements, policies and strategic plans that harmoniously balance the needs of shareholders, clients, employees and other stakeholders;
- Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

4.2 Rating Scale: The ratings shall be based on the scales as may be decided by the Chairman of the Board and NRC.

**5. Fit and Proper Status on Continuous Basis**

As per the applicable provisions of the Master Directions, basis the annual disclosures, other declarations and confirmations received from the Directors of the Company, the NRC and the Board shall evaluate and ascertain on whether the Directors continue to remain fit and proper on continuing basis.

**6. Review/Revision of Policy**

If at any point a conflict of interpretation/information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail. In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

**Annexure - III**

# 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 as on March 31, 2022**

## Part A: Subsidiaries

**(Information in respect of each subsidiary to be presented with amounts in ₹)**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the subsidiary | DFL Technologies Private Limited |
| 2. | The date since when subsidiary was acquired | October 07, 2019 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | Not Applicable |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Not Applicable |
| 5. | Share capital (₹) | 18,53,00,000 |
| 6. | Reserves & Surplus (₹) | 4,60,66,340 |
| 7. | Total Assets (₹) | 26,55,60,938 |
| 8. | Total Liabilities (₹) | 3,41,94,598 |
| 9. | Investments (₹) | Nil |
| 10. | Turnover (₹) | 8,14,44,526 |
| 11. | Profit Before Taxation (₹) | (3,48,84,967) |
| 12. | Provision for Taxation (₹) | (10,12,393) |
| 13. | Profit After Taxation (₹) | (3,38,72,573) |
| 14. | Proposed Dividend | Nil |
| 15. | Extent of shareholding (in percentage) | 100% |

**Notes:** *The following information shall be furnished at the end of the statement:*

1. *Names of subsidiaries which are yet to commence operations - Nil*
2. *Names of subsidiaries which have been liquidated or sold during the year - Nil*

## Part B: Associates 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/-**
**Rohanjeet Singh Juneja**
**Managing Director & CEO**
**DIN: 08342094**

**Sd/-**
**Rushina Mehta**
**Non-Executive Non-Independent Director**
**DIN: 01042204**

**August 10, 2022**
**Mumbai**

**Sd/-**
**Sanjay Kukreja**
**Chief Financial Officer**

**Sd/-**
**Lalit Chendvankar**
**Company Secretary & Compliance Officer**

**Annexure - IV-A**

## (FORM MR-3)
## Secretarial Audit Report

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

For the Financial Year Ended March 31, 2022

To,
**The Members,**
**TruCap Finance Limited**
**(Formerly known as Dhanvarsha Finvest Limited)**
**CIN - L24231MH1994PLC334457**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TruCap Finance Limited (Formerly known as Dhanvarsha Finvest Limited) (**"TruCap"/ "Company"**) and having its registered office at 3rd Floor, A-Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai - 400 069. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on such verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, has generally complied with the statutory provisions listed hereunder except in the matter as detailed below wherein there has been delay in the compliance. I further report that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

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

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

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

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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; to the extent applicable;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the Company during the audit period)**;
- (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 - **(Not applicable during the audit period)**; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **"Listing Regulations"**).

(vi) I have relied on the representation made by the Company and its officers and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws and rules made thereunder, being laws that are applicable to the Company based on their sector/industry;

1) Reserve Bank of India Act, 1934;

2) Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

3) Master Direction - Information Technology Framework for the NBFC Sector;

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

5) Credit Information Companies (Regulation) Act, 2005 and The Reserve Bank of India Act, 1934 and the directions, regulations, master circulars, circulars issued by Reserve Bank of India thereunder and as applicable to Non-Systemically Important Non-Deposit Accepting Non-Banking Financial Companies (NBFC), sector/industry; and

6) The Prevention of Money Laundering Act, 2002.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited pursuant to the Listing Regulations.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

An Independent Woman Director of the Company had resigned with effect from October 30, 2021 and new Independent Woman Director has been appointed with effect from March 30, 2022. Further, based on the information and explanations provided to me, the Company was in the process of appointing another Woman Independent director to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, since the candidate who was shortlisted by management for being appointed as an Independent Director informed the Company on a shorter notice about her being unavailable due to other commitments, the Company was unable to comply with the required timelines for appointment of a woman Independent Director.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, changes in the composition of the Board of Directors that took place during the period under review was carried out with in compliance with provisions of the Act.

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

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

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

**I further report that** during the audit period there were following specific events/action reported having major bearing on Company's operations;

1) Issuance and allotment of 15,98,727 (pre-sub-division of equity shares) equivalent to 79,93,635 (post-sub-division of equity shares) 10% Compulsorily Convertible Debentures at issue price of ₹ 400/- each aggregating to ₹ 63,94,90,800/- on April 14, 2021 on preferential basis to non-promoter entities/individuals, convertible into equivalent number of equity shares within a period of 18 months from the date of allotment;

2) Issuance and allotment of 46,996 (pre-sub-division of equity shares) equivalent to 2,34,980 (post-sub-division of equity shares) 10% Compulsorily Convertible Debentures at issue price of ₹ 400/- each aggregating to ₹ 1,87,98,400/- on April 15, 2021 on preferential basis to non-promoter entities/individuals, convertible into equivalent number of equity shares within a period of 18 months from the date of allotment;

3) Appointment of Mrs. Minaxi Mehta as Non-Executive Non-Independent Director of the Company w.e.f. June 10, 2021;

4) Issuance and allotment of 1,50,000 (One Lakh Fifty Thousand) rated, secured, senior, transferable, listed, redeemable, principal protected market linked non-convertible debentures having a face value of ₹ 1,000/- aggregating to ₹ 15,00,00,000/- to non-promoter entity/individuals on June 11, 2021;

5) Appointment of Mr. Atwood Porter Collins as Non-Executive Non-Independent Director of the Company w.e.f. July 31, 2021.

6) Issuance and allotment of 150 rated, secured, senior, transferable, listed, redeemable, principal protected market linked non-convertible debentures having a face value of ₹ 1,00,000/- aggregating to ₹ 15,00,00,000/- to non-promoter entity/individuals on September 2, 2021;

7) Resignation of M/s. Bansal Bansal & Co., Chartered Accountants as the Internal Auditors of the Company w.e.f. August 13, 2021, and appointment of M/s. Grant Thornton Bharat LLP, Chartered Accountants as Internal Auditor of the Company w.e.f. August 13, 2021;

8) Resignation of M/s. Haribhakti & Co., LLP, Chartered Accountant as Statutory Auditors of the Company w.e.f. August 13, 2021, and appointment of M/s. Bansal Bansal & Co., Chartered Accountants as Statutory Auditors of the Company w.e.f. August 13, 2021;

9) Alteration of Articles of Association with respect to deletion of Common Seal Clause and addition of clause on indebtedness of the Company w.e.f. September 20, 2021;

10) Re-appointment of Mr. Karan Neale Desai as Joint Managing Director of the Company for period of 3 years with effect from August 11, 2021 to August 10, 2024 (both days inclusive);

11) Resignation of Mr. Fredrick Pinto as Company Secretary & Compliance Officer of the Company w.e.f. close of business hours of September 30, 2021;

12) Appointment of Mr. Lalit Chendvankar as Company Secretary and Compliance Officer of the Company w.e.f. October 01, 2021;

13) Sub-division of Equity Shares of the Company of face value of ₹10/- per share to face value of ₹ 2/- each and subsequent amendment to Memorandum of Association of the Company w.e.f. record date i.e. October 14, 2021;

14) Resignation of Mrs. Manjari Kacker as an Independent Director of the Company w.e.f. close of business hours of October 30, 2021;

15) Allotment of 8,98,470 equity shares to Elios Advisors LLP on December 6, 2021 upon conversion of convertible warrants;

16) Re-designation of Mr. Rohanjeet Singh Juneja, Joint Managing Director as a Managing Director and Chief Executive Officer w.e.f. March 12, 2022;

17) Re-designation of Mr. Karan Neale Desai, Joint Managing Director as a Whole Time Director and Chief Business Officer w.e.f. March 12, 2022;

18) Allotment of 1,09,55,555 equity shares to Wilson Holdings Private Limited, Promoter, on March 22, 2022, upon conversion of compulsory convertible debentures;

19) Appointment of Ms. Abha Kapoor as an Independent Director of the Company w.e.f. March 30, 2022;

20) Change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director of the Company w.e.f. March 30, 2022;

21) Cancellation of 24,79,965 Employee Stock Options (ESOP) granted to eligible employees under ESOP Scheme 2021; and

22) Allotment of 5,22,769 equity shares to employees pursuant to exercise of options granted under Employee Stock Option Plan 2018.

**FOR U. HEGDE & ASSOCIATES,**
**COMPANY SECRETARIES**

**Sd/-**
**Umashankar K. Hegde**
**(Proprietor)**
**COP No. - 11161 # M. No. - A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No. - 1263/2021**
**UDIN: A022133D000770595**

**August 10, 2022**
**Mumbai**

## Annexure to Secretarial Audit Report

To,
**Members**
**TruCap Finance Limited**
**(Formerly known as Dhanvarsha Finvest Limited)**
**CIN: L24231MH1994PLC334457**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR U. HEGDE & ASSOCIATES,**
**COMPANY SECRETARIES**

**Sd/-**
**Umashankar K. Hegde**
**(Proprietor)**
**COP No. - 11161 # M. No. - A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No. - 1263/2021**
**UDIN: A022133D000770595**

**August 10, 2022**
**Mumbai**

**Annexure - IV-B**

## (Form MR-3)
## Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
**The Members,**
**DFL Technologies Private Limited**
**CIN - U67190MH2019PTC331368**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DFL Technologies Private Limited (**"DFL Tech"/ "Company"**) and having its registered office at Ground Floor, D.J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to COVID-19 pandemic impact, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on such verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings) – **Not Applicable.**

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **(to the extent applicable to the intermediary)**;

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **(Not applicable during the audit period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **(Not applicable during the audit period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - **(Not applicable 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 (Buy-Back of Securities) Regulations, 2018 **(Not applicable during the audit period)**; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **(to the extent applicable to a Material Subsidiary)**.

(vi) Based on the representation made by the Company and its officer and compliance mechanism prevailing in the Company there are no specific laws applicable to the Company compliance of which have to be ensured by the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further the change in the composition of the Board of Directors took place during the period under review in accordance with provisions of the Act and rules made thereunder.

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

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

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

**I further report that** during the audit period there were following specific events/action reported having major bearing on company's operations.

1) Allotment of 1,15,30,000 equity shares on Private Placement Basis.
2) Increase in the authorized share capital of the Company from ₹10 Crores to ₹63.53 Crores.
3) Appointment of Bansal Bansal & Co. as Statutory Auditors for FY 2021-22 owing to casual vacancy caused by resignation of erstwhile Statutory Auditor M/s. Haribhakti & Co., LLP, Statutory Auditors of the Company.
4) Appointment of Bansal Bansal & Co. as Statutory Auditors for FY 2021-2024 for period of 3 years.
5) Appointment of Mrs. Manjari Kacker as a Non-Executive Independent Director.
6) Appointment of Mr. Rajiv Kapoor as a Non-Executive Non-Independent Director.
7) Appointment of Ms. Ruchi Thakkar as a Company Secretary in the designation as a Key Managerial Personnel.
8) Appointment of Mr. Sanjay Kukreja as Chief Financial Officer in the designation as a Key Managerial Personnel.

**FOR U. HEGDE & ASSOCIATES,**
**COMPANY SECRETARIES**

**Sd/-**
**Umashankar K. Hegde**
**(Proprietor)**
**COP No. - 11161 # M. No. - A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No. - 1263/2021**
**UDIN: A022133D000771442**

**August 10, 2022**
**Mumbai**

## Annexure to Secretarial Audit Report

To,
**The Members**
**DFL Technologies Private Limited**
**CIN: U67190MH2019PTC331368**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices I followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR U. HEGDE & ASSOCIATES,**
**COMPANY SECRETARIES**

**Sd/-**
**Umashankar K. Hegde**
**(Proprietor)**
**COP No. - 11161 # M. No. - A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No. - 1263/2021**
**UDIN: A022133D000771442**

**August 10, 2022**
**Mumbai**

**Annexure - V**

# Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

**[Pursuant to Section 134(3)(M) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2022 is given herein below and forms part of the Directors' Report.

## Conservation of Energy

The Company is engaged in the activity of providing financial services and, as such, its operations have limited impact vis-à-vis substantial energy consumption. Energy is consumed on a regular level to aid regular office work, however, the Company appreciates the need to reduce the net carbon footprint. The Company is taking all possible measures to conserve energy and reduce consumption by adopting alternative power devices or employing technology solutions. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to reduce power consumption;
- Employing of Laptops and Tablets in branches to reduce paper consumption and efficient use of technology to drive operations electronically;
- Conventional lighting have been replaced with Light Emitting Diode (LED) lights;
- Enabling automatic power shutdown of idle monitors;
- Creating awareness about conservation of energy and opting for efficient solutions by way of distributing the information in electronic form;
- We reach out with regular communication to the staff to minimize the use of air-conditioners;
- Wherever possible, we make purchase requests for electronic goods that are rated 4 star and above;
- Shutting off all the lights when not in use;
- Designing an office infrastructure that maximises use of natural light during the day to further conserve power;
- Education and awareness programs for employees; and
- Constant reminders to employees to switch off all the computers and other equipments that are not in use.

The Management frequently puts circulars and information via e-mail and through team meetings, for its employees, educating them on ways and means to conserve power and other natural resources and ensures adherence of the same.

## Technology Absorption and Innovation

Adoption of Technology as a core pillar to drive growth is indispendable to scale the business and we have embraced it across a range of product and service delivery. Technology infrastructure at the Company is strategically critical and employs industry standard business applications and a robust IT infrastructure setup to enable and empower business operations management aimed towards improvement in overall productivity and efficiency. This helps us to provide an integrated, seamless and world class experience to our customers. Through a highly secured information systems infrastructure and with adequate controls which are currently in place, we are able to manage operations efficiently spanning multiple locations including our branch network. This enables us to build an efficient outreach to the target customers and effectively monitor and control risks. The Company remains committed to investing in technology to gain a competitive edge and contribute scalable and efficient business growth.

## Foreign Exchange Earnings and Outgo

(a) The foreign exchange earnings: NIL

*(b) The foreign exchange expenditure: ₹ 4.93 Lakhs

*Foreign currency is purchased in India and spent by the director on foreign visit for business purposes.

## Research and Development (R & D) – N.A.

The Company is engaged in finance and financial services and so there were no activities in the nature of research and development involved in the business.

Amount of expenditure incurred on Research and Development: NIL

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

**Sd/-**
**Rohanjeet Singh Juneja**
**Managing Director & CEO**
**DIN: 08342094**

**Sd/-**
**Rushina Mehta**
**Non-Executive Non-Independent Director**
**DIN: 01042204**

**August 10, 2022**
**Mumbai**

**Annexure – VI**

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

<table>
<tr><th>Sr. No.</th><th>Requirements</th><th>Disclosure</th></tr>
<tr><td>i.</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year</td><td>
<table>
<tr><th>Name</th><th>Ratio</th></tr>
<tr><td>Mr. Rohanjeet Singh Juneja</td><td>16.63</td></tr>
<tr><td>Mr. Karan Neale Desai</td><td>17.07</td></tr>
<tr><td>Mr. Nirmal Vinod Momaya</td><td>2.96</td></tr>
<tr><td>Mr. Krishipal Raghuvanshi</td><td>2.32</td></tr>
<tr><td>Mrs. Manjari Kacker</td><td>1.74</td></tr>
<tr><td>Mr. Rakesh Sethi</td><td>2.58</td></tr>
<tr><td>Mr. Rajiv Kapoor</td><td>2.83</td></tr>
<tr><td>Mrs. Minaxi Kishore Mehta</td><td>2.13</td></tr>
<tr><td>Mr. Atwood Porter Collins</td><td>1.36</td></tr>
<tr><td>Mrs. Abha Kapoor</td><td>0.33</td></tr>
</table>
</td></tr>
<tr><td>ii.</td><td>Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year</td><td>
<table>
<tr><th>Name</th><th>Designation</th><th>% Increase</th></tr>
<tr><td>Mr. Rohanjeet Singh Juneja</td><td>Managing Director & CEO</td><td>Nil</td></tr>
<tr><td>Mr. Karan Neale Desai</td><td>Whole Time Director</td><td>Nil</td></tr>
<tr><td>Mr. Sanjay Kukreja</td><td>Chief Financial Officer</td><td>Nil</td></tr>
<tr><td>Mr. Lalit Chendvankar</td><td>Company Secretary & Compliance Officer</td><td>Nil</td></tr>
<tr><td>Mr. Fredrick Pinto</td><td>Company Secretary & Compliance Officer</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>iii.</td><td>The percentage increase in the median remuneration of employees in the financial year</td><td>There is no increase in the median remuneration of employees in the financial year.</td></tr>
<tr><td>iv.</td><td>The number of permanent employees on the rolls of the Company</td><td>270</td></tr>
<tr><td>v.</td><td>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.</td><td>There is no increase in either of the type of personnel salaries.</td></tr>
<tr><td>vi.</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company</td><td>Yes, it is confirmed.</td></tr>
</table>

**Notes:**

1. *Mr. Rohanjeet Singh Juneja has been re-designated as Managing Director & Chief Executive Officer of the Company w.e.f. March 12, 2022.*
2. *Mr. Karan Neale Desai, Whole Time Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.*

3. *Mr. Fredrick Pinto, Company Secretary and Compliance Officer has resigned from the Company w.e.f. close of business hours on September 30, 2021.*
4. *Mr. Lalit Chendvankar has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. October 01, 2021.*

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Rohanjeet Singh Juneja** | **Rushina Mehta** |
| **August 10, 2022** | **Managing Director & CEO** | **Non-Executive Non-Independent Director** |
| **Mumbai** | **DIN: 08342094** | **DIN: 01042204** |

# Management Discussion and Analysis

The management of the Company is pleased to present this Management Discussion and Analysis Report in compliance with Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

## 1. Industry Structure and Developments

### Indian Backdrop

The Indian economy showed signs of normalisation in FY 2021-22, following a sharper-than-anticipated slump caused by the COVID-19 pandemic in FY 2020-21, that exacerbated the slowdown that had persisted for the previous four consecutive years.

This normalization was in sync with the global economy, which witnessed a strong rebound in 2021 following its worst recession since the Great Depression in the previous year. The recovery was aided by rapid pace of vaccinations, untiring services of the frontline warriors, strong fiscal and monetary policy support, stimulus measures of Reserve Bank of India (**"RBI"**), Central and State governments and relaxation of pandemic-induced restrictions in several countries, which in turn provided a boost to consumption demand.

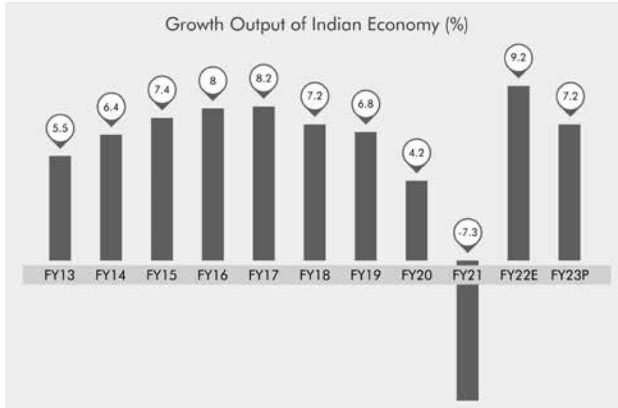
The Indian economy's upward trajectory was despite a deadlier second wave of COVID-19 in early April 2021 which led to increased casualties, followed by a relatively muted third wave towards the latter part of the fiscal. Combined both these waves, posed headwinds to the economic recovery taking shape.

Significant pick-up in vaccinations throughout the year, continued policy support and phased relaxation of pandemic-related restrictions, all of which helped in normalisation of the economy.

The RBI kept policy rates unchanged through the year and maintained an accommodative stance. Easy monetary policy was complemented by sustained fiscal policy support.

The Government enhanced the scope of some of the measures announced in the first year of the pandemic to boost employment and provide relief to rural sector. The Atmanirbhar Bharat Rozgar Yojana — first commenced in October 2020 to incentivise creation of new employment opportunities was extended until March 2022.

India's GDP grew by 9.2% in FY 2021-22, supported by widespread vaccine coverage, gains from supply-side reforms, regulatory easing, robust export growth and the availability of fiscal support to increase capital spending.




*(Source: Ministry of Health and Family Welfare, Economic Survey of India FY 2021-22).*

On the capital raising front, an amount of ₹ 8.5 Trillion was raised through debt (including public and private placement) as well as equity from the primary market during FY 2021-22, with equity market attracting ₹ 2.4 Trillion. *(Source – Reserve Bank of India).*

The fiscal year FY 2021-22 saw foreign investors pulling out US$ 18.5 Bn (~₹ 1.4 Trillion) from Indian equities, after injecting record money in the previous year on a net basis. Domestic institutional investors remained net buyers of Indian equities for the whole of FY 2021-22, with net inflows of ~₹ 2.2 Trillion, far exceeding net foreign capital outflows. *(Source: Reserve Bank of India).*

### Industry Landscape

Post the debacle of a few systemically important NBFCs in the recent past and the resulting liquidity challenges, the NBFC sector had to deal with the severity of the pandemic and resultant disruptions over multiple waves.

Having overcome these adversities, FY22 saw robust aggregate credit extended by NBFCs at ₹ 28.5 lakhs. Loans to industry constituted the largest segment (39.1 per cent), followed by personal loans (27.4 per cent) and those to services (15.3 per cent). Credit to agriculture sector accounted for a miniscule share 1.8 per cent. *(Source: Reserve Bank of India).*

NBFCs are projected to attain loan growth of around 12-14% Y-O-Y in FY23, with FY22 growth closing at 7%-8%. *(Source: Reserve Bank of India: FSR)*

Nevertheless, an expected increase in systemic interest rates and asset quality issues in some segments due to the lagged impact of pandemic could be an outcome.

Parallelly, the sector has been facing increased regulatory oversight and push towards convergence with banks through various measures such as scale-based regulation, realignment in asset quality classification and Prompt Corrective Action norms.

Borrowings remained the major source of funds for the sector, mainly in the form of issuance of debentures and bank borrowings.

During the pandemic, banks have been quite supportive towards lending to non-banks and their share has been rising in the funding mix of NBFCs, which has been highlighted by the regulator in the rising risk of interconnectedness. The share of banks in NBFCs' total borrowings has increased to 34 per cent in March 2022 from 27 per cent in March 2018. Continued innovations in "Fintech", created, both, new opportunities to lend, while attracting further scrutiny and measures from RBI. These ongoing changes in the operating landscape remain a key balancing act to navigate, as we look to gain from new business possibilities, while at the same time ensure strict adherence to unfolding regulations.

**Micro, Small and Medium Enterprises (MSMEs)**

The Micro, Small & Medium Enterprises (MSMEs) have been contributing significantly to the expansion of entrepreneurial endeavours through business innovations and are playing a crucial role by providing large employment opportunities at comparatively lower capital cost than large industries.

Micro sector with 630.52 lakhs estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Out of 633.88 lakhs MSMEs, there were 608.41 lakhs (95.98%) MSMEs were proprietary concerns and provided employment to 1076.19 lakh people that in turn accounts for around 97% of total employment in the sector. As per RBI, while credit to GDP ratio is at ~55%, credit to MSME stands at roughly half of that number at close to 25%, with majority of these entities being New to Credit (NTC).

An analysis of Udyam Registration provides a break-up of Manufacturing and Services MSMEs, with close to 95% of Udyam Registration Certificate held by micro enterprises.

Dominance of male population was reflected in the ownership of proprietary MSMEs, with male owned 79.63% of enterprises as compared to 20.37% owned by female. Despite this mix, your Company has true to its objective, lent to a larger percentage of female borrowers, as reflected below. *(Source – Government of India- Annual Report – FY22 Ministry of MSME).*

**Chart on mix of the Borrowers of the Company - Gender Wise**

(₹ In Lakhs)

| Operational Performance | Period Ended | | Growth (%) |
|---|---|---|---|
| | Mar-22 | Mar-21 | |
| AUM (On B/S) | **29,373.35** | 10,442.23 | 181.28 |
| Customers (Count) | **33,427** | 5,935 | 463.22 |
| Women Customers (Count) | **6,208** | 1,155 | 437.49 |

**MSME Loans backed by Gold**

Having entered the Gold financing business in the previous financial year of 2020-21, your Company has grown by leaps and bounds and is on the path to being one of the most respected gold financiers in India to MSMEs. Having ended the previous year with a modest AUM of ₹ 179 million, FY22 saw this grow to ₹ 1.23 billion.

Demand for gold loans from micro enterprises and individuals to fund working capital and personal requirements, respectively has increased with the pick-up in economic activity and this is validated by the increasing ability of your Company to collect Udyam Registration Certificates.

Indians added 797 tonnes to their existing stock of Gold in FY21 alone. This has taken the Indian private holdings of Gold close to 27,000 tonnes, with roughly 7% of this pledged to financial firms. *(Source – Credit Rating Information Services of India Limited).*

Post the sunset of pandemic induced relaxation in LTV for banks on March 31, 2021, we had seen increased competitive pressures from Gold NBFC's.

Indian Gold loan market which is currently valued at ₹ 4,149 billion, is forecasted to reach ~₹ 6,275 billion by FY 2025, which should be possible with the growing presence of NBFC, both through enablement of technology and branch network.

Assets under management (AUM) of Non-Banking Financial Companies (NBFCs), which primarily offer loans against gold, is expected to have risen by 18-20% to end FY22 at ~₹ 1,300 billion *(Source – Credit Rating Information Services of India Limited).*

India's overall formal gold financing penetration is ~10% with penetration in the western and northern states being even lower.

## 2. Opportunities and Threats

**Opportunities**

Going forward, the focus of the Company will be on loans to MSME business and those backed by gold. Our lending will be driven by strong technology deployment and lending as a service for banks and NBFCs, which is tremendously profitable and capital efficient for the Company's balance sheet.

Our focus is firmly on lending as a service, which today is more than 4% of total AUM up from zero in fiscal 2021. This is extremely pertinent in today's times, given a rising rate environment and the fact that capital may likely become harder to source for almost all entities. Enhanced volume in lending as a service with larger lenders should lead to NIM expansion, given the capital efficiency of the product.

Lending as a service is where the large lender is the majority capital provider while the Company is a minority capital provider of between 5% to 20%, while we do the entire sourcing, servicing and collections on those loans, it's a higher IIR product and a lot more capital efficient. Going forward, we anticipate Lending as a Service to be a significant part of our AUM.

To strengthen our position as a preferred partner to large lenders, your Company has added 31 branches in the year gone by, taking the total tally to 37 branches, which now stands enhanced to 57.

We will look to build on our network of branches, to serve our customers both towards Business Loans and Loans backed by Gold.

**Lending as a Service (Co-Lending Arrangements)**

Your Company entered one of the first and largest arrangements for originating MSME loan against gold, under the Reserve Bank of India's circular on Co-Lending by Banks and NBFCs to priority sectors issued on November 5, 2020.

The agreement was entered into with Central Bank of India, which is amongst the oldest and largest of Public Sector Banks in operation in India in August 2021 to scale up the business upto ₹ 10 billion. While initially this agreement was for the state of Madhya Pradesh, in the month of February 2022 it was expanded to the states like Maharashtra, Goa and Delhi NCR.

This arrangement is a testament both to the customer acquisition and underwriting capabilities of the Company, as well as its technology stack that has allowed for a seamless integration with another lending institution.

With the Co-Lending agreement in place with Central Bank of India, your Company has entered into similar arrangement with EZ Capital for Delhi NCR region.

We endevour to put in place further co-lending arrangements to ensure more efficient use of and higher return of the capital.

**Threats**

The global backdrop has suffered due to sustained uncertainty on the pandemic amid emergence of new virus variants, fading policy support, lingering supply-side disruptions, slowdown in China, spiralling inflation and intensifying financial market volatility.

Global Central Banks and RBI have reacted to heightened inflationary pressures by raising benchmark rates, while simultaneously clawing back some of the pandemic period liquidity infusions.

This evolving Central Bank activity and any actions on the fiscal front will be key monitorable for the management in the FY 2022-23.

Following a strong FY 2020-21, equity markets across the world witnessed heightened volatility in FY 2021- 22, particularly in the second half. Emerging equities have had a tough start to the year, weighed down by rising infections, dollar strengthening and surging global bond yields.

Indian equity market moved broadly in tandem with major global equity markets, even as it meaningfully outperformed the broader emerging market pack. This was primarily led by continued inflows from domestic investors, robust corporate performance, continued policy support from both monetary and fiscal front.

## 3. Business & Financial Performance

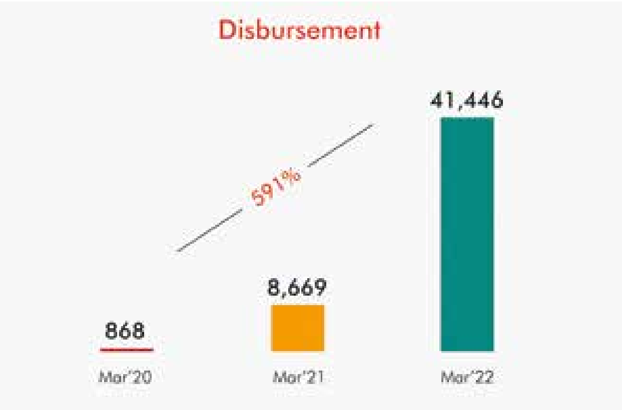
The financial year FY 21-22 will mark a key turning point in the life of the Company. We commenced the year with the single largest capital infusion in the history of the Company of ₹ 650 million in the month of April 2021 through unsecured Compulsorily Convertible Debentures. This was largely subscribed by external investors led by Aviator Emerging Market Fund besides select family offices, HNI's and other investors.

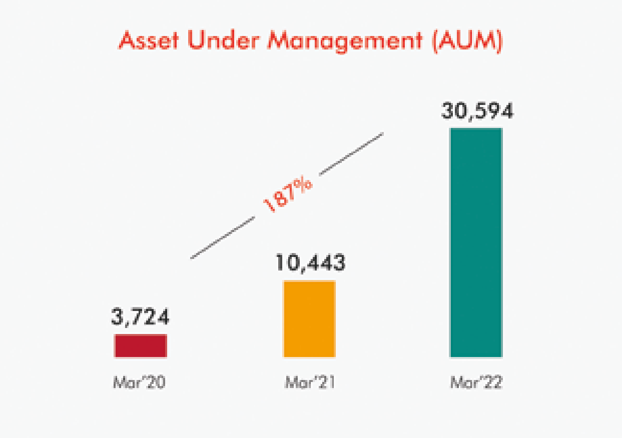
Aviator Emerging Market Fund is backed by some globally renowned investors such as Mr. Atwood Porter Collins and Mr. Vincent Daniel, who subsequently came on the board of the Company and its wholly owned subsidiary, DFL Technologies Private Limited, respectively.

This capital infusion along with increasing acceptance amongst lenders took the tally of lenders to 19, which included some of the largest Indian Public Sector Banks and NBFCs.

**(₹ In Lakhs)**

| Business Parameters | Financial Year Ended | |
|---|---|---|
| | Mar-22 | Mar-21 |
| Loan Disbursed | 41,446.4 | 8,669.3 |
| Gross Loan Portfolio | 29,373.35 | 10,442.23 |
| Off B/S Portfolio | 1,220.6 | 20.9 |




*AUM for finacial year ended March 2022 include Gross Loan Portfolio as well as Off Balance Sheet Portfolio.*

### Key Financial Parameters for FY 2021-22

Disbursements were ₹ 4.15 billion for the year up from ₹ 870 million a year ago led by Business Loans & Gold Loans to MSMEs. The Assets under Management increased to ₹ 3.06 billion which marks a 3x increase of FY 21.

Pre-tax earnings of ₹ 106.7 million for the full fiscal year 2022, translates to earnings growth of 976% year over year with a 3.6% ROA.

With substantially higher disbursements of ₹ 4.15 billion, revenues were up 187% year over year to ₹ 701 million up from ₹ 244 million in the previous year. This was led by very strong interest income growth up 272% year over year to ₹ 455 million from ₹ 122 million in fiscal 2021.

While our loan book has risen by almost 3x over the last 1year to ₹ 3.06 billion, more importantly, the customer count has increased by almost 6x to 33,427 customers. Today, that number is up to almost ~50,000 borrowers.

The product composition of our loan book today is 49% in MSME business loans, 40% in gold loans, 6% in loans against property and 5% in personal loans.

**(₹ In Lakhs)**

| Financial Summary | Financial Year Ended | |
|---|---|---|
| | Mar-22 | Mar-21 |
| Total Gross Revenue | 7,005.65 | 2,441.98 |
| Interest Income | 4,546.75 | 1,222.83 |
| Interest Expense | 2,435.24 | 423.13 |
| Net Interest income | 2,111.51 | 799.70 |
| Non-Interest Income | 2,458.90 | 1,219.15 |
| Total Net Revenue | 4,570.41 | 2,018.85 |
| Profit Before Tax | 1,067.69 | 173.51 |
| Profit After Tax | 737.21 | 68.45 |

## 4. Key Development in NBFC Sector

Reserve Bank of India had released their Scaled Based Regulation (SBR): A Revised Regulatory Framework for NBFCs in October 2021. Your Company is in the base layer and therefore needs to comply with 90+ day NPA recognition in a scaled manner until March 2026.

Despite this available time frame, the Company as an institution has taken a call to comply with the regulation from the second quarter of FY 2021-22.

The Company plans its business and sets targets for its growth with a watchful eye on unfolding regulations while also keeping itself abreast with dynamic regulatory norms and prevailing industry practices.

## 5. Technology Enabled Lending

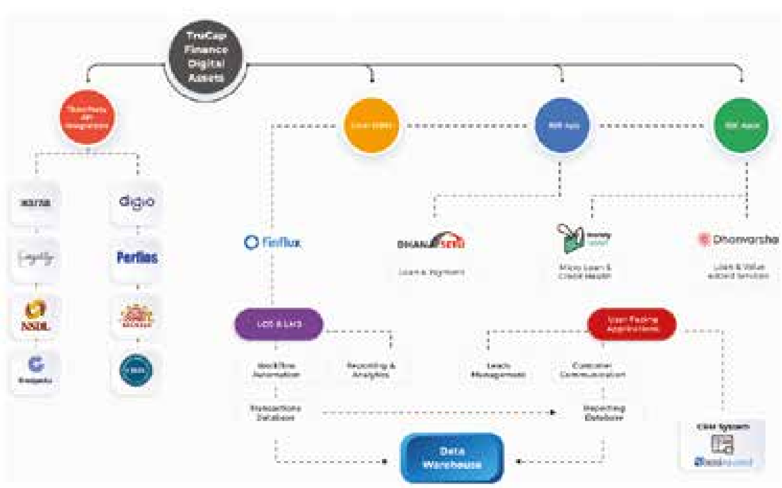
Substantial scale up in digital stack, we believe, will be a game changer for us in the MSME space, where we expect substantial customer acquisition and data intelligence in future periods.

In the last year, we have deployed a fully integrated loan origination and management system, "Finflux". This newly integrated LOMS has customizable workflows for different products and has an open architecture for any third-party API integrations. The LOMS also has an automated credit decisioning mechanism which runs multiple business rule engines simultaneously to provide final eligibility for the borrower. This has helped us move from a subjective to an objective approach in underwriting with a final over lay of human assessment.

Finflux with the help of Dhansetu which is our B2B channel partner platform has a mechanism of pre-qualification that ensures junk leads are weeded out of the system at an initials page, thereby enhancing productivity and turnaround time.

Finflux is helping us to achieve complete digitization of document collection, also helps us to leverage various digital platforms and partnerships to enhance Company's product positioning, so we can process substantially higher volumes and increase productivity.

All the technology deployment being undertaken, are keeping true to our requirements as stated by Reserve Bank of India, and to ensure end to end data protection.



## 6. Omni Channel Distribution

The customers of the Company today access the products of the Company through the dedicated website for loans https://trucapfinance.com as well as our channel partner app and our consumer app. In addition to these digital assets, we have also built a branch network and as on June 2022, we have 57 branches pan India. The central idea is to enable the consumers of the Company to interact with the Company through any channel of their choice.


## 7. Outlook

Just when the COVID-induced uncertainty was slowly abating and the Indian economy was moving towards full normalcy, severe geopolitical tensions erupted, clouding not just global but India's growth outlook as well. The Russian invasion of Ukraine in February 2022, led to a sharp surge in energy/other commodity prices and consequent de-anchoring of inflationary expectations and monetary policy tightening and China's economic slowdown have amplified downside risks to global growth-inflation dynamics.

India's economic recovery from the pandemic depths has been sustained in FY 2021-22 and the momentum is expected to broadly continue in FY 2022-23, though with risks to downside from the geopolitical shock and its spillovers.

Despite these risks, the recovery is getting entrenched and is broadening. The Reserve Bank of India has shared its FY 23 real economic growth projection for the country at 7.2%.

The Union Budget for FY 2022-23 envisioned the roadmap for 'India at 100', with a focus on demand side measures.

For the MSME sector, the ECLGS has been extended up to March 2023 with the guarantee cover expanded by ₹ 500 billion to a total cover of ₹ 5 trillion, the additional amount being earmarked exclusively for hospitality and related enterprises.

Overall consumer and business confidence remains resilient in spite of the third wave on the back of the accelerated pace of vaccination and better prospects for economic activity. A full recovery in aggregate demand is, however, contingent on a turnaround in private investment.

## 8. Risks and Concerns

The Company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the Asset Liability Management Committee to manage these risks. This team identifies, assesses and monitors all principal risks in accordance with defined policies and procedures. The Risk Management committee is headed by the Chairperson of the Company. The Board level committees viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures. It reviews credit and operational risks while the Asset Liability Management Committee reviews policies in relation to investment strategy and other risks like interest rate risk and liquidity risk.

## 9. Internal Control Systems and their adequacy

In recent quarters, we have also introduced several additional risk governance and policy measures to further monitor credit risks at the entity level covering credit, liquidity, solvency information security and financial risks. Rigorous reviews of infant and non-starter portfolio, including revised allocation of such infant cases to sales and credit, as opposed to earlier, only with the collections team.

In terms of audit controls with an objective to assess branch performance and internal controls, the audit team has designed and implemented a brand charter and branch score card which is a measuring, scoring and rating mechanism to give regular feedback to the field sales team on branch operations and functioning. This scorecard includes various risk and performance indicators against which branch performance and adherence towards regulatory and Company policies and processes are assessed.

Lastly, the risk team along with the management, also monitors business unit and branch level profitability on a monthly basis for efficient capital allocation.

## 10. Material Developments in Human Resources/Industrial Relations Front, including number of people employed

The Company aims to attract, develop, motivate, upskill, and retain diverse talent, that is critical for its continued success. The Company's talent management strategy seeks to maximize the potential of every employee by creating a purpose-driven, inclusive, stimulating, and rewarding work environment, delivering outstanding employee experience, while fueling business growth.

In FY 2022, the Company has increased its presence and outreach across the country and has ensured to identify, engage, and hire the best talent with the right competencies required by the business at the right time to promote future business growth. The Company inspires its employees with meaningful work and passionate teams, enabling them to find purpose and make an enduring impact; Ensure that the employees are continuously learning and progressing in their careers and shaping the collective future; Create opportunities for every employee to navigate further, powered by the culture and partnered by other colleagues with shared aspirations.

Putting employee safety and wellbeing as a paramount objective, the Company has provided pandemic assistance and outreach through an enhanced Group Mediclaim Insurance policy. The Company took the responsibility to vaccinate all its employees and their families by partnering with vaccination providers and local authorities to execute this task. All employees were also provided with timely free COVID 19 tests to ensure maximum safety of them and their families. The future workplace looks headed to a hybrid work model. Flexibility of location and time will be key to attract and retain talent. Hence, the Company has provided flexibility of work from home/ offices for all its new and existing employees.

The Company promotes a value-driven culture, progressive HR policies, and philosophy of investing in people and empowering them. As a part of the Employee Engagement & Retention program, the Company organized a Dhanvarsha Cricket League for all its employees from across all branches increasing the camaraderie between all levels of employees across functions. It is also essential to take timely feedback from all employees on the policies and procedures of the Company to understand the satisfaction levels of every employee and accordingly make enhancements. The Company has conducted timely employee satisfaction surveys and ensured that every employee feels that he/she is the part of the ecosystem. As a part of employee health and welfare program, health check-up camps were organized for all its employees, promoting a healthy work lifestyle.

The Company is committed to providing a positive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of the Code of Conduct for all employees. The Company strives to inculcate and reiterate gender equality in all its processes and businesses. The Company in partnership with global trainers had organized training programs on 'gender neutral sourcing policy for lending' for all its employees. To promote gender equality, the Company has also ensured that a woman employee is hired across all its branches based on the availability of competent talent.

In partnership with a nutrition start-up, the Company had organized a women health workshop to promote the importance of work life balance along with a focus on healthy lifestyle for all working women.

Your Company had 270 employees on its payroll as on March 31, 2022.

## 11. Material Financial & Commercial Transactions Involving Senior Management

The Company has in place a Code of Corporate Governance which stipulates that senior management personnel shall make disclosures to the Board of Directors of the Company regarding any material, financial and/or commercial transactions in which they are interested which may have a potential conflict with the interest of the Company.

## 12. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios

As per the provisions of the Listing Regulations, the key financial ratios are given below:

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Interest Coverage Ratio | 1.44 | 1.41 |
| Debt Equity Ratio | 1.65 | 0.81 |
| Net Profit Margin (%) | 10.52 | 2.80 |

**Notes:**

1. *Debtors' turnover, inventory turnover, current ratio and operating profit margin are not relevant for the Company.*

2. *Significant change i.e. 25% or more over previous year in (a) debt equity ratio is attributable to increase in debt from ₹8052.83 Lakhs to ₹28,647.66 Lakhs and (b) net profit margin (%) is attributable to increase in revenue from ₹2441.98 Lakhs to ₹7005.65 Lakhs and Increase in net profit from ₹68.45 Lakhs to ₹737.21 Lakhs.*

**Cautionary Statement**

The statements made in this report describing the Company's expectations and estimations may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expressed or implied in this report due to the influence of factors beyond the control of the Company. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Readers are cautioned not to place undue reliance on the forward-looking statements.

# Business Responsibility Report

Being an expanding NBFC with aspirations to build products that serve the need of under-served and unserved borrowers, TruCap Finance Limited (formerly Dhavarsha Finvest Limited) (**"TruCap/Company"**) is a sustainability driven financial institution to apply Environmental Social and Governance **("ESG")** framework and sustainability as a guiding principle for growth. Our business verticals design processes keeping in mind, the delivery of services to the last mile customer and semi-digitally literate population of are country. We have begun taking measures that will allow us to measure environmental, social and governance impact metrics through the delivery of our products, processes and services.

TruCap assess the impact of its business through the lens of UN Sustainable Development Goals (UN-SDGs) spanning Environmental, Socio-Economic and Governance metrics. This is a top-down effort to align our expanding team to deliver their service through a responsible mechanism, where interests of the customers and stakeholders are held as primary. Responsible business practices are defined as business operations that effectively pursue sustainable economic growth for us and our stakeholders.

In line with our philosophy of building social capital, guided by the principle of Lending Hand-Heart-Hand, our report will lay down the responses to the practices and performance on few key principles defined by Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**). We will be sharing the initiatives and activities across major key performance indicators that are material to us and to our stakeholders. In adherence to the Listing Regulations, it is mandatory for the top 1000 listed entities (as per market capitalization) on BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**) to state a Business Responsibility Report (**"BRR"**) in their Annual Report.

In the last one year, we have taken efforts and initiatives to quantify impact through various business activities that are aligned with ESG goals. TruCap's ESG framework has been drafted after rigorous assessment spanning global ESG standards and India-specific alterations to address our unique challenges effectively through product, policy or process interventions. A prominent consulting firm handheld TruCap to add nuance to the development of the ESG framework, refining the key performance metrics and planning an implementation roadmap to ensure that our goals evolve alongside business growth.

In line with unprecedented macro-events & newer challenges, we will have no control, except to build a response strategy to address the issues at hand in an agile manner and minimize or avert negative impact, if any. These emerging challenges also present us an opportunity to assess the efficiency of our operations and build controls and crisis response strategy to build a better business and run prudent measures aimed to build value for our stakeholders.

In the last one year, we have spear-headed initiatives to promote credit access and financial inclusion by onboarding new-to-credit users with a bouquet of products and services to suit their unique needs. We strive to ensure that financial inclusion is meaningful for our customers by holding training sessions where they are sensitized to conduct the transaction and conversation with empathy while maintaining factual correctness. We have conducted training sessions for senior management, middle management and front line staff led by a leading development finance institution, aimed towards evolving communication, sales outreach and retention to promote gender inclusion. We are hopeful to make meaningful contribution towards building a better, safer and sustainable financial products, which aims to include millions of Indians within the ambit of financial services.

On an endnote, we would like to re-emphasize our motto that 'every crisis is an unprecedented opportunity and challenge to fix the system'. In the last two years we have responded with multiple business strategies to address challenges and evolve robust control mechanisms in our business. We are committed towards building a sustainable business on a strong backbone of ESG ethics, especially in terms of financial inclusion, diversity and equality, strong dignity of labour practices, fair business policies and working towards health and wellness of our employees. We strive to respond to demands of a dynamic workplace with sincere pride in building an ESG driven responsible business to shape a sustainable future.

**Key ESG Focus:**

**The 8-pillars approach to build responsible and sustainable business for the stakeholders.**

1. Covid-19 Initiatives
2. Financial Inclusion
3. Responsible Lending
4. Customer Satisfaction
5. Employee Well-being
6. Diversity and Equal Opportunity
7. Governance and Business Ethics
8. Stakeholder Engagement

## Section A: General Information about the Company

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L24231MH1994PLC334457 |
| 2. | Name of the Company | TruCap Finance Limited (formerly Dhanvarsha Finvest Limited) (**"TruCap"** or **"Company"**) |
| 3. | Registered address | 3rd Floor, A Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai - 400 069, Maharashtra |
| 4. | Website | www.trucapfinance.com |
| 5. | E-mail ID | corpsec@trucapfinance.com |
| 6. | Financial Year reported | April 01, 2021 – March 31, 2022 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | **NIC Code:** K; **Group:** 649; **Description:** Other financial service activities, except insurance and pension funding activities |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | The Company is engaged in lending business, offering financing through varied loan products such as loan against collateral of gold, business loans etc. |
| 9. | Total number of locations where business activity is undertaken by the Company | 57 |
| 10. | Markets served by the Company – Local/ State/National/International | National |

## Section B: Financial details of the Company:

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Paid up Capital (₹ in lakhs) | 1,776.78 |
| 2. | Total Turnover (₹ in lakhs) | Consolidated – 7,598.20<br>Standalone – 7,005.65 |
| 3. | Total Profit after Taxes (₹ in lakhs) | Consolidated – 398.48<br>Standalone – 737.21 |
| 4. | Total Spending on Corporate Social Responsibility **("CSR")** as percentage of profit after tax (%) | Not Applicable |
| 5. | List of activities in which expenditure in 4 above has been incurred | Not Applicable |

During the financial year 2021-2022, the Company was not required to comply with the requirement of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. However, the Company has constituted CSR committee in compliance with the extant regulations.

## Section C: Other Details

**1. Does the Company have any subsidiary company/companies?**

Yes, the Company has a wholly owned subsidiary viz. DFL Technologies Private Limited.

**2. Do the subsidiary company/companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

Yes, DFL Technologies Private Limited, wholly owned subsidiary company participates in the BR activity of the Company.

**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: BR Information

**1. Details of Director/Directors responsible for BR:**

**(a) Details of the Director/Directors responsible for implementation of the BR policy/policies.**

The following members of the BR Committee are collectively responsible for implementation of the BR polices of the Company:-

| Sr. No. | Name | Designation | DIN |
|---|---|---|---|
| 1. | Mr. Rakesh Sethi | Independent Director, Chairperson | 02420709 |
| 2. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | 08204049 |
| 3. | Mr. Rohanjeet Singh Juneja | Managing Director & CEO | 08342094 |

**(b) Details of the BR head**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | DIN | Not Applicable |
| 2. | Name | Ms. Priyanka Singh |
| 3. | Designation | Chief Impact Officer |
| 4. | Telephone Number | +91 22 2826 4295 |
| 5. | E-mail ID | priyanka.singh@trucapfinance.com |

**2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy/policies (reply with Yes/No)**

**(a) Details of compliance**

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs (MCA) advocates the nine principles detailed below:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses are as follow:

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies for .....? | Y | NA (Refer note 1) | Y | Y | Y | NA (Refer note 5) | NA (Refer note 6) | NA (Refer note 7) | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | NA | Y | Y | Y | NA | NA | NA | Y |

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 3. | Does the policy conform to any national/ international standards? If yes, specify? | The policies adopted by the Company are in conformity with the applicable rules and regulations. | | | | | | | | |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director? | Policies wherever stated have been approved by the Board/Committee of the Board/Senior Management of the Company and followed by the Company. | | | | | | | | |
| 5. | Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Y | NA | Y | Y | Y | NA | NA | NA | Y |
| 6. | Indicate the link for the policy to be viewed online | As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company i.e., www.trucapfinance.com | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | NA | Y | Y | Y | NA | NA | NA | Y |
| 8. | Does the Company have in-house structure to implement the policy/policies? | Yes, the Company has an in-house structure under the supervision of the management, where each business function is responsible for the implementation of the policies. These functions are headed by respective functional heads, who manage and review the policies regularly. Further, the Company has constituted various Committees to oversee the implementation of these policies. | | | | | | | | |
| 9. | Does the Company have a grievance redressal mechanism related to the stakeholders' grievances related to the policy/policies? | Y | NA | Y | Y | Y | NA | NA | NA | Y |
| 10. | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | NA | Y | Y | Y | NA | NA | NA | Y |

**Notes:**

1. *The Company is into financial services business and many metrics of the principles listed above would have limited applicability. However, the Company complies with all applicable regulations in respect of its operations.*
2. *The Company has adopted various employee-oriented policies covering areas such as employee benefits, Whistle Blower mechanism, Prevention of Sexual Harassment Policy and Code of Conduct for employees at the workplace as per applicable laws.*
3. *The Company has prescribed processes to achieve the objectives described under this principle.*
4. *The Company has put in place Code of Conduct which focuses on best employment practices. The Code of Conduct is in adherence to the regulatory and business requirements. The said Code of Conduct is made available on the website of the Company i.e. www.trucapfinance.com.*
5. *The questions relating to Principle 6 are not substantially relevant to the Company given that the Company operates into the financial service sector. The Company complies with the applicable environmental norms in respect to the areas of its operations. The Company along with its employees make continues efforts to ensure that there is an optimum utilization of the available resources with minimum or no wastages at all.*
6. *Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.*
7. *As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, every company having net worth of ₹500 crores or more or turnover of ₹1000 crores or more or net profit of ₹5 crores or more during immediately preceding financial year shall ensure that it spends, in every financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The said requirement is not applicable to the Company for the financial year 2021-22.*
8. *All policies and processes are subject to internal audit and internal reviews from time to time.*

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | The Company has not understood the Principles | | | | | | | | | |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |
| 5. | It is planned to be done within the next 1 year | | | | | | | | | |
| 6. | Any other reason (please specify): | | | | | | | | | |
| (a) | The Company is into Financial Services and hence this principle has a limited applicability. | | ✓ | | | | | | | |
| (b) | The questions relating to Principle 6 are not substantially relevant to the Company given that the Company operates into the financial services sector. | | | | | | ✓ | | | |
| (c) | The Company does not fulfill the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014. Hence the said requirement is not applicable to the Company for the financial year 2021-22. | | | | | | | ✓ | | |
| (d) | Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company. | | | | | | | | ✓ | |

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, committee of the Board or CEO assesses the BR performance of the Company – Within 3 months, 3-6 months, annually, more than 1 year.**

The Business Responsibility Report is reviewed annually by the Board of Directors of 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?**

This Business Responsibility Report of the Company will be a part of the Annual Report for the financial year 2021-22. The same will also be available on the website of the Company i.e. www.trucapfinance.com.

## Section E: Principle-Wise Performance

### Principle 1

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organization. The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through its Code of Conduct, has adopted a 'zero tolerance' approach to bribery and corruption. The Code of Conduct is applicable to the Directors and employees of the Company as well as the Directors and employees of the subsidiary company.

The ethics form a core part of the Company's core principles. Moreover, the Company has a separate Whistle Blower Policy. Further, the Company is abided to take suitable action, if any, fraud has been communicated by the auditors of the Company. The Company in order to have an ethical business model of working also emphasis on non-cash transaction. The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training, conducts seminars for employees to abide by the Company's policies in true spirit.

**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, in about 50 words or so.**

During the financial year 2021-22, the Company has received one complaint pertaining to alleged loss of share certificate. The Company has appropriately replied to the same.

With respect to employees, the Company has a mechanism as provided under the Whistle Blower Policy/Prevention of Sexual Harassment Policy whereby employees can raise their concerns. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

Any complaints received from customers directly or through various regulators in the ordinary course of business are handled by a grievance redressal team or operations and legal team as per applicability and the resolved the same is within the prescribed timelines as required under various regulations.

**Principle – 2**

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

Considering the nature of business of the Company, the said principle may not be strictly applicable to the Company. However, the Company is committed to undertake endeavours to the best of its capability to serve the socio-economic opportunities through its products such as MSME Loans, Loans against collateral of Gold for businesses and retail clients.

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

Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

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

   Not Applicable.

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

   Please refer to the response under Principle 6. Since, the Company is not involved in manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, the information pertaining to various measures adopted by the Company in relation to conservation of energy are provided in **"Annexure-V"** to Director's Report.

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

The Company being a financial service company does not have any goods and raw material utilisation as part of its products and services. The Company's major material requirements are related to office infrastructure, administration and IT related equipment and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

**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 wherever practically possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronizing them to supply/provide different services required by the Company for its day-to-day administration/ operation.

**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%). Also, provide details thereof, in about 50 words or so.**

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste. Also, the old papers and documents are scrapped in such a manner that they may be recycled.

**Principle – 3**

Building and enhancing the talent pool has always been a top priority initiative. The Company has been successful in attracting varied talent that brings sound expertise, new perspectives and enthusiasm to the job. We have adopted various policies, procedures, manuals and conducted various training programs, throughout the year, for the protection and welfare of the employees. The Company promotes work-life balance approach. The Company has taken various initiatives for the welfare of the employees like leaves, insurance coverage, health checkups, off sites etc.

**1. Please indicate the total number of employees?**

The total number of employees of the Company as on March 31, 2022, is 270.

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis?**

The total number of employees hired on temporary/contractual/casual basis is 16.

**3. Please indicate the number of permanent women employees?**

The total number of permanent women employees is 60.

**4. Please indicate the number of permanent employees with disabilities?**

There are no employees with disability in the Company. However, the Company provides equal opportunity to all and does not discriminate on the basis of disabilities.

**5. Do you have an employee association that is recognized by management?**

No. However, mechanisms are in place for employees to represent their issues, if any, and the same are resolved amicably.

**6. What percentage of your permanent employees are members of this recognized employee association?**

Not Applicable.

**7. 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 end of the financial year.**

| Sr. No. | Category | Number of complaints filed during the financial year | Number of complaints pending as on end of the financial year |
|---|---|---|---|
| 1. | Child labour/forced labour/ involuntary labour | The Company does not support child labour, forced labour or involuntary labour.<br>There is no reported case of child labour, forced labour or involuntary labour. | Not Applicable |
| 2. | Sexual harassment | Nil | Nil |
| 3. | Discriminatory employment | Nil | Nil |

**8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

The Company is taking continuous efforts in providing various platforms to all its employees (permanent, casual, contractual, temporary) to upgrade their innate skills and learn new things.

(a) Permanent Employees

All the permanent employees of the Company (including women employees) have received training during the year. Employees undergo fire drill and fire safety training and other skill upgradation training every year.

(b) Permanent Women Employees

All the permanent women employees of the Company have received training during the year.

(c) Casual/Temporary/Contractual Employees

All the casual/temporary/contractual employees have undergone fire drill and fire safety training and other skill upgradation training during the year.

(d) Employees with Disabilities

The Company did not have any employee with disabilities in employment during the year.

**Principle – 4**

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

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.**

   The Company engages with each of its stakeholders through a variety of forums and platforms. The Company was formed with a vision to empower, with financial access, the unserved and under-served entrepreneurs of India. The mission is to not just achieve broad-based financial inclusion. It is to achieve financial inclusion with a greater social purpose – to build social capital.

**Principle - 5**

1. **Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company follows the Code of Conduct which covers employees of the Company. In addition, the Company's Whistle Blower program covers all its internal and external stakeholders.

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

   Please refer response to question number 2 under Principle 1.

**Principle - 6**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiary are in compliance with applicable environmental regulations.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   As an environmentally responsible corporate, the Company has been striving towards imbibing green sustainable products, processes, policies and practices. Energy conservation measures such as installation of energy efficient equipment are some of the key initiatives undertaken by the Company. The Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment. The Company emphasizes on reducing dependency on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

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

   Since the Company is not a manufacturing entity, the above question is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   As mentioned above, the Company participates in several initiatives in the area of environment and sustainability. The Company has also taken several measures to minimise our environmental impact due to business travel. These measures include carpooling, audio-video conferencing facilities at all major offices. The Company has also moved to digitalisation platform wherein the Company saves on paper and stationery.

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

   Since the Company is not a manufacturing entity, the above question is not applicable.

**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.**

Nil.

**Principle - 7**

**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.**

No.

**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).**

No.

**Principle - 8**

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

Not Applicable. However, the Company has expanded its reach to Tier 2 and Tier 3 cities in different states of India through its financial inclusion centers and experiential outlets to impart knowledge of financial services and improve the access affordable financial products. In these initiatives, the Company engages with local talent at multiple levels. Moreover, the Company nurtures local talent through innovative hiring, training and upskilling efforts to ensure that community engagement is geared towards building social capital and promoting community well-being within the scope of a financial service company.

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

Not Applicable.

**2. Have you done any impact assessment of your initiative?**

Not Applicable.

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

Not Applicable.

**4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Not Applicable.

**Principle - 9**

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

The Company has no unresolved consumer case(s). Customer complaints have a defined time to resolve as per internal policies and regulatory requirement as applicable in usual course of business and there are dedicated resources to resolve complaints as and when they are received. The Company and its subsidiary in their normal course of business resolve/reply to the customer grievances within the given timelines.

**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 (additional information).**

Since the Company is not a manufacturing entity, the above question is not applicable.

**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 the financial year? If so, provide details thereof, in about 50 words or so.**

No.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

In the normal course of the Company's services to customers, the customer service teams do ascertain the satisfaction of the customers as per the laid down systems and methodologies and also the management assesses the customer satisfaction level on important/critical areas from time to time. The Company conducted a customer satisfaction survey in the month of April 2022.

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Rohanjeet Singh Juneja** | **Rushina Mehta** |
| **August 10, 2022** | **Managing Director & CEO** | **Non-Executive Non-Independent Director** |
| **Mumbai** | **DIN: 08342094** | **DIN: 01042204** |

# Corporate Governance Report

This Corporate Governance Report (**"Report"**) of TruCap Finance Limited (formerly Dhanvarsha Finvest Limited) (hereinafter referred to as the "**Company**") for the financial year ended March 31, 2022, is prepared as per the provisions prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**).

In compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification/(s) or re-enactment/(s) thereof, for time being in force) (**"Act"**) and the Listing Regulations, this report covers the developments during the financial year ended March 31, 2022 and up to the date of the board meeting held on August 10, 2022 to approve this Report, in respect of the Company.

## 1. Company's Philosophy on Code of Governance

Your Company is committed to conduct its business in accordance with applicable laws, rules, and regulations. Your Company believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization.

The Company's philosophy on the corporate governance is based on the following principles:

- ➢ Integrity & ethics in all our dealings.
- ➢ Have a simple and transparent corporate structure driven solely by business needs.
- ➢ Be transparent with a high degree of disclosure & adequate control system.

The Company's philosophy is aimed at assisting the management of the Company in efficient conduct of business and in meeting its obligations to all its stakeholders. The Company aims at enhancing long term shareholder value through sound decisions. Further, it aims at achieving excellence in corporate governance by conforming to the prevalent guidelines on corporate governance and excelling in systems and controls through periodic review and improvements.

Your Company follows the provisions of Corporate Governance specified in the Listing Regulations. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholders' value on a sustained basis.

## 2. Board of Directors

### (a) Composition of the Board of Directors

As per the provisions of Regulation 17 of Listing Regulations, the Board of Directors of the Company has optimum combination of Executive and Independent Directors. The Board of Directors of the Company comprises of 9 (Nine) directors out of which 5 (Five) directors are Independent Directors, 3 (Three) are Non-Executive Non-Independent Directors and 1 (One) is an Executive Director. Mr. Rakesh Sethi, Independent Director is the Chairperson of the Board.

As on date, the composition of the Board of Directors of the Company comprises of the following:

| Category | Name of the Director |
|---|---|
| Independent Directors | Mr. Rakesh Sethi (DIN:02420709) (Chairperson) |
| | Mr. Krishipal Raghuvanshi (DIN:07529826) |
| | Mr. Nirmal Vinod Momaya (DIN:01641934) |
| | Ms. Abha Kapoor (DIN:01277168) |
| | Ms. Geetu Gidwani Verma (DIN: 00696047) |
| Non-Executive Non-Independent Directors | Mr. Rajiv Kapoor (DIN:08204049) |
| | Mrs. Rushina Mehta (DIN: 01042204) |
| | Mr. Atwood Porter Collins (DIN: 09239511) |
| Executive Director | Mr. Rohanjeet Singh Juneja (DIN: 08342094) |

**Brief profiles of the Directors**

The brief profile of the directors is available on website of the Company i.e. www.trucapfinance.com. The same is also mentioned in the introductory part of the Annual Report.

Further, the details pertaining to the directorship of the Directors as on the date of this Report in other listed companies is as under:

| Name of Director | Name of other Listed Companies | Category of Directorship |
|---|---|---|
| Mr. Rakesh Sethi | - | - |
| Mr. Krishipal Raghuvanshi | - | - |
| Mr. Nirmal Vinod Momaya | Camlin Fine Sciences Limited | Executive Director |
| Ms. Abha Kapoor | Quint Digital Media Limited | Independent Director |
| Ms. Geetu Gidwani Verma | United Breweries Limited | Independent Director |
| Mr. Rajiv Kapoor | - | - |
| Mr. Atwood Porter Collins | - | - |
| Mrs. Rushina Mehta | - | - |
| Mr. Rohanjeet Singh Juneja | - | - |

**Notes:**

1. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mrs. Minaxi Mehta as Non-Executive Non-Independent Director of the Company w.e.f June 10, 2021, liable to retire by rotation. The shareholders of the Company have at the 27th Annual General Meeting of the Company held on September 20, 2021, approved the same. Further, Mrs. Minaxi Mehta, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 17, 2022.*

2. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mr. Atwood Porter Collins as Non-Executive Non-Independent Director of the Company w.e.f July 31, 2021, liable to retire by rotation. The shareholders of the Company have at the 27th Annual General Meeting of the Company held on September 20, 2021, approved the same.*

3. *Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*

4. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved the appointment of Ms. Abha Kapoor as an Independent Director of the Company for a term of 5 (Five) consecutive years effective from March 30, 2022 till March 29, 2027 (both days inclusive). The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.*

5. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director w.e.f. March 30, 2022, liable to retire by rotation. The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.*

6. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved the appointment of Ms. Geetu Gidwani Verma as an Independent Director of the Company for a term of 5 (Five) consecutive years effective from May 31, 2022 till May 30, 2027 (both days inclusive). The shareholders of the Company have at the Extra-Ordinary General Meeting of the Company held on June 29, 2022, approved the same.*

7. *The Board of Directors of the Company has on recommendation of Nomination and Remuneration Committee, approved appointment of Mrs. Rushina Mehta as Non-Executive Non-Independent Director of the Company w.e.f. June 17, 2022, liable to retire by rotation.*

8. *Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.*

**(b) Matrix chart of core skills/expertise/competencies of the Board members**

Your Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and background. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board, reflects the diverse nature of the business environment in which the Company operates.

Pursuant to Listing Regulations, a matrix chart setting out the core skills/expertise/competencies of the Board is mentioned below:

| Sr. No. | List of core skills/ expertise/ competence | Mr. Rakesh Sethi | Mr. Nirmal Vinod Momaya | Ms. Abha Kapoor | Mr. Krishipal Raghuvanshi | Ms. Geetu Gidwani Verma | Mr. Rajiv Kapoor | Mrs. Rushina Mehta | Mr. Atwood Porter Collins | Mr. Rohanjeet Singh Juneja |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Industry experience and Knowledge | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Accounting & Finance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Capital Markets / Treasury | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Corporate Governance & Compliances | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Business Development and Strategy Planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. | Information Technology | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. | Risk Management System | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8. | CEO / Senior Management Experience / Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. | Marketing Experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 10. | Risk and Compliance oversight | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11. | Human Resource Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 12. | Stakeholders Relationship | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

**(c) Board Meetings and Directorship/Committee Membership(s) of Directors**

During the financial year 2021-2022, 6 (Six) meetings of the Board of Directors of the Company were held. These 6 (Six) meetings were held on June 10, 2021, August 13, 2021, September 30, 2021, November 01, 2021, February 14, 2022 and March 11, 2022. The maximum time gap between any two board meetings was less than 120 days.

As mandated by the Listing Regulations, none of the Directors on the Board of the Company is member of more than 10 (Ten) specified committees and none of the Director is a Chairperson of more than 5 (Five) specified committees in which they are directors across all the public limited companies except private limited companies, foreign companies, high value debt listed entities and companies incorporated under Section 8 of the Act. None of the Directors of the Company holds directorship in more than 7 (Seven) listed companies. None of the Independent Directors serve as non-independent director of any company, on the board of which any non-independent director is an independent director. The Company has received necessary disclosures from all the Directors regarding committee positions held by them in other companies. The table below gives the details of names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting (**"AGM"**), their Directorships, Committee Memberships and Chairmanships in Indian public limited companies. It excludes the directorships of private limited companies, foreign companies and Section 8 companies.

| Name of Director | Category | Attendance Particulars | | No. of Directorships and Committee Chairmanship/Membership (including the Company) | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Number of Board Meetings Attended | Last AGM | Directorship | Chairmanship in Listed companies | Directorship in Listed companies | Committee Chairmanship | Committee Membership |
| Mr. Rakesh Sethi | Independent Director-Chairperson | 6 | No | 3 | 1 | 1 | 0 | 0 |
| Mr. Nirmal Vinod Momaya | Independent Director | 6 | No | 5 | 0 | 2 | 1 | 2 |
| Mr. Krishipal Raghuvanshi | Independent Director | 6 | No | 1 | 0 | 1 | 0 | 1 |
| Ms. Abha Kapoor | Independent Director | - | No | 2 | 0 | 2 | 0 | 0 |
| Mrs. Manjari Kacker | Independent Director | 3 | Yes | 3 | 0 | 3 | 1 | 3 |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | 6 | Yes | 1 | 0 | 1 | 1 | 2 |
| Mrs. Minaxi Mehta | Non-Executive Non-Independent Director | 5 | No | 1 | 0 | 1 | 0 | 0 |
| Mr. Atwood Porter Collins | Non-Executive Non-Independent Director | 4 | No | 1 | 0 | 1 | 0 | 0 |
| Mr. Karan Neale Desai | Executive Director | 6 | Yes | 1 | 0 | 1 | 0 | 1 |
| Mr. Rohanjeet Singh Juneja | Executive Director | 6 | Yes | 1 | 0 | 1 | 0 | 0 |

**Notes:**

1. *Mrs. Minaxi Mehta was appointed as Non-Executive Non-Independent Director of the Company w.e.f. June 10, 2021. Further, Mrs. Minaxi Mehta resigned from the directorship of the Company w.e.f. close of business hours on June 17, 2022.*
2. *Mr. Atwood Porter Collins was appointed as Non-Executive Non-Independent Director of the Company w.e.f. July 31, 2021.*
3. *Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*
4. *Ms. Abha Kapoor was appointed as an Independent Director of the Company w.e.f. March 30, 2022.*
5. *The Board of Directors of the Company approved change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director w.e.f. March 30, 2022.*
6. *The Board of Directors of the Company approved the appointment of Ms. Geetu Gidwani Verma as an Independent Director of the Company w.e.f. May 31, 2022.*
7. *The Board of Directors of the Company approved appointment of Mrs. Rushina Mehta as Non-Executive Non-Independent Director of the Company w.e.f. June 17, 2022, liable to retire by rotation.*
8. *Mr. Karan Neale Desai resigned as Whole Time Director and Chief Business Officer of the Company w.e.f. close of business hours on June 30, 2022.*
9. *The Committees considered for the above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.*
10. *The membership count also includes the count in which the director is Chairperson.*
11. *No recommendation of any Committee which is mandatorily required to have Board approval in financial year 2021-22 was rejected/not accepted by the Board.*
12. *None of the Directors are inter-se related.*

The details of the board meeting(s) along with the attendance are given below :

| Dates on which Board Meetings were held | Total Strength of the Board | No. of Directors Present |
|---|---|---|
| June 10, 2021 | 7 | 7 |
| August 13, 2021 | 9 | 9 |
| September 30,2021 | 9 | 9 |
| November 01, 2021 | 8 | 8 |
| February 14, 2022 | 8 | 8 |
| March 11, 2022 | 8 | 7 |

**(d) Board Level Performance Evaluation**

The Nomination and Remuneration Committee of the Company has laid down the criteria for performance evaluation of the Executive Directors, Non-Executive Directors including Independent Directors and Committee of the Board and the Board as a whole. The criteria for performance evaluation is as under:

**For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes achievement of financial/business targets prescribed by the Board; developing and managing/executing business plans, operational plans, risk management and financial affairs of the organization; display of leadership qualities i.e. correctly anticipating business trends, opportunities and priorities affecting the Company's prosperity and operations; development of clear mission/vision statements, policies and strategic plans that harmoniously balance the needs of shareholders, clients, employees and other stakeholders; establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

**For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of the Non-Executive Directors, inter alia, includes participation at the Board/Committee meetings; commitment (including guidance provided to senior management outside of the Board/Committee meetings); effective deployment of knowledge and expertise; effective management of relationship with stakeholders; integrity and maintenance of confidentiality; independence of behaviour and judgment and impact and influence. In addition to the above parameters, which shall be common for evaluation to both Independent and Non-Executive Directors, an independent director shall also be evaluated on the following parameters:

(a) Exercise of objective independent judgment in the best interest of the Company;

(b) Ability to contribute to and monitor corporate governance practice; and

(c) Adherence to the code of conduct for independent directors.

**For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes development of suitable strategies and business plans at appropriate time and its effectiveness; implementation of robust policies and procedures; size, structure and expertise of the Board; oversight of the Financial Reporting Process including Internal Controls; willingness to spend time and effort to learn about the Company and its business; and awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

**(e) Disclosure from Board of Directors**

The Board does hereby confirm that in their opinion, the Independent Directors fulfil the conditions specified in Listing Regulations and the Act and rules made thereunder and are independent of the management.

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer (**"CFO"**) have made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is reproduced at the end of this report and marked as **Annexure- I**.

**(f) Code of Conduct**

The Board has laid down a Code of Conduct for all board members and senior management of the Company and it is uploaded on the website of the Company i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Code-of-Conduct.pdf

The Code of Conduct has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them. The declarations signed by the Managing Director of the Company as required under Listing Regulations is annexed herewith.

The Managing Director has also confirmed and certified the same.

**(g) Independent Directors**

The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the field of finance, management and public policy. The Independent Directors satisfy the criteria of independence as defined in the Listing Regulations and the Act. They perform the duties as stipulated in the Act.

Details of Appointment of the Independent Directors on the Board as on the date of this Report are as mentioned below:

| Sr. No. | Name of the Director | Date of Appointment |
|---|---|---|
| 1. | Mr. Rakesh Sethi | October 15, 2019 |
| 2. | Mr. Krishipal Raghuvanshi | August 24, 2018 |
| 3. | Mr. Nirmal Vinod Momaya | August 10, 2018 |
| 4. | Ms. Abha Kapoor | March 30, 2022 |
| 5. | Ms. Geetu Gidwani Verma | May 31, 2022 |

All appointments were made pursuant to the provisions of the Section 149 read with Schedule IV to the Act.

The Company has issued a formal letter of appointment to the Independent Directors containing their duties, terms and conditions of appointment. The same is also disclosed on the website of the Company i.e., www.trucapfinance.com. The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Act read with the Companies (Appointment and Qualification of the Directors) Rules, 2014, as amended from time to time.

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the Company and business model of the Company. This is also disclosed on the website of the Company i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Familiarization-Programmes.pdf

In compliance with the provisions of the Act and Listing Regulations, a separate meeting of Independent Directors of the Company was held on May 15, 2021, inter alia, to discuss the following:

- To review the performance of Non-Independent Directors, the various committees of the Board and the Board as a whole;
- To review the performance of the Chairperson of the Company; and
- To assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their overall satisfaction over the performance of other Directors and the Board as a whole.

The Independent Directors also expressed their satisfaction over the quality, quantity and timeliness flow of information between the Company's management and the Board/Committees of the Board from time to time and performance of the Chairperson of the Board. The Board of Directors of the Company appreciated the performance of the Executive Directors.

**(h) Information supplied to the Board/Committees**

The Company Secretary prepares the agenda in consultation with the Chairperson of the Board of Directors and the Chairperson of various Committees. The agenda of the meeting inter-alia includes the information as specified to be provided under Part–A of Schedule II to the Listing Regulations.

The Listing Regulations are made available to the Board. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, presentation and papers are circulated well in advance of the meetings to enable the Board and the Committees to deliberate and take informed decisions.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial results and the audited annual financial statements, annual operating plans and budgets, minutes of meetings of audit committee and other committees of the Board. It monitors overall operating performance and reviews such other items which require special attention of the Board of Directors of the Company. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the applicable laws and regulations.

## 3. Committees of the Board

In terms of the Act, Listing Regulations and Master Directions issued by Reserve Bank of India (**"RBI"**), the Board of Directors has constituted various Committees. The composition of the various Committees along with their terms of reference are as under:

### (a) Audit Committee

The composition, role and powers of the Audit Committee meet the requirements of Part C of Schedule II with reference to the Listing Regulations and Section 177 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended.

As on March 31, 2022, the Audit Committee comprised of the following Independent Directors:

(a) Mr. Nirmal Vinod Momaya, Independent Director, Chairperson

(b) Mr. Krishipal Raghuvanshi, Independent Director, Member

(c) Mr. Rajiv Kapoor, Non-Executive Non-Independent Director, Member.

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

Mr. Nirmal Vinod Momaya, Independent Director of the Company and Chairperson of the Audit Committee is a Chartered Accountant by profession. Mr. Nirmal Vinod Momaya and Mr. Krishipal Raghuvanshi, members of Audit Committee are Independent Directors of the Company. All the members of the Audit Committee are financially literate and possess accounting and financial management expertise.

The Board has delegated the following powers to the Audit Committee: -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

The broad terms of reference of the Audit Committee are:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (a) matters required to be included in the Director's Responsibility Statement, have been included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by the management;
   (d) significant adjustments made in the financial statements and information arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions;
   (g) modified opinions on the draft audit report.
5. reviewing with the management, the quarterly financial statements before submission to the Board for its approval;

6. reviewing with the 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 appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. looking 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;
18. reviewing the functioning of the Whistle Blower Mechanism;
19. approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary company exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including loans/advances/investments existing as on the date of coming into force of this provision; and
22. reviewing the following information:
    (1) Management Discussion and Analysis of the financial condition and results of operations;
    (2) Statement of significant related party transactions submitted by the management;
    (3) Management letters/letters on internal control weaknesses issued by the statutory auditors;
    (4) Internal audit reports relating to internal control weaknesses;
    (5) The appointment, removal and terms of remuneration of the chief internal auditor; and
    (6) Statement of deviations:
        (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations.
        (b) Annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.

During the year under review, the Audit Committee of the Company met 4 (Four) times on June 10, 2021, August 13, 2021, November 01, 2021 and February 14, 2022. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The details of attendance of each Member of the Committee at the aforesaid Meeting(s) are given below:

| Name of the Member | Category of Directorship | Designation | No. of Meetings held | No. of Meetings Attended |
|---|---|---|---|---|
| Mr. Nirmal Vinod Momaya | Independent Director | Chairperson | 4 | 4 |
| Mr. Krishipal Raghuvanshi | Independent Director | Member | 1 | 1 |
| Mrs. Manjari Kacker | Independent Director | Member | 2 | 2 |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | Member | 4 | 4 |
| Mrs. Minaxi Mehta | Non-Executive Non-Independent Director | Member | 2 | 2 |

**Notes:**

(a) ***Mr. Krishipal Raghuvanshi, Independent Director ceased as member of the Audit Committee w.e.f. June 10, 2021 and was re-appointed as member of the Audit Committee w.e.f. March 30, 2022.***

(b) ***Mrs. Minaxi Mehta, Non-Executive Non-Independent Director of the Company appointed as member of the Audit Committee w.e.f. June 10, 2021 and ceased to be member of the Audit Committee w.e.f. March 30, 2022.***

(c) ***Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.***

(d) ***Mr. Rajiv Kapoor, Independent Director has been re-designated as Non-Executive Non-Independent Director of the Company w.e.f. March 30, 2022.***

Audit Committee meetings are attended by the Managing Director & Chief Executive Officer, Chief Financial Officer of the Company and representatives of the Statutory Auditors and Internal Auditors, if required.

Due to certain unavoidable circumstances, Mr. Nirmal Vinod Momaya, Chairperson of the Audit Committee was not present at the last AGM of the Company held on September 20, 2021, however, Mrs. Manjari Kacker, Member of the Audit Committee was present at the last AGM of the Company to reply to the queries raised by the shareholders of the Company.

**(b) Nomination and Remuneration Committee**

The composition, role and powers of the Nomination and Remuneration Committee meet the requirements of Part D of Schedule II with reference to the Listing Regulations and Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended .

As on March 31, 2022, the Nomination and Remuneration Committee consists of the following Independent Directors:

(a) Ms. Abha Kapoor, Independent Director, Chairperson

(b) Mr. Rakesh Sethi, Independent Director, Member

(c) Mr. Nirmal Vinod Momaya, Independent Director, Member

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

The members of the Company at the 24th AGM held on September 28, 2018, based on the recommendation of the Board has instituted "Dhanvarsha ESOP Plan 2018" (**"ESOP 2018"**) to motivate, incentivize and reward employees.

The ESOP 2018 follows the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and as substituted by the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended (**"Employee Benefits Regulations"**).

The Nomination Remuneration Committee administers the ESOP 2018.

The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

2. To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

3. To ensure 'fit and proper' status and credentials of proposed/existing directors;

4. To formulate criteria for evaluation of performance of independent directors and the board of directors;

5. Review the performance of the Board of Directors and Senior Management employees based on certain criteria as approved by the Board of Directors of the Company. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short-term and long-term objectives of the Company;

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

7. Perform such other act, including the acts and functions stipulated by the Board of Directors, Act, RBI and any other regulatory authority, as prescribed from time to time.

During the year under review, the Nomination and Remuneration Committee of the Company met 3 (Three) times on June 10, 2021, September 30, 2021 and March 11, 2022. The necessary quorum was present at the meetings.

The details of attendance of each member of the Committee at the aforesaid Meeting(s) are given below:

| **Name of the Member** | **Position** | **Status** | **No. of Meetings held** | **No. of Meetings Attended** |
|---|---|---|---|---|
| Mrs. Manjari Kacker | Independent Director | Chairperson | 2 | 2 |
| Mr. Rakesh Sethi | Independent Director | Member | 3 | 3 |
| Mr. Nirmal Vinod Momaya | Independent Director | Member | 3 | 3 |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | Chairperson | 1 | 1 |
| Ms. Abha Kapoor | Independent Director | Chairperson | - | - |

**Notes:**

*(a) Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*

*(b) Mr. Rajiv Kapoor was appointed as chairperson of the Nomination & Remuneration Committee w.e.f. November 01, 2021. Further, Mr. Kapoor, Independent Director has been re-designated as Non-Executive Non-Independent Director of the Company w.e.f. March 30, 2022. Furthermore, Mr. Kapoor ceased to be the chairperson and member of Nomination & Remuneration Committee w.e.f. March 30, 2022.*

*(c) Ms. Abha Kapoor, Independent Director, has been appointed as member and chairperson of the Nomination & Remuneration Committee w.e.f. March 30, 2022.*

Mrs. Manjari Kacker, was present at the 27th AGM of the Company held on September 20, 2021. The Board of Directors of the Company has approved the Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

**I. <u>Nomination and Remuneration Policy</u>**

**I. <u>Appointment and removal of Directors, Key Managerial Personnel and Senior Management:</u>**

**1. <u>Appointment Criteria and Qualifications:</u>**

(a) A person being appointed as Director, Key Managerial Personnel (KMP) or in Senior Management should possess adequate qualification, expertise and experience for the position he/she is being considered for appointment.

(b) Independent Director:

(i) Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business and shall have fit and proper status for the proposed appointment.

(ii) Positive attributes of Independent Director:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his/her responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

**2. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations there under, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

**3. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**II. Remuneration:**

**1. Directors:**

(a) Executive Directors (Managing Director, Manager or Whole Time Director):

(i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) within the overall limits prescribed under the Act.

(ii) The remuneration shall be subject to the approval of the Members of the Company in general meeting as per the requirement of the Act.

(iii) The remuneration of the Manager/Chief Executive Officer/Managing Director/Whole Time Director is broadly divided into fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall consider the following:

- ➢ the relationship of remuneration and performance benchmark.
- ➢ balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.
- ➢ responsibility required to be shouldered, the industry benchmarks and the current trends.
- ➢ The Company's performance vis-à-vis the annual budget achievement and individual performance.

(b) Non-Executive Non-Independent and Independent Director:

(i) The Non-Executive Non-Independent and Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.

(ii) A Non-Executive Non-Independent and Independent Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

(iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.

(iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

(v) The total commission payable to the Directors shall not exceed prescribed limits as specified under the Act.

(vi) The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

**2. KMP & Senior Management Personnel:**

The remuneration of the KMP and Senior Management Personnel will be based on following guidelines:

(a) Maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.

(b) Compensation should be reasonable and sufficient to attract, retain and motivate KMP and Senior Management Personnel.

(c) Remuneration payable should comprise a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company.

(d) Remuneration shall also be considered in the form of long-term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**III. Evaluation:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

## II. Details of Remuneration paid to Directors during financial year 2021-22

**(Amount in ₹)**

| Name of the Director | Designation | Salary & Perquisite | Commission | Sitting Fees | Contribution to Provident Fund | No. of Stock Options | No. of equity shares held |
|---|---|---|---|---|---|---|---|
| Mr. Rakesh Sethi | Independent Director, Chairperson | - | 1,30,306 | 8,75,000 | - | - | - |
| Mr. Krishipal Raghuvanshi | Independent Director | - | 1,30,306 | 7,75,000 | - | - | - |
| Mr. Nirmal Vinod Momaya | Independent Director | - | 1,30,306 | 10,25,000 | - | - | - |
| Ms. Abha Kapoor | Independent Director | - | - | - | - | - | - |
| Mrs. Manjari Kacker | Independent Director | - | - | 5,50,000 | - | - | - |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | - | 1,30,306 | 9,75,000 | - | - | - |
| Mrs. Minaxi Mehta | Non-Executive Non-Independent Director | - | 1,30,306 | 7,00,000 | - | - | - |
| Mr. Atwood Potter Collins | Non-Executive Non-Independent Director | - | 1,30,306 | 4,00,000 | - | - | - |

| Name of the Director | Designation | Salary & Perquisite | Commission | Sitting Fees | Contribution to Provident Fund | No. of Stock Options | No. of equity shares held |
|---|---|---|---|---|---|---|---|
| Mr. Karan Neale Desai | Executive Director | 66,57,600 | - | - | 2,50,000 | 31,93,255 | 1,81,475 |
| Mr. Rohanjeet Singh Juneja | Executive Director | 64,83,996 | - | - | 2,50,000 | 33,25,000 | 50,000 |

**Notes:**

1. *As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.*
2. *Contribution to provident fund & gratuity payable is not included in the computation of the ceiling on managerial remuneration specified in Schedule V to the Act.*
3. *Mrs. Minaxi Mehta was appointed as Non-Executive Non-Independent Director of the Company w.e.f. June 10, 2021. Further, she has resigned w.e.f. June 17, 2022. Furthermore, the Board of Directors vide resolution passed by circulation on May 02, 2022 allotted 22,46,180 equity shares to Mrs. Minaxi Mehta upon conversion of the convertible warrants. Accordingly, she has been classified as Promoter of the Company.*
4. *Mr. Atwood Porter Collins was appointed as Non-Executive Non-Independent Director of the Company w.e.f. July 31, 2021.*
5. *Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*
6. *Ms. Abha Kapoor was appointed as an Independent Director of the Company w.e.f. March 30, 2022.*
7. *Mr. Rajiv Kapoor was re-designated from Independent Director to Non-Executive Non-Independent Director w.e.f. March 30, 2022.*
8. *Ms. Geetu Gidwani Verma was appointed as an Independent Director of the Company w.e.f. May 31, 2022.*
9. *Mrs. Rushina Mehta was appointed as Non-Executive Non-Independent Director of the Company w.e.f June 17, 2022.*
10. *The Board of Directors vide resolution passed by circulation on April 20, 2022, allotted 13,00,989 equity shares to Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer of the Company, upon conversion of the convertible warrants. Further, 31,93,255 employees stock options (including vested but not exercised and unvested options) have been surrendered, lapsed and hence cancelled. Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer of the Company resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.*
11. *The Board of Directors vide resolution passed by circulation on May 02, 2022 allotted 17,96,945 equity shares to Mr. Rohanjeet Singh Juneja, Managing Director and Chief Executive Officer ("CEO") of the Company, upon conversion of the convertible warrants. Further, as on date of this Report, Mr. Rohanjeet Singh Juneja, Managing Director and CEO of the Company holds 20,46,945 equity shares of the Company and 31,25,000 employees stock option (including vested but not exercised and un-vested options).*

## III. Remuneration to Non-Executive /Independent Directors

The Company is availing professional expertise of the Non-Executive Directors (including Independent Directors) through their participation in the Board/Committee meetings and are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings).

The Non-Executive Directors are paid sitting fees of ₹ 1,00,000/- (Rupees One Lakh only) per meeting for attending Board meetings and ₹ 50,000/- (Rupees Fifty Thousand only) per meeting for attending Committee meetings where they are members.

In addition, the Independent Directors are also eligible for commission as approved by the shareholders of the Company at the AGM held on September 28, 2018. The amount of commission is based on the overall financial performance and as decided by the Board of Directors of the Company. The Company has not granted any stock options to Non-Executive Independent Directors.

Apart from the above, no other remuneration is paid to the Non-Executive/Independent Directors. There are no pecuniary relationships or transaction of the Non-Executive Directors with the Company. The Company has obtained a Directors and Officers Liabilities Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company. None of the Independent Directors are holding any shares in the Company.

**(c) Stakeholders Relationship Committee**

The composition, role and powers of the Stakeholders Relationship Committee meets the requirements of Part D of Schedule II with reference to Regulation 20 of the Listing Regulations and Section 178(5) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

As on March 31, 2022, the Stakeholders Relationship Committee consists of the following members:

(a) Mr. Rajiv Kapoor, Non-Executive Non-Independent Director, Chairperson

(b) Mr. Krishipal Raghuvanshi, Independent Director, Member

(c) Mr. Karan Neale Desai, Executive Director Member

The Stakeholders Relationship Committee is entrusted with the responsibility of redressing the shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend and other queries/complaints, if any. This committee also oversees the performance of the Registrar and Share Transfer Agent of the Company relating to the investor services and recommends measures for improvement.

The broad terms of reference of committee are as under:

1. Approval of transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
2. Approval to issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Approval to issue new certificates against sub-division of shares, renewal, split or consolidation of share certificates /certificates relating to other securities;
4. Approval to issue and allot right shares/bonus shares pursuant to a Rights Issue/Bonus Issue made by the Company, subject to such approvals as may be required;
5. To approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors/stakeholders grievances;
7. Review of measures taken for effective exercise of voting rights by shareholders;
8. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
10. All other matters incidental or related to shares, debentures and other securities of the Company.

During the year under review, the Stakeholders Relationship Committee of the Company met 1 (One) time i.e., on May 15, 2021. The necessary quorum was present at the meeting.

The details of attendance of each member of the Committee at the aforesaid Meeting are given below:

| Name of the Member | Position | Status | No. of Meetings held | No. of Meetings Attended |
|---|---|---|---|---|
| Mrs. Manjari Kacker | Independent Director | Chairperson | 1 | 1 |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | Chairperson | 1 | 0 |
| Mr. Krishipal Raghuvanshi | Independent Director | Member | 1 | 1 |
| Mr. Karan Neale Desai | Executive Director | Member | 1 | 1 |

**Notes:**

*(a) Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*

*(b) Mr. Rajiv Kapoor, Independent Director, has been appointed as member of the Stakeholders Relationship Committee w.e.f. November 01, 2021 and further he has been re-designated as Non-Executive Non-Independent Director of the Company w.e.f. March 30, 2022.*

*(c) The Stakeholders Relationship Committee was re-constituted on May 30, 2022 and as on date, comprises of the following members:*

| ***Name of the Member*** | ***Position*** | ***Status*** |
|---|---|---|
| *Mr. Rajiv Kapoor* | *Non-Executive Non-Independent Director* | *Chairperson* |
| *Mr. Krishipal Raghuvanshi* | *Independent Director* | *Member* |
| *Mr. Rohanjeet Singh Juneja* | *Executive Director* | *Member* |

*(d) Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer ceased to be member of the Stakeholders Relationship Committee w.e.f. May 30, 2022.*

The Chairperson of the Stakeholders Relationship Committee was present at the 27th AGM of the Company held on September 20, 2021.

The name, designation and address of the Compliance Officer of the Company is as under:

| | |
|---|---|
| **Name and Designation** | Mr. Lalit Chendvankar, Company Secretary & Compliance Officer |
| **Registered Office Address** | 3rd Floor, A Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069 |
| **Contact No.** | Tel: +91 - 22 - 2826 4295<br>E-mail: corpsec@trucapfinance.com |

The Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

Status Report of investor queries and complaints for the period from April 01, 2021 to March 31, 2022 is given below:

| **Sr. No.** | **Particulars** | **No. of Complaints** |
|---|---|---|
| 1. | Investor complaints pending at the beginning of the year | 0 |
| 2. | Investor complaints received during the year | 2 |
| 3. | Investor complaints disposed off during the year | 2 |
| 4. | Investor complaints remaining unresolved at the end of the year | 0 |

No pledge has been created over the equity shares held by the promoters as on March 31, 2022.

**(d) <u>Risk Management Committee</u>**

The composition, role and powers of the Risk Management Committee meet the requirements of Part D of Schedule II with reference to Regulation 21 of the Listing Regulations.

As on March 31, 2022, the Risk Management Committee consists of the following members:

(a) Mr. Rakesh Sethi, Independent Director, Chairperson

(b) Mr. Nirmal Vinod Momaya, Independent Director, Member

(c) Mr. Rajiv Kapoor, Non-Executive Non-Independent Director, Member

(d) Mr. Rohanjeet Singh Juneja, Executive Director, Member

The broad terms of reference of the Risk Management Committee includes references made under Regulation 21 of the Listing Regulations and the Master Directions issued by RBI. The broad terms of reference of the Risk Management Committee are as under:

(a) Approve and periodically review the risk management policies of the Company;

(b) Review significant reports from regulatory agencies relating to risk management and compliance issues and management's responses.

(c) Policies and procedures establishing risk management governance, risk management procedures and risk control infrastructure for operations;

(d) Review and approve the Company's risk appetite statement on an annual basis and approve any material amendment to the risk appetite statement;

(e) Review and approve the contingency funding plan contained in the Company's funding program at least annually and approve any material revisions to this plan prior to implementation;

(f) Review significant risk exposures and the steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures, including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology (data-security, information, business-continuity risk, etc.) and risks associated with incentive compensation plans;

(g) Evaluate risk exposure and tolerance;

(h) Review and evaluate the Company's practices with respect to risk assessment and risk management;

(i) Review reports and significant findings of Risk and Compliance and the Internal Audit Department with respect to the risk management and compliance activities of the corporation, together with management's responses and follow-up to these reports;

(j) To evaluate various risks of the business and to draw out a risk management plan for the Company;

(k) To take steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis;

(l) To monitor and review risk management and mitigation plan of the Company;

(m) To inform board on the effectiveness of the risk management framework and process of risk management;

(n) To ensure that the credit exposure of the Company to any single/group borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the regulator; and

(o) To undertake such other function as may be mandated by the Board or stipulated by the Act, Securities and Exchange Board of India (**"SEBI"**), RBI and Stock Exchanges or any other regulatory authorities from time to time.

During the year under review, the Risk Management Committee of the Company met twice i.e., on June 11, 2021 and February 14, 2022. The necessary quorum was present at the meeting.

The constitution of the Risk Management Committee and details of attendance of each member of the Committee at the aforesaid Meeting of Committee as on March 31, 2022, is given below:

| Name of the Member | Position | Status | No. of Meetings held | No. of Meetings Attended |
|---|---|---|---|---|
| Mr. Rakesh Sethi | Independent Director | Chairperson | 2 | 2 |
| Mr. Nirmal Vinod Momaya | Independent Director | Member | 2 | 2 |
| Mr. Rajiv Kapoor | Non-Executive Non-Independent Director | Member | 2 | 2 |
| Mr. Rohanjeet Singh Juneja | Executive Director | Member | 2 | 2 |
| Mrs. Minaxi Mehta | Non-Executive Non-Independent Director | Member | 2 | 2 |

**Notes:**

1. *The Board of Directors of the Company approved change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director w.e.f. March 30, 2022.*
2. *Mrs. Minaxi Mehta, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on June 17, 2022.*

**(e) Corporate Social Responsibility Committee**

During the year under review, the requirement of compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, was not applicable to the Company.

However, since the net profit of the Company for the year ended March 31, 2022 is more than ₹ 5 crores, pursuant to the requirement specified in Section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and circulars and notifications issued by the Ministry of Corporate Affairs, a Corporate Social Responsibility (**"CSR"**) Committee was constituted in the board meeting of the Company held on May 30, 2022. The composition of CSR Committee is as under:

| Sr. No. | Name of the Member | Designation |
|---|---|---|
| 1. | Ms. Abha Kapoor | Independent Director, Chairperson |
| 2. | Mr. Rajiv Kapoor | Non-Executive Non-Independent Director, Member |
| 3. | Mr. Rohanjeet Singh Juneja | Executive Director, Member |

The Company has adopted a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy is provided on the Company's website at www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/CSR-Policy.pdf

Brief terms of reference/roles and responsibilities of the CSR Committee:

(a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act.

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).

(c) Monitor the CSR Policy of the Company from time to time.

(d) Update the Board on the implementation of various programmes and initiatives.

(e) Formulate and recommend to the Board for its approval, an annual action plan in pursuance to the CSR Policy.

(f) Such other powers to be exercised by the CSR Committee pursuant to circulars, notifications issued by Statutory & Regulatory Authorities from time to time.

**(f) Finance Committee**

As on March 31, 2022, the Finance Committee consists of the following members:

(a) Mr. Rohanjeet Singh Juneja, Managing Director & Chief Executive Officer, Chairperson

(b) Mr. Karan Neale Desai, Whole Time Director & Chief Business Officer, Member

(c) Mr. Mahendra Kumar Servaiya, Chief Credit & Risk Officer, Member

(d) Mr. Sanjay Kukreja, Chief Financial Officer, Member

The Finance Committee of the Company has the following key responsibilities such as to look into the borrowings, if any, to be made from fund and non-fund based limits for the business requirements of the Company, to authorize officers of the Company to open/operate/close bank accounts, to approve the grant and execution of power of attorneys to the officers of the Company, besides the other powers granted to it by the Board from time to time.

The broad terms of reference of the Finance Committee are as under:

(a) Review and approve availing loan facilities and borrowings within the limits approved by the shareholders under Section 180(1)(c) of the Act;

(b) Approve creating pledge/hypothecation/mortgage and/or charge on both movable and immovable assets within the overall limits approved by the shareholders under Section 180(1)(a) of the Act;

(c) Approve and designate representative(s) or officers to carry out the required documentation for the facilities approved by the Committee;

(d) Approve investment, disinvestment and re-investment of the funds of the Company as per the Investment Policy approved by the Board, from time to time;

(e) Approve allotment of securities of the Company and ancillary matters pertaining to the same;

(f) Issue of power of attorneys/delegation letter to the officials of the Company for various operational matters and to approve execution, signing, certify any agreement, Memorandum of Understanding, undertaking, document, deed and other writings in relation to the day-to-day matters and authorize officials in this regard;

(g) Approve officials of the Company to initiate legal action, sign documents/deeds/undertakings and other writings and represent the Company in litigation and settle any legal disputes in connections with any legal proceedings by or against the Company;

(h) Registration, renewal/continuation of registration and continuing compliance and observance of various provisions of Shops & Establishment, Act, 1948, Sales Tax, GST, Professional tax and such other legislations and rules, regulations and directions made or issued there under;

(i) Review the annual budget;

(j) Review the funding mix from time to time to ensure mitigation of risk concentration in terms of specific lender or lender class;

(k) Review of cash flows in comparison to the liquidity metric;

(l) Approve authorities to open, operate and close bank accounts and grant of authority to avail online payment gateway facility;

(m) Approve authorities to open, operate and close escrow accounts with banks and grant of authority to avail online payment gateway facility;

(n) Approve authorities to open, operate and close special accounts with banks and grant of authority to avail online payment gateway facility;

(o) Approve authorities to open, operate and close depository accounts with registered intermediary/depository participants of National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL);

(p) Review and approve execution/signing of indemnities and such other documents as may be necessary in favour of banks and financial institutions; and

(q) To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

During the year under review, the Finance Committee of the Company met 3 (Three) times on May 15, 2021, August 18, 2021 and February 21, 2022. The necessary quorum was present at the meeting.

The details of attendance of each member of the Committee at the aforesaid Meeting(s) are given below:

| **Name of the Member** | **Category** | **Status** | **No. of Meetings held** | **No. of Meetings Attended** |
|---|---|---|---|---|
| Mr. Rakesh Sethi | Independent Director | Chairperson | 2 | 2 |
| Mrs. Manjari Kacker | Independent Director | Member | 2 | 2 |
| Mr. Nirmal Vinod Momaya | Independent Director | Member | 1 | 1 |
| Mr. Krishipal Raghuvanshi | Independent Director | Member | 1 | 1 |
| Mr. Rohanjeet Singh Juneja | Executive Director | Chairperson | 3 | 3 |
| Mr. Karan Neale Desai | Executive Director | Member | 3 | 3 |
| Mr. Mahendra Kumar Servaiya | Chief Credit & Risk Officer | Member | 1 | 1 |
| Mr. Sanjay Kukreja | Chief Financial Officer | Member | 1 | 1 |

**Notes:**

*(a) Mrs. Manjari Kacker, Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on October 30, 2021.*

*(b) Mr. Rakesh Sethi, Mr. Nirmal Momaya and Mr. Krishipal Raghuvanshi, Independent Director(s) of the Company, ceased to be members of the Finance Committee w.e.f. February 14, 2022 and re-constituted the Committee for ease of operations. Accordingly, Mr. Sanjay Kukreja and Mr. Mahendra Kumar Servaiya were appointed as members of the Committee w.e.f. February 14, 2022.*

*(c) Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer of the Company resigned from the directorship of the Company w.e.f. close of business hours on June 30, 2022.*

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

## 4. Periodic Review of Compliances of all Applicable Law

Your Company follows a system whereby all the acts, rules and regulations applicable to the Company are identified and compliance with such acts, rules and regulations is monitored by dedicated teams on a regular basis. Verification of the compliances with the major acts / regulations is carried out by suitable external auditors / lawyers / consultants and their reports and implementation of their observations are reported to the Board / Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board / Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company in respect of various laws, rules and regulations applicable to the Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

## 5. General Body Meetings

The location, time and date where the AGM of the Company (in previous 3 years) were held are given hereunder: -

| Financial Year | Location | Date | Time | No. of Special Resolutions passed at AGM |
|---|---|---|---|---|
| 2020-2021 | Through Video Conferencing/ Other Audio-Visual Means (**"VC/OAVM"**). | September 20, 2021 | 11:00 a.m. | 2 |
| 2019-2020 | Through VC/OAVM. | September 21, 2020 | 10:00 a.m. | 8 |
| 2018-2019 | Comfort Inn Sunset, Airport Circle, Hansol, Ahmedabad – 382 475. | September 18, 2019 | 10:00 a.m. | 1 |

The AGM for the Financial year 2020-2021 was held through VC/OAVM in compliance with circulars issued by the Ministry of Corporate Affairs (**"MCA"**) vide circular bearing no. 20/2020 dated May 05, 2020 read with circulars bearing no. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as **"MCA Circulars"**) and by the SEBI vide circulars bearing no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (**"SEBI Circular"**) due to COVID-19 pandemic.

**Postal Ballot**

During the year under review, no resolution was passed through postal ballot.

## 6. Disclosures

**(i) Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large**

During the year under review, the Company has entered into following material related party transaction:

The Company had entered into loan agreement dated August 01, 2017 and amended agreement dated May 13, 2020 with Wilson Holdings Private Limited, holding company of the Company, for availing and/or repayment of unsecured loan not exceeding ₹ 50 crores (including interest thereon) from Wilson Holdings Private Limited on the terms and conditions mentioned in the aforesaid loan agreement/(s).

The aforesaid Related Party Transaction did not fall under the purview of Section 188 of the Act being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the Listing Regulations and hence, the approval of shareholders of the Company was obtained at the 27th AGM of the Company held on September 20, 2021. The Company has repaid the aforesaid loan availed from Wilson Holdings Private Limited.

Except as mentioned hereinabove, there was no material related party transaction in the Company. However, the Company places all related party transactions before the Audit Committee and Board of Directors of the Company for their respective approvals. A register of contracts containing the transactions in which the directors are interested are placed regularly before the Board of Directors of the Company for their approval.

The Company has adopted policy on Related Party Transactions and the same is available on the website of the Company i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Policy-on-RPT.pdf

**(ii) Subsidiary**

DFL Technologies Private Limited (CIN: U67190MH2019PTC331368), a company incorporated under the Act and having its registered office situated at Ground Floor, D.J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069, is a Wholly Owned Subsidiary (**"WoS"**) company of the Company. The WoS company is engaged in the business of developing technology IP of the Company and provide advisory and consultancy services, retail franchising, etc.

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by its unlisted WoS. The minutes of the board meetings along with a report on significant developments of the WoS are periodically placed before the Board.

The management of the WoS periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered by the WoS.

In accordance with the "Policy for determining material Subsidiary Companies" of the Company and the provisions of the Listing Regulations, the Company has complied with all the obligations relating to WoS of the Company. In compliance with the amendments to the Listing Regulations, this policy shall be reviewed by the Board at least once every three years. The policy for determining material subsidiary companies of the Company is available on the website of the Company i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Policy-on-Determining-Material-Subsidiary.pdf

As per the definition of material subsidiary company under the Listing Regulations and as per policy for determining material subsidiary companies, as on March 31, 2022, the WoS has become a material subsidiary of the Company.

**(iii) Details of non-compliance**

No strictures/penalties were imposed on your Company by RBI, or by any statutory authority on any matter related to the Securities markets during the last three financial years. However, the SEBI has levied a fine on the Company vide adjudication order dated November 25, 2021 for non-execution of tripartite agreement between the Company and Accurate Securities and Registry Private Limited and Purva Sharegistry India Private Limited and the Company has paid the same. This default was committed on August 24, 2016, which was prior to the acquisition of the Company by the existing promoters of the Company. Further, BSE Limited has levied a fine on the Company for delay in compliance with Regulation 17(1) of the Listing Regulations and the Company has filed waiver application with BSE Limited for the same. The Company has appointed Ms. Abha Kapoor as Independent Director in compliance with Regulation 17(1) of the Listing Regulations w.e.f. March 30, 2022.

**(iv) Vigil Mechanism/Whistle Blower Policy**

The Company has a Vigil Mechanism/Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics. This mechanism provides adequate safeguards against victimisation of director(s)/employee(s) who avail this mechanism and also provide direct access to the Chairperson of the Audit Committee in exceptional cases. Further, no personnel have been denied access to the Chairperson of the Audit Committee. No complaints have been received under vigil mechanism for the financial year ended March 31, 2022.

The details of the establishment of such mechanism are disclosed by the Company on its website i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Vigil-Mechanism.pdf

**(v) Prevention of Insider Trading**

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015, as amended (**"PIT Regulations"**). Pursuant thereof, the Company as a listed company has formulated and adopted a new code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (**"Code"**), incorporating the requirements in accordance with the regulations, clarifications and circulars and the same is updated as and when required.

This Code is applicable to all directors and designated employees of the Company. This Code ensures prevention and dealing in shares of the Company by persons having access to unpublished price sensitive information. The Company monitors the transactions of insiders/designated employees in terms of the aforesaid rules periodically.

The Audit Committee reviews on an annual basis, the compliance with the provisions of PIT Regulations and that adequate systems and internal controls in place and such systems and internal controls are operating effectively.

The Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) as amended from time to time is disclosed by the Company on its website i.e. www.trucapfinance.com and the link is https://trucapfinance.com/wp-content/uploads/Code-of-UPSI.pdf

**(vi) Compliance with Mandatory and Non-Mandatory Provisions**

The Company has adhered to all the mandatory requirements of the Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company.

The status on the Compliance with the Non-Mandatory (discretionary requirements) recommendations in the Listing Regulations is as under:

**(a) Internal Audit:**

The internal audit report is placed every quarter before the Audit Committee meeting and is deliberated with the Internal Auditors during the meeting.

**(b) Shareholders Rights:**

The Company submits its quarterly and half-yearly financial results with BSE Limited in compliance with Regulation 33 of the Listing Regulations and also publishes the same in the newspapers 'Financial Express' and 'Mumbai Lakshadeep' nationwide. The quarterly, half-yearly and yearly financial results/statements are also uploaded on the website of the Company i.e. www.trucapfinance.com and therefore the Company does not send the same to the shareholders of the Company separately.

Adoption of other non–mandatory requirements under Regulation 34 of the Listing Regulations are being reviewed by the Board from time to time.

The Board has accepted all the recommendations of the committees of the Board.

**(vii) Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under the Regulation 34(2)(e) and Part B of Schedule V to the Listing Regulations.

**(viii) Details of Director seeking appointment/re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards**

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, particulars of Director seeking appointment/re-appointment are given in the explanatory statement annexed to the Notice of the 28th AGM of the Company.

**(ix) Details of total fees paid to statutory auditors**

Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditors of the Company, are as follows:

**(₹ In Lakhs)**

| **Particulars** | **Financial Year 2021-2022** |
|---|---:|
| Audit fees (including quarterly audits) | 26.15 |
| For other services (certifications, etc.) | 22.99 |
| For taxation matters | Nil |
| Out of pocket expenses | 0.32 |
| **Total** | **49.45** |

**(x) Proceeds from Public Issues, Rights Issues and Preferential Issue, among others**

Money raised through Preferential issue of equity shares, warrants and compulsorily convertible debentures (CCDs) have been utilised for the purposes, as disclosed in the offer letter/(s), for which it was raised and there has been no deviation as on date in the utilisation of the money so raised.

**(xi) Compliance with Listing Regulations**

The Company has complied with the requirements as specified in the Listing Regulations including Regulation 17(1) in respect of constitution of Board of Directors of the Company.

**(xii) Disclosure of accounting treatment**

There was no deviation in adhering to the treatments prescribed in any of the Accounting Standards (AS) in the preparation of the financial statements of the Company.

## 7. Means of Communication

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in Regulation 33 of the Listing Regulations, within prescribed time to the stock exchange in respect of first three quarters in financial year 2021-22. In respect of last quarter of financial year 2021-22, the Company has to furnish audited financial results within 60 (Sixty) days from the end of financial year and accordingly, the meeting of the Board of Directors of the Company for considering the financial results of last quarter and for the financial year 2021-22 was held on May 30, 2022.

The quarterly financial results of the Company were published within 48 hours of the conclusion of meeting of the Board of Directors of the Company in english newspaper viz. "Financial Express" and "Mumbai Lakshadeep", a newspaper published in the language of the region where the registered office of the Company is situated. The audited financial statements for financial year 2021-22 were published in "Financial Express" and "Mumbai Lakshadeep". The Company informs the stock exchange where its shares are listed, about the meeting of the Board of Directors of the Company at least 7 (Seven) days in advance pursuant to the Regulation 29(2) of the Listing Regulations.

In terms of Regulation 46 of the Listing Regulations, the Company is maintaining its functional website i.e. www.trucapfinance.com, containing the basic information about the Company i.e. details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of designated employees who are responsible for assisting and handling the investors' grievance, details of the agreements entered into with the media companies and/or their associates, terms and conditions of appointment of Independent Directors, composition of various committees of Board of Directors, Code of Conduct of Board of Directors and Senior Management Personnel and various policies of the Company, etc. The same information is updated on the website viz. www.trucapfinance.com, within the prescribed time limit.

**Details of Unclaimed Dividend/Shares of the Company**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"IEPF Rules"**), dividends, if not claimed for a period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (**"IEPF"**). Further, shares in respect of such dividends which have not been claimed for a period of 7 (Seven) consecutive years, are also liable to be transferred to the demat account of the IEPF Authority.

Since there was no dividend declared and paid for financial year 2013-2014, your Company did not have any funds as lying unpaid or unclaimed for a period of 7 (Seven) years in terms of provisions of the Section 124 of the Act. Therefore, there are no such unclaimed amounts or shares which are required to be transferred to IEPF established by the Central Government pursuant to provisions of Section 125 of the Act.

## 8. General Shareholders Information

| | |
|---|---|
| **Annual General Meeting Date, Time and Mode** | Thursday, September 29, 2022 at 03:00 p.m. (IST) through Video Conferencing/Other Audio Visual Means. |
| **Financial year** | 1st April – 31st March. |
| **Book Closure** | Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive). |
| **Dividend payment date: [if declared]** | Dividend of ₹ 0.01/- per Equity share of ₹ 2/- each fully paid up for the financial year 2021-22 has been recommended by the Board of Directors to members of the Company for their approval. If approved by the members of the Company, payment will be made within 30 (Thirty) days from the date of 28th AGM. For the members who are unable to receive the dividend directly in their bank accounts, the Company shall dispatch dividend warrants to them. |

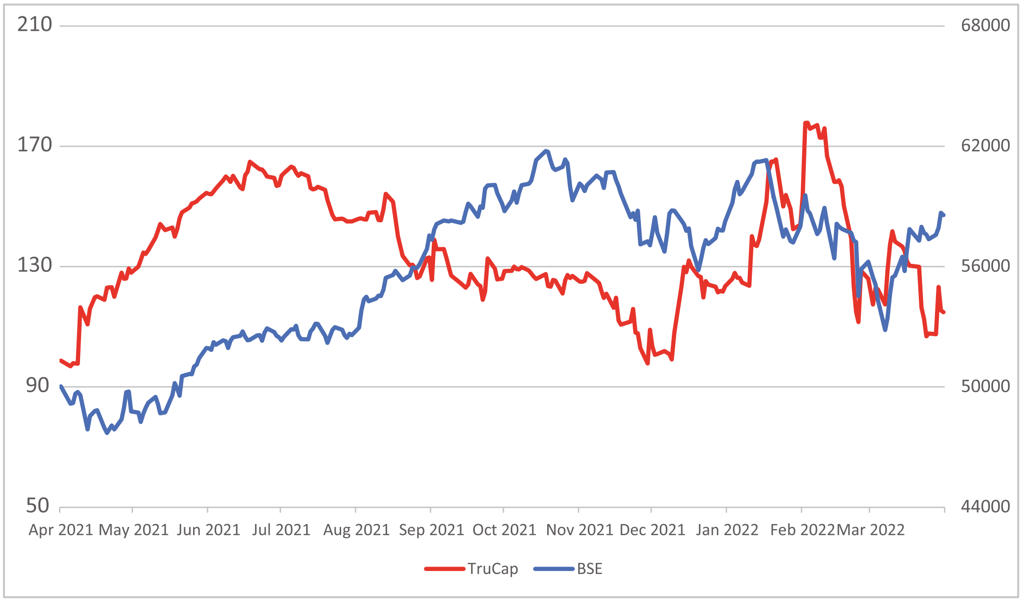
| | |
|---|---|
| **E-voting Dates** | The cut-off date for the purpose of determining the shareholders eligible for E-voting is Thursday, September 22, 2022.<br>The E-voting commences on Monday, September 26, 2022 at 09:00 a.m. (IST) and ends on Wednesday, September 28, 2022 at 05:00 p.m. (IST). |
| **Listed on Stock Exchange** | BSE Limited<br>Listing fee for the financial year 2022-2023 has been paid by the Company. |
| **Address of Stock Exchange** | BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. |
| **Correspondence for dematerialisation, transfer of shares, non-receipt of dividend on shares and any other query relating to the shares of the Company** | **Details of Registrar and Share Transfer Agent (RTA)**<br>MCS Share Transfer Agent Limited:<br>K-215, 2nd Floor, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072. |
| **Scrip code** | 540268. |
| **ISIN of the Company** | INE615R01029. |
| **Website**<br>**Email ID** | www.trucapfinance.com<br>corpsec@trucapfinance.com |
| **Corporate Identification No. (CIN)** | L24231MH1994PLC334457 |
| **Permitted to Trade** | National Stock Exchange of India ("NSE") vide Circular Ref. No. 0542/2022 dated May 06, 2022 has included the securities of the Company under permitted to trade category of NSE - Capital Market Segment with effect from May 10, 2022. |
| **Details of securities suspended** | Not Applicable. |
| **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity** | The details of the same forms part of the Corporate Governance Report. |
| **Credit Rating** | The list of credit ratings for all instruments has been provided in the Directors' Report. |
| **Debenture Trustee** | Catalyst Trusteeship Limited<br>GDA House, First Floor,<br>Plot No. 85, S.No. 94 & 95,<br>Bhusari Colony (Right), Kothrud,<br>Pune - 411038. |

## Stock Market Data

Table below gives the monthly high and low quotations of shares traded at BSE Limited for the year ended March 31, 2022.

| Month | BSE | | |
|---|---|---|---|
| | **High** | **Low** | **Volume** |
| April, 2021 | 658.00 | 475.00 | 6,60,282 |
| May, 2021 | 780.00 | 638.30 | 6,86,362 |
| June, 2021 | 837.05 | 755.00 | 5,60,503 |
| July, 2021 | 849.00 | 720.00 | 5,51,446 |
| August, 2021 | 809.00 | 557.55 | 7,53,939 |
| September, 2021 | 753.00 | 588.00 | 7,74,681 |
| October, 2021 | 668.95 | *114.95 | 16,78,070 |
| November, 2021 | 131.60 | 93.00 | 51,69,332 |
| December, 2021 | 142.50 | 98.25 | 46,46,362 |
| January, 2022 | 175.90 | 120.10 | 75,70,770 |
| February, 2022 | 187.50 | 106.20 | 43,36,341 |
| March, 2022 | 154.80 | 101.00 | 53,44,289 |

**TRUCAP FINANCE LIMITED SHARE PRICES – BSE**




***Note:** *The members of the Company in the 27th AGM held on September 20, 2021, approved the sub-division of equity shares of the Company from ₹10/- per share to ₹ 2/- per share. The Board of Directors had fixed October 14, 2021 as record date for sub-division of shares. Accordingly, the Company has given effect of the sub-division and sub-divided 1 (One) equity share having face value of ₹10/- each into 5 (Five) equity shares having face value of ₹ 2/- each.*

## 9. Share Transfer System

The shares of the Company are compulsorily traded in dematerialised form. SEBI has mandated transfer of securities only in dematerialised form with effect from April 01, 2019. Thereafter, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of deficient transfer deeds. Accordingly, with effect April 01, 2021, share transfers in physical form are prohibited under any circumstances and the same shall be processed only in dematerialised form. All requests for dematerialisation of shares are processed and confirmation are given to the respective depositories i.e. National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**).

As per SEBI norms, with effect from April 01, 2019, only transmission or transposition requests for transfer of shares shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

## 10. Distribution Pattern and Shareholding Pattern

### (a) Distribution of Shareholding as on March 31, 2022

| Equity shares held | Shareholders/Folio | % | Shares | % |
|---|---|---|---|---|
| 1-500 | 4,745 | 85.48 | 3,60,610 | 0.46 |
| 501-1000 | 205 | 3.69 | 1,65,737 | 0.21 |
| 1001-2000 | 126 | 2.27 | 1,94,107 | 0.25 |
| 2001-3000 | 98 | 1.77 | 2,58,030 | 0.33 |
| 3001-4000 | 39 | 0.70 | 1,38,788 | 0.18 |
| 4001-5000 | 35 | 0.63 | 1,66,065 | 0.21 |
| 5001-10000 | 122 | 2.20 | 9,62,579 | 1.24 |
| 10000 and above | 181 | 3.26 | 7,56,37,468 | 97.12 |
| **Total** | **5,551** | **100.00** | **7,78,83,384** | **100.00** |

**(b) Shareholding Pattern of the Company as on March 31, 2022**

| Category | | Number of shares | Percentage of Holding |
|---|---|---|---|
| **A** | **Promoter's Holding** | | |
| 1 | Indian Promoter | 5,78,69,685 | 65.14 |
| 2 | Foreign Promoter | - | - |
| | **Sub Total (A)** | **5,78,69,685** | **65.14** |
| **B** | **Non-Promoter's Holding** | | |
| | **Institutional Investors** | | |
| 1 | Mutual Fund | 80,000 | 0.09 |
| 2 | Foreign Portfolio Investor | 25,12,058 | 2.83 |
| 3 | Financial Institutions / Banks | - | - |
| 4 | Others | - | - |
| | Total (Institutional Investors) | 25,92,058 | 2.92 |
| | **Non-Institutional Investors** | | |
| 1 | Individuals | 1,98,88,170 | 22.39 |
| 2 | NBFCs registered with RBI | - | - |
| 3 | IEPF | - | - |
| 4 | Trusts | - | - |
| 5 | Non-Resident Indians | 2,94,833 | 0.33 |
| 6 | Clearing Member | - | - |
| 7 | Bodies Corporate | 81,94,193 | 9.22 |
| 8 | Government Companies | - | - |
| | Total (Non-Institutional Investors) | 2,83,77,196 | 31.94 |
| | **Sub Total (B)** | **3,09,69,254** | **34.86** |
| | **Grand Total (A + B)** | **8,88,38,939** | **100.00** |

**Note:** *Subsequent to giving effect of sub-division approved by the Shareholders of the Company at the 27th AGM of the Company held on September 20, 2021, out of 2,02,15,630 CCDs held by Wilson Holdings Private Limited (Promoter), the Board of Directors of the Company on March 22, 2022, allotted 1,09,55,555 equity shares having face value of ₹2/- each at a premium of ₹20.26/- per share to Wilson Holdings Private Limited pursuant to part conversion of the CCDs held by Wilson Holdings Private Limited. The aforesaid shareholding pattern has been prepared based on the benpos data as on March 31, 2022 and has also considered 1,09,55,555 equity shares to Wilson Holdings Private Limited for the purpose of shareholding pattern. The Company had filed listing application to BSE Limited for 1,09,55,555 equity shares allotted to Wilson Holdings Private Limited and the same has been credited in demat account on May 4, 2022.*

## 11. Dematerialisation of Shares and Liquidity

As on March 31, 2022, 98.31% of paid up share capital was held in dematerialised form with NSDL and CDSL, while 1.69% was held in physical form. All promoter's shareholding is in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through NSDL and CDSL as per notifications issued by SEBI.

## 12. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

There are no outstanding GDRs/ADRs as on March 31, 2022, which are likely to have an impact on the equity share capital of the Company.

A. During the year under review, the Company has issued following convertible securities which will have impact on equity:

(i) The Board of Directors vide resolution passed by circulation dated April 14, 2021 allotted 15,98,727 (pre-split of equity shares) equivalent to 79,93,635 (post-split of equity shares), 10% Unsecured Compulsorily Convertible Debentures (CCDs) on preferential basis for an aggregate amount of ₹ 63,94,90,800/-.

As on date of the Corporate Governance Report, out of 79,93,635 CCDs, 6,12,500 CCDs are converted into equivalent number of equity shares of the Company. Accordingly, 73,81,135 CCDs are pending for conversion.

(ii) The Board of Directors vide resolution passed by circulation dated April 15, 2021, allotted 46,996 (pre-split of equity shares) equivalent to 2,34,980 (post-split of equity shares), 10% Unsecured CCDs on preferential basis for an aggregate amount of ₹ 1,87,98,400/-. These CCDs shall be convertible into equivalent number of equity shares of the Company within 18 months from the date of allotment.

B. During the year under review and up to the date of this Report, the Board has allotted equity shares upon conversion of the following convertible securities:

(i) 8,98,470 warrants held by non-promoter into equivalent number of equity shares of the Company on December 06, 2021.

(ii) conversion of 2,02,15,630 (post-split) CCDs held by the promoters in two tranches i.e. 1,09,55,555 equity shares having face value of ₹ 2 each on March 22, 2022 and 92,60,075 equity shares on May 02, 2022.

(iii) 13,00,989 warrants held by non-promoter into equivalent number of equity shares of the Company as on April 20, 2022.

(iv) 44,92,360 warrants held by promoters and 17,96,945 warrants held by non-promoter were converted into equivalent number of equity shares of the Company as on May 02, 2022.

Further, 4,95,956 warrants have not been exercised by non-promoter and hence the right to exercise warrants into equity shares has been lapsed and the upfront consideration amounting to ₹ 27,59,995.14/- received towards the same has been forfeited in compliance with Regulation 169(3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

C. The Finance Committee of the Company vide resolution dated May 09, 2022, allotted the below:

(i) 9,83,230 equity shares on preferential basis having face of ₹ 2/- each at issue price of ₹ 132/- each for aggregate consideration not exceeding ₹ 12,97,86,360/- to non-promoter entities/individuals; and

(ii) 27,74,706 compulsorily convertible warrants on preferential basis having face value of ₹ 2/- each at issue price of ₹ 132/- each for aggregate consideration not exceeding ₹ 36,62,61,192/- to non-promoter entities/ individuals. These warrants shall be convertible into equivalent number of equity shares of the Company within 18 months from the date of allotment. These convertible warrants have been allotted against receipt of subscription price equivalent to 25% of the issue price and balance exercise price equivalent to the 75% of the conversion price of the equity shares shall be payable by the warrant holder(s) at the time of exercising options of conversion of the warrants.

## 13. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not exposed to foreign exchange risk.

## 14. Prevention of Sexual Harassment

The Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at Workplace.

Following are the details of number of instances/complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) Number of complaints filed during the financial year - Nil

(b) Number of complaints disposed of during the financial year - Nil

(c) Number of complaints pending as on end of the financial year – Nil

## 15. Certificate on Corporate Governance

The certificate received from the Secretarial Auditors of the Company, M/s. U. Hegde & Associates, Practicing Company Secretaries confirming the compliance of conditions of corporate governance is annexed to Directors' Report in terms of the provisions of Part E of Schedule V of the Listing Regulations. The certificate on corporate governance is annexed to this Report as **Annexure - II**.

## 16. Certificate from Company Secretary in Practice

The Company has obtained the certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2022, have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI/MCA or any such statutory authority. The aforesaid certificate is annexed as **Annexure - III**.

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Rohanjeet Singh Juneja** | **Rushina Mehta** |
| **August 10, 2022** | **Managing Director & CEO** | **Non-Executive Non-Independent Director** |
| **Mumbai** | **DIN: 08342094** | **DIN: 01042204** |

**Annexure - I**

## CEO/CFO Certification

To,
The Board of Directors
TruCap Finance Limited (formerly Dhanvarsha Finvest Limited)

We, Rohanjeet Singh Juneja, Managing Director & Chief Executive Officer and Sanjay Kukreja, Chief Financial Officer of TruCap Finance Limited (**"the Company"**) certify that-

A. We have reviewed the annual financial statements and the cash flow statements (Standalone and Consolidated) for the year ended March 31, 2022, and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that:

1. significant changes, if any, in internal controls over financial reporting during the year;
2. significant changes, if any, in accounting policies during the year, and that the same have been disclosed in the notes to the financial statements;
3. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| **August 10, 2022**<br>**Mumbai** | **Sd/-**<br>**Rohanjeet Singh Juneja**<br>**Managing Director & CEO** | **Sd/-**<br>**Sanjay Kukreja**<br>**Chief Financial Officer** |

## Declaration on Compliance with the Code of Conduct

This is to confirm that TruCap Finance Limited (formerly Dhanvarsha Finvest Limited) (**"Company"**) has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website i.e. www.trucapfinance.com. We confirm that the Company has in respect of financial year ended March 31, 2022, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

**For TruCap Finance Limited**
**(formerly Dhanvarsha Finvest Limited)**

**Sd/-**
**Rohanjeet Singh Juneja**
**Managing Director & CEO**
**DIN: 08342094**

**August 10, 2022**
**Mumbai**

**Annexure - II**

## Corporate Governance Compliance Certificate

To,

The Members,
**TruCap Finance Limited**
(Formerly known as Dhanvarsha Finvest Limited)
3rd Floor, A-Wing, D.J. House, Old Nagardas Road,
Andheri (East), Mumbai- 400 069.

I have examined all relevant records of TruCap Finance Limited (Formerly known as Dhanvarsha Finvest Limited) (**'the Company'**) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2022, stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**"Listing Regulations"**).

I have obtained all the information and explanations to the best of my knowledge and belief, which were necessary for the purpose of this certification.

I state that the compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified for listed companies in the Listing Regulations except for the below:

An Independent Woman Director of the Company had resigned with effect from October 30, 2021 and pursuant to the regulation 25(6) of the Listing Regulations, an Independent Woman Director has been appointed with effect from March 30, 2022.

An Independent Woman Director of the Company had resigned with effect from October 30, 2021 and new Independent Woman Director has been appointed with effect from March 30, 2022. Further, based on the information and explanations provided to me, the Company was in the process of appointing another Woman Independent director to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, since the candidate who was shortlisted by management for being appointed as an Independent Director informed the Company on a shorter notice about her being unavailable due to other commitments, the Company was unable to comply with the required timelines for appointment of a woman Independent Director.

**For U. Hegde & Associates,**
**Company Secretaries**

**Sd/-**
**Umashankar K Hegde**
**(Proprietor)**
**COP No- 11161 # M. No- A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No - 1263/2021**
**UDIN: A022133D000770606**

**August 10, 2022**
**Mumbai**

**Annexure - III**

# Certificate of Non-Disqualification of Directors

**[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Members,
**TruCap Finance Limited**
(formerly Dhanvarsha Finvest Limited)
3rd Floor, A-Wing, D.J. House, Old Nagardas Road,
Andheri (East), Mumbai- 400 069.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TruCap Finance Limited (Formerly known as Dhanvarsha Finvest Limited) having CIN- L24231MH1994PLC334457 and having registered office at 3rd Floor, A-Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai- 400 069, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as on March 31, 2022, as stated below, have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ending March 31, 2022, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of the Director | Date of appointment | DIN |
|---|---|---|---|
| 1. | Mr. Rakesh Sethi<br>Chairman & Independent Director | 15/10/2019 | 02420709 |
| 2. | Mr. Nirmal Vinod Momaya<br>Independent Director | 10/08/2018 | 01641934 |
| 3. | Mr. K.P. Raghuvanshi<br>Independent Director | 24/08/2018 | 07529826 |
| 4. | Ms. Abha Kapoor<br>Independent Director | 30/03/2022 | 01277168 |
| 5. | Mr. Rajiv Kapoor<br>Non-Executive Non-Independent Director | 03/02/2020 | 08204049 |
| 6. | Ms. Minaxi Mehta<br>Non-Executive Non-Independent Director | 10/06/2021 | 03050609 |
| 7. | Mr. Atwood Porter Collins<br>Non-Executive Non-Independent Director | 31/07/2021 | 09239511 |
| 8. | Mr. Rohanjeet Singh Juneja<br>Managing Director & CEO | 17/12/2019 | 08342094 |
| 9. | Mr. Karan Neale Desai<br>Whole time Director | 03/06/2017 | 05285546 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For U. Hegde & Associates,**
**Company Secretaries**

**Sd/-**
**Umashankar K Hegde**
**(Proprietor)**
**COP No- 11161 # M. No- A22133**
**ICSI Unique Code: S2012MH18 8100**
**Peer Review Certificate No - 1263/2021**
**UDIN: A022133D000770628**

**August 10, 2022**
**Mumbai**

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANVARSHA FINVEST LIMITED

## REPORT ON AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

## OPINION

We have audited the accompanying Ind AS financial statements of **DHANVARSHA FINVEST LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ''Ind AS financial statements'').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act , of the state of affairs (financial position) of the Company as at 31st March 2022, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the 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 on Ind AS financial statements.

## KEY AUDIT MATTERS

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Allowances for expected credit losses ('ECL'):<br><br>The company has reported that 'As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 289.06 crore (net of allowance of expected credit loss ₹4.68 crore) constituting approximately 61.22 % of the Company's total assets.<br><br>Significant judgment has been used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of judgment by the management.<br><br>As part of risk assessment, determined that ECL on such loan assets has a high degree of estimation which may be uncertain, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:<br><br>• Quantitative and Qualitative factors used in staging the loan assets measured at amortised cost;<br><br>• Basis used for estimating Loss Given Default ('LGD'), Probabilities of Default ('PD'), and exposure at default ('EAD') product level with past trends;<br><br>• Judgments used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and<br><br>• Adjustments to model driven ECL results to address emerging trends. | Auditors have examined the policies approved by the Boards of Directors of the Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. Also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment been approved by the Audit Committee of the Board of Directors. Audit procedures related to the allowance for ECL included the following, among others:<br><br>Testing the design and operating effectiveness of the following:<br><br>• Completeness and accuracy of the Exposure at Default ('EAD') and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.<br><br>• accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model;<br><br>• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; |

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| | Testing details on a sample basis in respect of the following:<br>• the mathematical accuracy of the ECL computation by using the same input data as used by the company;<br>• accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;<br>• completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.<br>• evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the audit committee of the company. |

## INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information and Business Responsibility Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITY

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “**Annexure A**”, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    e) On the basis of written representations received from the directors as on 31st March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; 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, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements

– Refer Note. No. 35 on Contingent Liabilities to the Standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. 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 share premium or any other sources or kind of funds) by the Company to or in any other persons or entities with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Bansal Bansal & Co.**
Chartered Accountants
FRN: 100986W

**Sd/-**
**Jatin Bansal**
(Partner)
Membership No.135399
UDIN: 22135399AJXOOB3223
Place : Mumbai
Dated : 30th May 2022

# ANNEXURE – A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 of the Auditors Report of Even date to the Members of **DHANVARSHA FINVEST LIMITED**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

b. The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. The company does not have any immovable property

d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e. The Company does not hold any benami property.

ii. The Company is a Non- Banking Finance Company, primarily engaged in the business of lending, providing of services and does not hold any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

iii. The Company has granted loans , secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

a. The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

b. The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts of principal amounts and interest are regular.

c. In respect of the aforesaid loans, there is no overdue amount in respect of loans granted to companies, firms, Limited Liability Partnerships, or other parties listed in the register maintained under section 189 of the Act.

iv. The Company has complied with the provisions of section 185 and 186 (1) of the Act in respect of grant of loans, making investments and providing guarantees and securities as applicable. Further, as the Company is a Non-Banking Finance Company engaged in the business of financing, the provision of section 186 [except for subsection (1)] are not applicable to the Company.

v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

vi. The Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

vii. a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Goods and Services tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.

b. The dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, are as follows:

| Name of the statute | Nature Of dues | Amount in Lakhs | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 52.79* | AY 2016-17 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 83.29 | AY 2018-19 | Assessing Officer |

*Net of ₹13.20 Lakhs paid under protest.

viii. There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender,

b. The company is a not declared wilful defaulter by any bank or financial institution or other lender;

c. The term loans were applied for the purpose for which the loans were obtained;

d. During the year no funds were raised on short term basis;

e. This sub clause is not applicable to the company;

f. This sub clause is not applicable to the company;

x. a. In our opinion and according to the information and explanations provided by the management, no money has been raised by way of initial public offer or further public offer (including debt instruments );

b. In our opinion and according to the information and explanations provided by the management, during the year under review, the Company has issued and allotted through preferential allotment or private placement basis shares/ convertible debentures (fully, partially, or optionally convertible), convertible warrants during the year; the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

b. A report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

c. No whistle-blower complaints were received during the year by the company;

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian Accounting Standards.

xiv. a. Based on information and explanation provided to us and our audit procedures, in our opinion, The company have an internal audit system commensurate with size and nature of business.

b. The reports of the Internal Auditors for the period under audit were considered by the statutory auditor

xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

b. the company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

c. the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

xvii. The company has not incurred cash losses in the current financial year. There were no cash losses in preceding financial year.

xviii. There has been resignation of the statutory auditors during the year. There were no issues, objections or concerns raised by the outgoing auditor.

xix. 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 financial statements, our knowledge of the Board of Directors and management plans, 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;

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project.

xxi. There have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

**For Bansal Bansal & Co.**
Chartered Accountants
FRN: 100986W

Sd/-
**Jatin Bansal**
(Partner)
Membership No.135399
UDIN: 22135399AJXOOB3223
Place : Mumbai
Dated : 30th May 2022

## ANNEXURE – B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **DHANVARSHA FINVEST LIMITED** ("the Company") as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial control and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Bansal Bansal & Co.**
Chartered Accountants
FRN: 100986W

**Sd/-**
**Jatin Bansal**
(Partner)
Membership No.135399
UDIN: 22135399AJXOOB3223
Place : Mumbai
Dated : 30th May 2022

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial Assets** | | | |
| (a) Cash and cash equivalents | 4 | 5,758.78 | 3,142.77 |
| (b) Bank balances other than cash and cash equivalents | 5 | 2,024.03 | 1,530.37 |
| (c) Receivables | 6 | | |
| (i) Trade receivables | | 1,228.63 | 210.28 |
| (ii) Other receivables | | 46.96 | 46.96 |
| (d) Loans | 7 | 28,905.66 | 9,970.19 |
| (e) Investments | 8 | 5,089.47 | 1,818.67 |
| (f) Other financials assets | 9 | 569.95 | 97.56 |
| **Total Financial Assets** | | **43,623.48** | **16,816.80** |
| **Non Financials Assets** | | | |
| (a) Current tax assets (net) | 10 | 173.19 | 174.49 |
| (b) Deferred tax assets (net) | 11 | 72.57 | 115.95 |
| (c) Property, plant and equipment | 12 | 737.84 | 353.99 |
| (d) Right of use assets | 12 | 637.38 | 518.82 |
| (e) Capital work in progress | 12 | 194.23 | - |
| (f) Intangible assets under development | 12 | 926.84 | 124.93 |
| (g) Other Intangible assets | 13 | 386.37 | 176.53 |
| (h) Other non-financials assets | 14 | 466.94 | 176.04 |
| **Total Non Financials Assets** | | **3,595.36** | **1,640.76** |
| **Total Assets** | | **47,218.84** | **18,457.56** |
| **LIABILITIES AND EQUITY** | | | |
| **Liabilities** | | | |
| **Financial Liabilities** | | | |
| (a) Payables | 15 | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 35.22 | 14.78 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 322.70 | 147.90 |
| (ii) Other payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | **11.97** | **21.56** |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | **118.03** | **43.62** |
| (b) Debt Securities | 16 | 3,821.46 | 601.98 |
| (c) Borrowings (Other than Debt Securities) | 17 | 24,826.19 | 7,450.85 |
| (d) Other financial liabilities | 18 | 218.72 | 44.69 |
| **Total Financial Liabilities** | | **29,354.29** | **8,325.38** |
| **Non-Financial Liabilities** | | | |
| (a) Current tax liabilities (net) | 10 | 36.85 | 36.85 |
| (b) Provisions | 19 | 95.25 | 48.93 |
| (c) Deferred tax liabilities (net) | 11 | - | - |
| (d) Other non-financial liabilities | 20 | 338.33 | 110.13 |
| **Total Non-Financial Liabilities** | | **470.43** | **195.91** |
| **Total Liabilities** | | **29,824.72** | **8,521.30** |
| **EQUITY** | | | |
| (a) Equity share capital | 21 | 1,776.78 | 1,529.24 |
| (b) Other equity | 22 | 15,617.34 | 8,407.01 |
| **Total Equity** | | **17,394.12** | **9,936.25** |
| **Total Liabilities and Equity** | | **47,218.84** | **18,457.56** |
| Significant accounting policies and notes to the standalone financial statements | 1 to 60 | | |

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| | Particulars | Note No | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| **I.** | **Revenue from operations** | | | |
| (i) | Interest income | 23 | 4,546.75 | 1,222.83 |
| (ii) | Fees and commission income | 24 | 2,270.16 | 1,163.86 |
| (iii) | Net gain on fair value changes | 25 | 164.67 | 8.43 |
| | **Total Revenue from operations** | | **6,981.58** | **2,395.12** |
| **II.** | Other income | 26 | 24.07 | 46.86 |
| **III.** | **Total Income(I+II)** | | **7,005.65** | **2,441.98** |
| **IV.** | **Expenses** | | | |
| (i) | Finance costs | 27 | 2,435.24 | 423.13 |
| (ii) | Fees and commission expense | 28 | 72.41 | 27.40 |
| (iii) | Impairment on financial instruments | 29 | 130.23 | 43.67 |
| (iv) | Employee benefits expenses | 30 | 1,392.28 | 987.48 |
| (v) | Depreciation, amortization and impairment | 31 | 408.00 | 119.84 |
| (vi) | Others expenses | 32 | 1,499.80 | 666.95 |
| | **Total Expenses** | | **5,937.96** | **2,268.47** |
| **V.** | **Profit before exceptional items and tax (III-IV)** | | 1,067.69 | 173.51 |
| | Exceptional Items | | - | - |
| **VI.** | **Profit before tax (III-IV)** | | 1,067.69 | 173.51 |
| **VII.** | **Tax expense:** | 33 | | |
| | Current tax | | 285.25 | 71.59 |
| | Deferred tax | | 45.23 | 32.15 |
| | Earlier years tax | | - | 1.32 |
| | **Total Tax Expense** | | **330.48** | **105.06** |
| **VIII.** | **Profit for the period (VI-VII)** | | 737.21 | 68.45 |
| **IX.** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to profit or loss : | | | |
| | i) Remeasurement gain / (loss) on defined benefit plan | | (6.66) | 1.95 |
| | ii) Income tax impact on above | 33 | 1.85 | (0.54) |
| | **Total** | | **(4.81)** | **1.41** |
| | **Other comprehensive income/(loss)** | | **(4.81)** | **1.41** |
| **X.** | **Total comprehensive income(VIII+IX)** | | **732.40** | **69.86** |
| **XI.** | **Earnings per equity share** | 34 | | |
| | Basic (INR) | | 0.95 | 0.09 |
| | Diluted (INR) | | 0.80 | 0.07 |
| | Significant accounting policies and notes to the standalone financial statements | 1 to 60 | | |

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| **Net profit before taxes** | **1,067.69** | **173.50** |
| **Adjustment for:** | | |
| Interest Income from Fixed Deposits | (98.75) | (32.06) |
| Profit on sale of property, plant and equipment | - | (1.12) |
| Profit on sale of Investment property | - | - |
| Depreciation / Amortisation | 408.00 | 119.84 |
| Impairment on financial instruments | 130.23 | 43.67 |
| Realised gain on investments | (164.15) | (11.17) |
| Unrealised gain on investments | (0.51) | 2.74 |
| Fee Income Recognition per EIR | (112.13) | (51.28) |
| Employee share based payment expenses | (22.45) | 153.29 |
| Cash outflow towards finance cost | (2,435.24) | (600.92) |
| **Operating (loss)/ profit before working capital changes** | **(1,227.31)** | **(203.51)** |
| **Movement in working capital** | | |
| (Increase)/decrease in Loans | (18,953.58) | (6,684.67) |
| (Increase)/Decrease in other financial assets | 1,522.70 | 198.55 |
| (Increase)/Decrease in other assets | 37.73 | (236.38) |
| (Increase)/Decrease in Trade Receivable | (1,018.35) | (139.60) |
| Increase/(Decrease) in Other payables | 260.05 | 179.79 |
| Increase/(Decrease) in Other Financial liabilities | 1,293.98 | 21.73 |
| Increase/(Decrease) in Other liabilities | 228.20 | (748.83) |
| Increase/(Decrease) in provisions | 46.31 | 24.09 |
| **Cash generated from operations** | **(17,810.26)** | **(7,588.83)** |
| **Income taxes paid** | **(283.94)** | **(202.18)** |
| **Net cash from/(utilised in) operating activities** | **(18,094.21)** | **(7,791.01)** |
| | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of Property, plant and equipment and Intangible Assets | (2,116.38) | (937.71) |
| Proceeds from sale of Property, plant and equipment and Intangible Assets | - | 130.52 |
| Purchase of investment at fair value through profit and loss account | (20,512.28) | (5,074.81) |
| Proceeds from sale of investment at fair value through profit and loss account | 17,242.00 | 4,108.41 |
| Investment in equity shares of the subsidiary | (1,800.10) | (695.00) |
| Investment in Fixed Deposits | (4,984.50) | (2,882.50) |
| Proceeds from sale of Fixed Deposits | 4,460.00 | 1,550.00 |
| Interest Income from Fixed Deposits | 98.75 | 32.06 |
| **Net cash from/(utilised in) investing activities** | **(7,612.51)** | **(3,769.03)** |

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds from issue of share capital and share warrants including share premium | 192.69 | 2,174.92 |
| Debt securities issued | 9,582.89 | 5,000.00 |
| Debt securities repaid | - | - |
| Borrowings other than debt securities issued | 23,622.70 | 8,925.00 |
| Proceeds from / (repayment of) borrowings | (4,949.33) | (1,537.71) |
| Payment of Lease Liability | (111.88) | (14.60) |
| Dividends paid including dividend distribution tax | (14.34) | (14.34) |
| **Net cash from financing activities** | **28,322.73** | **14,533.28** |
| **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS** | **2,616.01** | **2,973.24** |
| **Cash and cash equivalents at the beginning of the financial year** | **3,142.77** | **169.53** |
| **Cash and cash equivalents at end of the year** | **5,758.78** | **3,142.77** |

**Reconciliation of cash and cash equivalents as per the cash flow statement**

Cash and cash equivalents as per above comprise of the following

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Balances with banks in Current accounts | 5,247.71 | 3,066.14 |
| Cash on hand (including foreign currencies) | 511.07 | 76.64 |
| Bank deposits with maturity of less than 3 months | - | - |
| **Total** | **5,758.78** | **3,142.77** |

The above standalone statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, refer note 46

Significant accounting policies and notes to the standalone financial statements 1 to 60

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

## A. Equity share capital

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 1,529.24 | 1,350.78 |
| Changes in equity share capital during the year | 247.54 | 178.46 |
| **Balance at the end of the year** | **1,776.78** | **1,529.24** |

## B. Other Equity

(₹ in Lakhs)

| Particulars | Reserve and Surplus | | | | Money received against share warrants | Share application money pending allotment | Equity component of compound financial instruments | Capital Contribution | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Securities Premium | Employee stock option outstanding | Retained Earnings | Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | | | | | |
| **Balance at April 1, 2020** | **629.85** | **120.16** | **615.96** | **277.38** | **125.00** | **-** | **-** | **-** | **1,768.33** |
| Profit for the year | - | - | 68.45 | - | - | - | - | - | 68.45 |
| Additions for the year | 1,397.67 | - | - | - | 875.00 | 2.92 | 4,376.42 | 281.90 | 6,933.91 |
| Deletion for the year | - | - | - | - | (500.00) | - | - | - | (500.00) |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | (13.69) | 13.69 | - | - | - | - | - |
| Options Exercised and lapsed | - | (0.19) | 0.19 | - | - | - | - | - | - |
| Share based payments to employees | - | 153.29 | - | - | - | - | - | - | 153.29 |
| Utilisation of securities premium | - | (19.47) | - | - | - | - | - | - | (19.47) |
| ESOP's granted to employees of Subsidiary Company | - | 15.42 | - | - | - | - | - | - | 15.42 |
| Remeasurement of defined benefit plans (net of tax) | - | - | 1.41 | - | - | - | - | - | 1.41 |
| Dividend paid | - | - | (14.34) | - | - | - | - | - | (14.34) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - |
| **Changes during the year** | **1,397.67** | **149.05** | **42.03** | **13.69** | **375.00** | **2.92** | **4,376.42** | **281.90** | **6,638.67** |
| **At March 31, 2021** | **2,027.52** | **269.21** | **657.98** | **291.07** | **500.00** | **2.92** | **4,376.42** | **281.90** | **8,407.01** |
| Profit for the year | | - | 737.21 | - | - | - | - | | 737.21 |
| Additions for the year | 2,469.61 | - | - | - | - | - | 3,309.10 | 746.09 | 6,524.81 |
| Deletion for the year | - | - | - | - | (50.00) | (1.28) | - | | (51.28) |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | (146.48) | 146.48 | - | - | - | - | - |
| Options Exercised and lapsed | - | (86.79) | 86.79 | - | - | - | - | - | - |
| Share based payments to employees | - | (22.45) | - | - | - | - | - | - | (22.45) |
| Utilisation of securities premium | - | (35.75) | - | - | - | - | - | - | (35.75) |
| ESOP's granted to employees of Subsidiary Company | - | 70.25 | - | - | - | - | - | - | 70.25 |
| Remeasurement of defined benefit plans (net of tax) | - | - | (4.81) | - | - | - | - | - | (4.81) |
| Dividend paid | - | - | (7.67) | - | - | - | - | - | (7.67) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - |
| **Changes during the year** | **2,469.61** | **(74.74)** | **665.04** | **146.48** | **(50.00)** | **(1.28)** | **3,309.10** | **746.09** | **7,210.33** |
| **At March 31, 2022** | **4,497.14** | **194.47** | **1,323.02** | **437.55** | **450.00** | **1.64** | **7,685.52** | **1,027.99** | **15,617.34** |

Significant accounting policies and notes to the standalone financial statements 1 to 60

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 1. Nature of operations

Dhanvarsha Finvest Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged primarily in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business, Personal Loans, Gold Loans and and in providing ancillary services related to the said business activities. The Company is Non-Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated January 05, 2021 and its shares are listed on the BSE Limited.

## 2. Basis of preparation

### A. Statement of compliance

The 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 by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The new amended standards has been followed by the company and all the reclassifications consequent to amendments to schedule III has been incorporated.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statement.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NonBanking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on May 30, 2022.

### B. Significant and material orders

During the year, there is no significant or material orders were passed by any regulator or court or any tribunal impacting the going concern status and company's operations in future.

### C. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

### D. Basis of measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- Financial instruments – measured at fair value
- Employees Stock Option plan as per fair value of the option
- Employee's Defined Benefit Plan as per actuarial valuation.

### E. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

#### i. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

iii. **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 38.

iv. **Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

v. **Recognition and measurement of provisions and contingencies**

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

vi. **Fair value of financial instruments**

The fair value of financial instruments 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 (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 49 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

vii. **Impairment of financial assets**

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets 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. The Company follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

F. **Standards issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2021:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## 3. Significant Accounting Policies

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

A. **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 included in the statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**Depreciation on plant, property and equipment**

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

| Particulars | Useful Life as per prescribed in Schedule II of the Act (year) |
|---|---|
| Computers | 3 |
| Networks and Servers | 6 |
| Furniture and fixtures | 10 |
| Office equipment | 5 |

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

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.

## B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets is as below:

| Particulars | Useful life (years) |
|---|---|
| Computer software | 5 |

## C. Impairment of property, plant and equipment and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

## D. Revenue recognition

### i. Interest income

Interest income for all financial instruments except for those measured or designated as at Fair Value Through Profit and Loss account (FVTPL) are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

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

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. **Processing fee and application fee:**

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

iii. **Delayed payment charges, penal interest, other penal charges, foreclosure charges :**

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

iv. **Dividends:**

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

v. **Fees and 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:

**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

vi. **Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In 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 under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

### E. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, are carried in these financial statements at historical 'cost'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

### F. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a Lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

**Lease payments included in the measurement of the lease liability comprise the following:**

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**As a Lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

## G. Financial Instruments

### i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

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

**Business model assessment**

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

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

➢ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**The Solely Payments of Principal and Interest (SPPI) test**

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

**ii. Financial assets at amortised cost:**

The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

**iii. Financial assets at Fair value through Other Comprehensive Income (FVOCI):**

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income.

The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

**iv. Financial instruments at fair value through profit and loss account (FVTPL)**

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;

- Items specifically designated as fair value through profit or loss on initial recognition; and

- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss 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.

**Financial instruments held for trading**

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

**Financial instruments designated as measured at fair value through profit or loss**

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- ➢ if a host contract contains one or more embedded derivatives; or
- ➢ if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

**v. Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**vi. Derecognition of financial assets and financial liabilities**

**Recognition**

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach 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, and only if, either:

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

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.

**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 profit or loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

**vii. Offsetting of financial instruments**

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

**viii. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

**IX. Compound Financial Instruments**

Compulsorily convertible instruments with a fixed conversion ratio are separated into liability and equity components. On issuance of the said instruments, the lliability component (being the present value of the future interest cash outflows discounted at a market rate for an equivalent non-convertible instrument) is reduced from the fair value of the instrument to arrive at the equity component. This Equity component is disclosed separately under Other Equity.

**H. Impairment of financial assets:**

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, 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. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment'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 asset.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 50 (Risk Management).

**Simplified approach for trade/other receivables and contract assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

**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 fows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

**I. Determination of fair value**

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 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. 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:** quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

**Level 3:** inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

## J. Retirement and other employee benefits

### Defined Contribution schemes

The employees of the Company who have opted, are entitled to receive benefits under the Provident Fund Scheme and Employee Pension 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.

### Defined benefit plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Other Long Term Employee Benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## K. Share based payments

### Employees stock options plans ("ESOPs") - Equity settled

The Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

## L. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of temporary timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

**Minimum alternate tax**

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## M. Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised 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.

## N. Foreign currency transactions and balances

### i. Initial recognition:

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### ii. Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### iii. Exchange differences:

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

## O. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## P. Segmental reporting

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

The Joint Managing Directors of the Company assesses the financial performance and position of the Company and make strategic decisions and hence has been identified as being chief operating decision maker.

**Q. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

**R. Contingent liabilities and assets**

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

**S. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**T. Good and service tax input credit**

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The Company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the statement of profit and loss as per applicable provisions.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 4 Cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Cash on hand | 510.03 | 75.90 |
| Foreign currency on hand | 1.04 | 0.73 |
| Balance with Bank (of the nature of cash and cash equivalents) | 5,247.71 | 3,066.14 |
| **Total** | **5,758.78** | **3,142.77** |

## 5 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unclaimed dividend accounts | 17.03 | 18.95 |
| Bank deposit with original maturity for more than three months | 2,007.00 | 1,511.42 |
| **Total** | **2,024.03** | **1,530.37** |

Note: 1) Fixed deposit earns interest at a fixed interest rate.

2) Bank deposits amounting to ₹ 2007.00 Lakhs (March 31, 2021: ₹ 1018.61 Lakhs) pledged as lien against borrowings.

## 6 Receivables

(₹ in Lakhs)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | **Trade Receivable** | | |
| | Considered good - secured | - | - |
| | Considered good - unsecured | 1,228.64 | 117.49 |
| | Trade receivables which have significant increase in credit risk | 18.57 | 95.36 |
| | Trade receivables credit impaired | - | - |
| | Gross | 1,247.21 | 212.85 |
| | Less: Allowances for impairment loss on credit impaired trade receivables (Refer Note 46) | (18.57) | (2.57) |
| | **Total (Refer Note 46)** | **1,228.63** | **210.28** |
| (ii) | **Other Receivables** | | |
| | Considered good - secured | - | - |
| | Considered good - unsecured | 46.96 | 46.96 |
| | Trade receivables which have significant increase in credit risk | - | - |
| | Trade receivables credit impaired | - | - |
| | **Total** | **46.96** | **46.96** |
| | Less: Allowances for impairment loss on credit impaired trade receivables (Refer Note 46) | - | - |
| | **Total** | **1,275.59** | **257.24** |

i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

ii) No trade receivables are due from firms or private Companies respectively in which any director is a partner,a director or a member. However, Other receivables balance as at March 31, 2022 includes ₹ 46.96 Lakhs (March 31, 2021: ₹ 46.96 Lakhs) due from firms or private Companies respectively in which any director is a partner, a director or a member.

iii) The company has not entered in any supplier finance arrangements during the financial year 2021-22.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Aging of trade receivables**

(₹ in Lakhs)

| Particulars | FY 2021-22 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade receivables: | | | | | | | |
| Considered good | - | - | 1,275.60 | - | - | - | 1,275.60 |
| Which have significant increase in credit risk | - | - | 18.57 | - | - | - | 18.57 |
| Credit impaired | - | - | (18.57) | - | - | - | (18.57) |
| **Total** | **-** | **-** | **1,275.59** | **-** | **-** | **-** | **1,275.59** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

| Particulars | FY 2020-21 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | - | - | 164.45 | - | - | - | 164.45 |
| Which have significant increase in credit risk | - | - | 95.36 | - | - | - | 95.36 |
| Credit impaired | - | - | (2.57) | - | - | - | (2.57) |
| **Total** | **-** | **-** | **257.24** | **-** | **-** | **-** | **257.24** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

Reconciliation of impairment loss allowance on trade receivables:

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Impairment allowance measured as per simplified approach | - |
| **Impairment allowance as per April 01, 2020** | **-** |
| Add: Addition during the year | 2.57 |
| (Less): Reduction during the year | - |
| **Impairment allowance as per March 31, 2021** | **2.57** |
| Add: Addition during the year | 16.00 |
| (Less): Reduction during the year | - |
| **Impairment allowance as per March 31, 2022** | **18.57** |

The managements expects no default in receipt of other receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on other receivables.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 7 Loans and Advances

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Amortised Cost | | |
| Term Loans | | |
| Secured Loans (considered good) | 13,804.88 | 6,172.75 |
| Unsecured Loans (considered good) | 15,568.47 | 4,269.48 |
| **Total Gross (A) (Refer Note 7.1 and 46)** | **29,373.35** | **10,442.23** |
| Less: Impairment loss allowance (Refer Note 7.2 and 46) | (467.69) | (472.04) |
| **Total Net (A)** | **28,905.66** | **9,970.19** |
| (i) Secured by tangible assets | 13,804.88 | 6,172.75 |
| (ii) Secured by intangible assets | - | - |
| (iii) Covered by Bank/Government Guarantees | - | - |
| (iv) Unsecured | 15,568.47 | 4,269.48 |
| **Total Gross (B)** | **29,373.35** | **10,442.23** |
| Less: Impairment loss allowance | (467.69) | (472.04) |
| **Total Net (B)** | **28,905.66** | **9,970.19** |
| Loans in India | | |
| (i) Public Sector | - | - |
| (ii) Others | 29,373.35 | 10,442.23 |
| Loans outside India | - | - |
| **Total Gross (C)** | **29,373.35** | **10,442.23** |
| Less: Impairment loss allowance | (467.69) | (472.04) |
| **Total Net (C)** | **28,905.66** | **9,970.19** |

7.1 The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due:

(₹ in Lakhs)

| Particulars | Stage 1 Low Credit Risk | Stage 2 Significant increase in credit risk | Stage 3 Credit Impaired |
|---|---|---|---|
| | 0-30 DPD | 30-90 DPD | > 90 DPD |
| **March 31, 2022** | | | |
| Secured Loan | 10,211.87 | 3,001.57 | 591.44 |
| Unsecured Loan | 14,694.64 | 547.63 | 326.20 |
| **Total** | **24,906.51** | **3,549.20** | **917.64** |
| **March 31, 2021** | | | |
| Secured Loan | 4,843.51 | 976.40 | 352.84 |
| Unsecured Loan | 3,983.54 | 195.29 | 90.65 |
| **Total** | **8,827.05** | **1,171.69** | **443.49** |

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model:

(₹ in Lakhs)

| Particulars | Stage 1 Low Credit Risk | Stage 2 Significant increase in credit risk | Stage 3 Credit Impaired |
|---|---|---|---|
| | 0-30 DPD | 30-90 DPD | More than 90 DPD |
| **ECL Allowance -** | | | |
| **March 31, 2022** | | | |
| Secured Loan | 12.87 | 72.51 | 72.47 |
| Unsecured Loan | 52.14 | 25.62 | 232.08 |
| **Total** | **65.01** | **98.13** | **304.55** |
| **March 31, 2021** | | | |
| Secured Loan | 37.20 | 154.73 | 155.80 |
| Unsecured Loan | 56.06 | 19.86 | 48.38 |
| **Total** | **93.26** | **174.59** | **204.19** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7.3 Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **loans:** | | |
| Promoters | - | - |
| Subsidiaries | 93.46 | |
| Directors | - | - |
| Key-managerial personnel | - | - |
| Other related parties | - | - |
| **Total** | **93.46** | **-** |
| **Advances:** | | |
| Promoters | - | - |
| Subsidiaries | - | - |
| Directors | - | - |
| Key-managerial personnel | - | - |
| Other related parties | - | - |
| **Total** | **-** | **-** |
| Loans & Advances repayable on demand | | |
| Loans | - | - |
| Advances | - | - |
| **Total** | **-** | **-** |

## 8 Investments

(₹ in Lakhs)

| Particulars | March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Amortised cost | At fair value | | | | Others (at cost) | Total |
| | | Through other comprehensive income | Through profit and loss | Designated at fair value through profit and loss | Sub total | | |
| | (1) | (2) | (3) | (4) | (5=2+3+4) | (6) | (7=1+5+6) |
| (i) Mutual Funds | - | - | 2,503.70 | - | 2,503.70 | - | 2,503.70 |
| (ii) Equity Instruments Subsidiaries (Refer Note 8.1) | - | - | - | - | - | 2,585.77 | 2,585.77 |
| **Total Gross (A)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **2,585.77** | **5,089.47** |
| (i) Investment outside India | - | - | - | - | - | - | - |
| (ii) Investment in India | - | - | 2,503.70 | - | 2,503.70 | 2,585.77 | 5,089.47 |
| **Total (B)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **2,585.77** | **5,089.47** |
| Less: Impairment allowance (C) | - | - | - | - | - | - | - |
| **Total Net (A-C)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **2,585.77** | **5,089.47** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Amortised cost | At fair value | | | | Others (at cost) | Total |
| | | Through other comprehensive income | Through profit and loss | Designated at fair value through profit and loss | Sub total | | |
| | (1) | (2) | (3) | (4) | (5=2+3+4) | (6) | (7=1+5+6) |
| (i) Mutual Funds | - | - | 1,103.25 | - | 1,103.25 | - | 1,103.25 |
| (ii) Equity Instruments Subsidiaries (Refer Note 8.1) | - | - | - | - | - | 715.42 | 715.42 |
| **Total Gross (A)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **715.42** | **1,818.67** |
| (i) Investment outside India | - | - | - | - | - | - | - |
| (ii) Investment in India | - | - | 1,103.25 | - | 1,103.25 | 715.42 | 1,818.67 |
| **Total (B)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **715.42** | **1,818.67** |
| Less: Impairment allowance (C) | - | - | - | - | - | - | - |
| **Total Net (A-C)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **715.42** | **1,818.67** |

The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the company to certain employees of subsidiary. It has been included in the above carrying value of investment in the subsidiary.

There are no investments measured at FVOCI.

More information regarding the valuation methodologies can be found in Note 46

**8.1 In compliance with Ind AS 27 "Separate Financial Statements" the required information is as under:**

| Name of entity | Principal place of business/ country of origin | Subsidiary/ Associate/ Joint Venture | Percentage of ownership Interest as on | |
|---|---|---|---|---|
| | | | As at March 31, 2022 | As at March 31, 2021 |
| | | | % | % |
| DFL Technologies Private Limited | India | Subsidiary | 100 | 100 |

## 9 Other financials assets

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security Deposits | 97.90 | 25.26 |
| Other advances* | 472.05 | 20.14 |
| Other Financial Assets | - | 52.16 |
| **Total** | **569.95** | **97.56** |

* Includes the amount recoverable from related party: Current year ₹ Nil (previous year ₹ 4.36 lakhs)

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 10 Current Tax assets/(Liabilities)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current Tax assets** | | |
| Advance income tax(Net of provisions of ₹ 667.97 lakhs (March 31, 2021 ₹ 382.71 lakhs) | 173.19 | 174.49 |
| | | |
| **Current Tax liabilities** | | |
| Provision for current tax(Net of advance tax of ₹ Nil lakhs (March 31, 2021 ₹ Nil lakhs) | (36.85) | (36.85) |
| **Total** | **136.34** | **137.64** |

## 11 Deferred tax assets/(liabilities) (net)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Deferred tax asset on account of:** | | |
| Impairment loss allowance | 125.17 | 128.20 |
| Provision on Employee Stock Option | 54.11 | 74.90 |
| Expenses allowable for tax purposes when paid | 24.21 | 12.66 |
| EIR impact on loans measured at amortised cost | 65.22 | 32.43 |
| Other Temporary Differences | 0.20 | 1.46 |
| Right of Use Assets | 18.70 | - |
| EIR impact of Subvention Income | 1.73 | - |
| | | |
| **Deferred tax liability on account of:** | | |
| Property, plant and equipment and other intangible assets - carrying amount | (7.13) | (20.54) |
| EIR impact of DSA Commission | (64.90) | (28.59) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | (103.40) | (44.35) |
| Liability component of Compound Financial Instrument | (35.32) | (29.10) |
| Other Temporary Differences | (6.02) | (11.12) |
| | | |
| **MAT Entitlement Credit** | - | - |
| | | |
| **Net deferred tax assets** | 72.57 | 115.95 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

11.1 Note (a): Summary of deferred tax assets/(liabilities)

(₹ in Lakhs)

| Particulars | As at April 1, 2021 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | Utilised | As at March 31, 2022 |
|---|---|---|---|---|---|
| Impairment loss allowance | 128.20 | (3.03) | - | - | 125.17 |
| Provision on Employee Stock Option | 74.90 | (20.79) | - | - | 54.11 |
| Expenses allowable for tax purposes when paid | 12.66 | 9.70 | 1.85 | - | 24.21 |
| EIR impact on loans measured at amortised cost | 32.43 | 32.79 | - | - | 65.22 |
| Other Temporary Differences | 1.46 | (1.26) | - | - | 0.20 |
| Right of use assets | - | 18.70 | - | - | 18.70 |
| EIR impact of subvension income | - | 1.73 | - | - | 1.73 |
| Property, plant and equipment and other intangible assets - carrying amount | (20.54) | 13.41 | - | - | (7.13) |
| EIR impact of DSA Commission | (28.59) | (36.33) | - | - | (64.91) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | (44.35) | (59.05) | - | - | (103.40) |
| Liability component of Compound Financial Instrument | (29.10) | (6.23) | - | - | (35.32) |
| Other Temporary Differences | (11.12) | 5.10 | - | - | (6.02) |
| | | | | | |
| **Net deferred tax assets/(liability)** | **115.95** | **(45.25)** | **1.85** | **-** | **72.57** |

| Particulars | As at April 1, 2020 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | Utilised | As at March 31, 2021 |
|---|---|---|---|---|---|
| Impairment loss allowance | 116.02 | 12.19 | - | - | 128.20 |
| Provision on Employee Stock Option | 33.43 | 41.47 | - | - | 74.90 |
| Expenses allowable for tax purposes when paid | 6.91 | 6.29 | (0.54) | - | 12.66 |
| EIR impact on loans measured at amortised cost | 1.44 | 30.99 | - | - | 32.43 |
| Other Temporary Differences | 0.01 | 1.45 | - | - | 1.46 |
| Property, plant and equipment and other intangible assets - carrying amount | (8.19) | (12.35) | - | - | (20.54) |
| EIR impact of DSA Commission | (1.22) | (27.37) | | | (28.59) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | - | (44.35) | | | (44.35) |
| Liability component of Compound Financial Instrument | - | (29.10) | | | (29.10) |
| Other Temporary Differences | 0.25 | (11.38) | - | - | (11.12) |
| **MAT Entitlement Credit** | 39.59 | - | - | 39.59 | - |
| **Net deferred tax assets/(liability)** | **188.24** | **(32.14)** | **(0.54)** | **39.59** | **115.95** |

## 12 (a) Property, plant and equipment
## (b) Right of use assets

(₹ in Lakhs)

| Particulars | (a) Property, plant and equipment | | | | | | (b) Right of use assets | |
|---|---|---|---|---|---|---|---|---|
| | Computers | Motor Cars | Office Equipment | Furniture and Fixtures | Leasehold Improvements | Total | Right to Use | Total |
| **For the year ended March 31, 2022** | | | | | | | | |
| **Gross Carrying Amount** | | | | | | | | |
| Cost as at April 1, 2021 | 71.68 | 0.17 | 94.80 | 151.07 | 96.78 | 414.50 | 549.18 | 549.18 |
| Additions | 55.69 | - | 148.69 | 104.07 | 193.53 | 501.99 | 192.76 | 192.76 |
| Adjustments | - | - | - | - | - | - | 110.25 | 110.25 |
| Disposals | | | | | | | | |
| **Gross carrying value as of March 31, 2022** | **127.37** | **0.17** | **243.50** | **255.14** | **290.32** | **916.50** | **852.19** | **852.19** |
| **Accumulated Depreciation** | | | | | | | | |
| Accumulated Depreciation as at April 1, 2021 | 32.21 | - | 9.67 | 1.91 | 16.72 | 60.51 | 30.36 | 30.36 |
| Depreciation charge during the year | 25.49 | - | 34.30 | 21.72 | 36.63 | 118.14 | 184.46 | 184.46 |
| Disposals | - | - | - | - | - | - | - | - |
| Impairment loss | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as of March 31, 2022** | **57.69** | **-** | **43.97** | **23.63** | **53.35** | **178.65** | **214.81** | **214.81** |
| **Net carrying value as of March 31, 2022** | **69.67** | **0.17** | **199.52** | **231.51** | **236.96** | **737.84** | **637.38** | **637.38** |
| **For the year ended March 31, 2021** | | | | | | | | |
| Gross Carrying Amount | | | | | | | | |
| Cost as at April 1, 2020 | 45.89 | 0.17 | 17.96 | 3.88 | 146.55 | 214.45 | - | - |
| Additions | 53.18 | - | 79.70 | 147.19 | 87.78 | 367.84 | 549.18 | 549.18 |
| Adjustments | - | - | - | - | (115.53) | (115.53) | 115.53 | 115.53 |
| Disposals | (27.39) | - | (2.86) | - | (22.02) | (52.26) | (115.53) | (115.53) |
| **Gross carrying value as of March 31, 2021** | **71.68** | **0.17** | **94.80** | **151.07** | **96.78** | **414.50** | **549.18** | **549.18** |
| **Accumulated Depreciation** | | | | | | | | |
| Accumulated Depreciation as at April 1, 2020 | 13.49 | - | 1.70 | 0.26 | 10.47 | 25.93 | - | - |
| Depreciation charge during the year | 18.72 | - | 7.97 | 1.65 | 8.68 | 37.01 | 30.36 | 30.36 |
| Adjustments | | | | | (2.43) | (2.43) | 2.43 | 2.43 |
| Disposals | - | - | - | - | - | - | (2.43) | (2.43) |
| Impairment loss | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as of March 31, 2021** | **32.21** | **-** | **9.67** | **1.91** | **16.72** | **60.51** | **30.36** | **30.36** |
| **Net carrying value as of March 31, 2021** | **39.47** | **0.17** | **85.13** | **149.16** | **80.06** | **353.99** | **518.82** | **518.82** |

* Revaluations of right to use assets: The right of use assets has been revalued by by the company itself instead of any independent registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(c) **Capital work-in-progress**

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Capital work in progress | 194.23 | - |
| **Total** | **194.23** | **-** |

(d) Intangible assets under development

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Intangible assets under development | 926.84 | 124.93 |
| **Total** | **926.84** | **124.93** |

**Aging of Capital work-in-progress and Intangible assets under development**

| **Particulars** | **Less than one year** | **1 - 2 year** | **2 - 3 year** | **More than 3 Year** | **Total** |
|---|---|---|---|---|---|
| **i. Projects in progress** | | | | | |
| Capital work in progress | 194.23 | - | - | - | 194.23 |
| Intangible assets under development | 926.84 | - | - | - | 926.84 |
| **Total** | **1,121.07** | **-** | **-** | **-** | **1,121.07** |
| **ii. Projects temporarily suspended** | | | | | |
| Capital work in progress | - | - | - | - | - |
| Intangible assets under development | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 13 Other intangible assets

(₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| **For the year ended March 31, 2022** | | |
| Gross Carrying Amount | | |
| Cost as at April 1, 2021 | 262.23 | 262.23 |
| Additions | 315.23 | 315.23 |
| Disposals | - | - |
| **Gross carrying value as of March 31, 2022** | **577.47** | **577.47** |
| | | |
| **Accumulated Depreciation** | | |
| Accumulated Depreciation as at April 1, 2021 | 85.69 | 85.69 |
| Depreciation charge during the year | 105.40 | 105.40 |
| Disposals | - | - |
| Impairment loss | - | - |
| **Accumulated depreciation as of March 31, 2022** | **191.09** | **191.09** |
| **Net carrying value as of March 31, 2022** | **386.37** | **386.37** |
| | | |
| **For the year ended March 31, 2021** | | |
| Gross Carrying Amount | | - |
| Cost as at April 1, 2020 | 181.26 | 181.26 |
| Additions | 105.06 | 105.06 |
| Disposals | (24.09) | (24.09) |
| **Gross carrying value as of March 31, 2021** | **262.23** | **262.23** |
| | | |
| **Accumulated Depreciation** | | |
| Accumulated Depreciation as at April 1, 2020 | 38.39 | 38.39 |
| Depreciation charge during the year | 52.47 | 52.47 |
| Disposals | (5.17) | (5.17) |
| Impairment loss | - | - |
| Accumulated depreciation as of March 31, 2021 | 85.69 | 85.69 |
| **Net carrying value as of March 31, 2021** | **176.53** | **176.53** |

### 14 Other non-financials assets

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Prepaid expense | 427.48 | 113.91 |
| Advance to vendors | 28.05 | 27.30 |
| Advance to employees | 11.40 | 10.09 |
| Balances with statutory/government authorities | - | 24.74 |
| **Total** | **466.94** | **176.04** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 15 Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 35.22 | 14.78 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 322.70 | 147.90 |
| **Total** | **357.92** | **162.68** |
| | | |
| **Other payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 11.97 | 21.56 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 118.03 | 43.62 |
| **Total** | **130.00** | **65.18** |

i) The company has not entered in any supplier finance arrangeents during the financial year 2021-22.

ii) Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| The principal amount remaining unpaid to supplier as at the end of the year | 47.19 | 36.34 |
| The interest due thereon remaining unpaid to supplier as at the end of the year | - | - |
| The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| The amount of interest accrued during the year and remaining unpaid at the end of the year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006 | - | - |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | FY 2021-22 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade payables: | | | | | | | |
| Micro enterprises and small enterprises | - | - | 47.19 | - | - | - | 47.19 |
| Others | 19.63 | - | 421.10 | - | - | - | 440.73 |
| **Total** | **19.63** | **-** | **468.29** | **-** | **-** | **-** | **487.92** |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

(₹ in Lakhs)

| Particulars | FY 2020-21 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 36.34 | - | - | - | 36.34 |
| Others | 85.26 | - | 106.26 | - | - | - | 191.52 |
| Total | **85.26** | **-** | **142.60** | **-** | **-** | **-** | **227.86** |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| **Total** | | | | | | | |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 16 Debt Securities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| At Amortised Cost | | |
| **Unsecured** | | |
| Compulsorily Convertible Debentures * | 126.98 | 104.59 |
| **Secured** | | |
| Non Convertible Debentures - Privately Placed | 3,694.49 | 497.39 |
| **Total** | **3,821.46** | **601.98** |
| Deb Securities within India | 3,821.46 | 601.98 |
| Deb Securities outside India | - | - |
| **Total** | **3,821.46** | **601.98** |

* Includes ₹ 57.82 issued to Related Parties

**Debt Securities Disclosure**

i) **Privately placed redeemable non-convertible debenture**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) 24-36 Months [of ₹ 10,00,000/- each] | 11.00% | 375.00 | 375.00 |
| (ii) 12-24 Months [of ₹ 10,00,000/- each] | 11.00% | 125.00 | 125.00 |
| (iii) 12-24 Months [of ₹ 10,00,000/- each] | 11.39% | 1,500.00 | - |
| (iv) 12-24 Months [of ₹ 1,000/- each] | 11.61% | 1,500.00 | - |
| | | | |
| **Gross** | | 3,500.00 | 500.00 |
| Less: Effective Interest Rate Adjustment | | 194.49 | (2.61) |
| **Net** | | **3,694.49** | **497.39** |

**Nature of Security**

i) **Non-convertible debenture @ 11%**

The facility is secured by exclusive hypothecation of standard loans & advances receivables to maintain a security cover of 1.20 times.

ii) **Non-convertible debenture @ 11.39%**

The facility is secured by exclusive hypothecation of loans & advances receivables.

iii) **Non-convertible debenture @ 11.61%**

The facility is secured by exclusive hypothecation of loans & advances receivables.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii) **Privately placed unsecured compulsorily convertible debenture**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) Upto 18 Months [of ₹ 22.26/- each] | 2% | 2,042.40 | 4,500.00 |
| (ii) Upto 18 Months [of ₹ 80.00/- each] | 10% | 6,582.89 | - |
| **Gross** | | **8,625.29** | **4,500.00** |
| Less: Equity component of compound financial instrument | | (7,685.52) | (4,376.42) |
| Less: Accrued Interest Adjustment | | (812.79) | (18.99) |
| **Net** | | **126.98** | **104.59** |

**Terms of Redemption**

The holder shall have the option to convert the CCDs, any time prior to the expiry of 18 (eighteen) months from the date of issuance of the CCDs, provided that all compulsorily convertible debentures issued shall mandatorily convert simultaneously. Each CCD shall convert into Equity Share at below mentioned conversion price:

i) CCD bering interest rate 2% shall convert into one Equity Share at a conversion price of ₹ 22.26 per equity share.

ii) CCD bering interest rate 10% shall convert into one Equity Share at a conversion price of ₹ 80.00 per equity share.

## 17 Borrowings (other than debt securities)

(₹ In Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **At amortised cost** | | |
| **Secured** | | |
| **Term Loan from Banks** | | |
| - from Banks | 12,125.94 | 5,900.03 |
| - from Financial Institutions | 12,522.76 | 1,194.79 |
| **Bank Over draft** | - | 287.30 |
| **Unsecured** | | |
| Loans repayable on demand from other parties | - | - |
| Lease Liability (Refer Note 49) | 177.49 | 68.73 |
| **Total (A)** | **24,826.19** | **7,450.85** |
| Borrowings India | 24,826.19 | 7,450.85 |
| Borrowings outside India | - | - |
| **Total (B)** | **24,826.19** | **7,450.85** |
| Current borrowings | 1,249.45 | - |
| Current maturities of Long term borrowings | 10,851.29 | 2,587.38 |
| Long term borrowings | 12,725.45 | 4,863.47 |
| **Total (C)** | **24,826.19** | **7,450.85** |

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Borrowings Disclosure**

**i) Term loans from Banks & Financial Institutions**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Terms of Repayment | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| 49-60 Months | Monthly Instalments | 11.00% | 355.76 | 464.28 |
| 37-48 Months | Monthly Instalments | 9.75 - 13% | 1,482.56 | 3,269.82 |
| 37-48 Months | Quarterly Instalments | 11 - 13% | - | 2,031.25 |
| 25-36 Months | Monthly Instalments | 9.75% - 13.45% | 3,500.37 | - |
| 13-24 Months | Monthly Instalments | 9.75% - 14% | 7,732.26 | 1,257.72 |
| 13-24 Months | Two Instalments | 7-9% | - | 500.58 |
| 25-36 Months | Quarterly Instalments | 12.45% | 156.25 | - |
| 13-24 Months | Quarterly Instalments | 12.45% | 625.00 | - |
| Upto 12 Months | Quarterly Instalments | 12.45% | 625.00 | - |
| Upto 12 Months | Monthly Instalments | 6.75% - 14% | 11,475.74 | - |
| Gross | | | 25,952.94 | 7,523.65 |
| Less: Effective Interest Rate Adjustment | | | (468.30) | (159.41) |
| Less: Capital Contribution by the Holding Company in the Form of Corporate Guarantee | | | (835.94) | (269.42) |
| **Net** | | | **24,648.70** | **7,094.82** |

**Nature of Security**

The facility is secured on a first and exclusive charge basis by way of hypothecation over the portfolio loans in such a way that the security cover of 1.10 to 1.33 times is met. Further, the Company has provided additional security by way of lien on Fixed Deposits and Corporate Guarantee in certain cases.

**ii) Bank Overdraft**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Upto 12 Months | - | - | 287.30 |

**Nature of Security**

The facility is secured by pledge of gold ornaments.

## 18 Other financial liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unpaid dividends | 17.03 | 18.95 |
| Loan Pending Disbursal | - | 10.29 |
| Payable to employees | 2.95 | 0.70 |
| Other financial liabilities | 198.74 | 14.75 |
| **Total** | **218.72** | **44.69** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 19 Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Gratuity (Refer Note 38) | 36.67 | 10.86 |
| Leave encashment (Refer Note 38) | 50.37 | 34.64 |
| PF and ESIC (Refer Note 38) | 8.21 | 3.43 |
| **Total** | **95.25** | **48.93** |

## 20 Other non-financial liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance from customers and others | 245.24 | 74.35 |
| Liability towards Statutory Dues | 93.09 | 35.23 |
| Unearned income | - | 0.55 |
| **Total** | **338.33** | **110.13** |

## 21 Equity share capital

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| a. **Authorised Share Capital** | | |
| 25,00,00,000 (March 31, 2021: 25,00,00,000) Equity Shares of ₹ 2 each | 5,000.00 | 5,000.00 |
| **Total** | **5,000.00** | **5,000.00** |
| | | |
| b. **Issued, Subscribed and Paid-up:** | | |
| 8,88,38,939 (March 31, 2021: 7,64,62,145) Equity Shares of ₹ 2 each | 1,776.78 | 1,529.24 |
| **Total** | **1,776.78** | **1,529.24** |

c. **Reconciliation of number of equity shares:** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Balance as at the beginning of the year** | **76,462,145** | **1,529.24** | **67,538,780** | **1,350.78** |
| Issued during the year | 12,376,794 | 247.54 | 8,923,365 | 178.46 |
| **Balance as at the end of the year** | **88,838,939** | **1,776.78** | **76,462,145** | **1,529.24** |

d. **Details of shareholders holding more than 5% shares in the Company** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 57,869,685 | 65.14% | 46,914,130 | 61.36% |
| Siddhi Jaiswal | - | - | 3,912,855 | 5.11% |
| **Total** | **57,869,685** | **65.14%** | **50,826,985** | **66.47%** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

e. **Shares of the Company held by the Holding Company**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 57,869,685 | 46,914,130 |
| **Total** | **57,869,685** | **46,914,130** |

f. **Details of shareholding of promoters:**

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Number of shares | Percentage of total No of shares | Percentage of change during the year |
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 57,869,685 | 65.14% | 3.78% |
| **Total** | **57,869,685** | **65.14%** | **3.78%** |

| Particulars | As at March 31, 2021 | | |
|---|---|---|---|
| | Number of shares | Percentage of total No of shares | Percentage of change during the year |
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 46,914,130 | 61.36% | 4.48% |
| **Total** | **46,914,130** | **61.36%** | **4.48%** |

g. **Aggregate number of shares issued for consideration other than cash**

| Particulars | Number of shares | Number of shares |
|---|---|---|
| Shares issued as consideration for acquisition of subsidiary | - | - |
| **Total** | - | - |

h. **Shares reserved for issues under options** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No of Shares | Amount in ₹ | No of Shares | Amount in ₹ |
| Equity shares of ₹2 each reserved for issue under employee stock option scheme | 4,151,219 | 83.02 | 8,523,570 | 170.47 |

i. **Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be proportional to the number of equity shares held by the shareholders.

j. The Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2022.

k. **Proposed dividends on equity shares** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Proposed dividend on equity shares for the year ended on March 31, 2022: ₹ 0.01 per share (March 31, 2021: ₹ 0.01 per share) | 8.88 | 7.65 |

i. Refer Note 41- Capital for the Company's objectives, policies and processes for managing capital.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 22 Other equity

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Securities Premium | (i) | 4,497.14 | 2,027.52 |
| Retained earnings | (ii) | 1,323.02 | 657.98 |
| Employee stock option outstanding reserve | (iii) | 194.47 | 269.21 |
| Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | (iv) | 437.55 | 291.07 |
| Money received against share warrants | (v) | 450.00 | 500.00 |
| Share application money pending allotment | (vi) | 1.64 | 2.92 |
| Equity component of compound financial instruments | (vii) | 7,685.52 | 4,376.42 |
| Capital Contribution towards corporate guarantee | (viii) | 1,027.99 | 281.90 |
| **Total** | | **15,617.34** | **8,407.01** |

### (i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 2,027.52 | 629.85 |
| Add: premium received on issue of shares | 2,469.61 | 1,397.67 |
| Add: Utilisation on account of exercise option | - | - |
| Share Issue Expenses | - | - |
| **Balance at the end of the year** | **4,497.14** | **2,027.52** |

### (ii) Retained earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 657.98 | 615.96 |
| Profit for the year | 737.21 | 68.45 |
| Remeasurement of defined benefit plans (net of tax) | (4.81) | 1.41 |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | (146.48) | (13.69) |
| Left Employee vested expenses reversed | 86.79 | 0.19 |
| Dividends | (7.67) | (14.34) |
| Dividend distribution tax | - | - |
| **Balance at the end of the year** | **1,323.02** | **657.98** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### (iii) Employee stock option outstanding reserves

Employee stock option outstanding reserves is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the group

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 269.21 | 120.16 |
| Add:Share based payment expense | (22.45) | 153.29 |
| Add:ESOP's granted to employees of Subsidiary Company | 70.25 | 15.42 |
| Less: Share based payment expense reversed for resigned employees | (86.79) | (0.19) |
| Less:Transfer to securities premium on account of exercise of Options | (35.75) | (19.47) |
| **Balance at the end of the year** | **194.47** | **269.21** |

### (iv) Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934

The Company maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 291.07 | 277.38 |
| Add: Profit transferred during the year | 146.48 | 13.69 |
| **Balance at the end of the year** | **437.55** | **291.07** |

### (v) Money received against share warrants

money received against share warrants is to be made since shares are yet to be allotted against the share warrants

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 500.00 | 125.00 |
| Add: Warrants issued during the year | - | 875.00 |
| Less: Options exercised during the year | 50.00 | 500.00 |
| **Balance at the end of the year** | **450.00** | **500.00** |

### (vi) Share application money pending allotment

The amount received on the application on which allotment is not yet made

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 2.92 | - |
| Add: Application money received during the year | 1.64 | 2.92 |
| Less: Allotment made during the year | (2.92) | - |
| **Balance at the end of the year** | **1.64** | **2.92** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**(vii) Equity component of compound financial instruments**

This represent the equity component of compound financial instruments

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 4,376.42 | - |
| Add: Equity component of compound financial instruments | 3,309.10 | 4,376.42 |
| **Balance at the end of the year** | **7,685.52** | **4,376.42** |

**(viii) Capital Contribution towards corporate guarantee**

This represent the Capital Contribution towards corporate guarantee

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 281.90 | - |
| Add: Capital Contribution by the Holding Company in the Form of Corporate Guarantee | 746.09 | 281.90 |
| **Balance at the end of the year** | **1,027.99** | **281.90** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 23 Interest income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest on loans (at amortised cost) | 4,444.27 | 1,190.08 |
| Interest on deposit with banks (at amortised cost) | 98.75 | 32.06 |
| Other interest Income | 3.73 | 0.69 |
| **Total** | **4,546.75** | **1,222.83** |

## 24 Fees and commission Income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Income from loan services | 151.27 | 25.67 |
| Income from other services | 2,118.89 | 1,138.19 |
| **Total** | **2,270.16** | **1,163.86** |

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Type of Services | | |
| Fee and commission income | 2,270.16 | 1,163.86 |
| Total revenue from contract with customers | 2,270.16 | 1,163.86 |
| Geographical markets | | |
| India | 2,270.16 | 1,163.86 |
| Outside India | - | - |
| Total revenue from contract with customers | 2,270.16 | 1,163.86 |
| Timing of revenue recognition | | |
| Services transferred at a point in time | 2,270.16 | 1,163.86 |
| Services transferred over time | - | - |
| **Total revenue from contracts with customers** | **2,270.16** | **1,163.86** |

**Contract balance**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Trade receivables | 1,228.63 | 210.28 |
| Contract Assets | - | - |

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 25 Net gain on fair value changes

(₹ in Lakhs)

| 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 | 164.67 | 8.43 |
| - Derivatives | - | - |
| (ii) Others | - | - |
| **Total Net Gain on Fair Value Changes (B)** | **164.67** | **8.43** |
| Fair value changes: | | |
| Realised | - | 11.17 |
| Unrealised | 164.67 | (2.74) |
| **Total Net Gain on Fair Value Changes (C)** | **164.67** | **8.43** |

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

## 26 Other Income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rent income | - | 0.70 |
| Net gain/(loss) on derecognition of property, plant and equipment and investment property | - | 1.12 |
| Gain on foreign currency transactions | - | - |
| Recovery from written off accounts | 5.39 | - |
| Miscellaneous income | 18.68 | 45.04 |
| **Total** | **24.07** | **46.86** |

## 27 Finance costs

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **On Financial liabilities measured at amortised cost** | | |
| Interest on borrowings (other than debt securities) | 2,122.52 | 407.57 |
| Interest on debt securities | 294.04 | 12.58 |
| **Other interest expense** | | |
| Interest on lease liabilities | 18.68 | 2.98 |
| Interest on taxes | - | - |
| **Total** | **2,435.24** | **423.13** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 28 Fees and commission expense

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Commission | 72.41 | 27.40 |
| **Total** | **72.41** | **27.40** |

## 29 Impairment on financial instruments

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Loans | (4.35) | 33.76 |
| Receivable | 16.50 | 2.57 |
| Bad debts written off | 118.08 | 7.34 |
| **Total** | **130.23** | **43.67** |

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

**For the year ended March 31, 2022**

(₹ in Lakhs)

| Particulars | General Approach | | | Simplified Approach | Total |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Loans and advances to customers | (28.25) | (76.47) | 100.36 | - | (4.35) |
| Receivables | - | - | - | 16.50 | 16.50 |
| **Total impairment loss** | **(28.25)** | **(76.47)** | **100.36** | **16.50** | **12.15** |

**For the year ended March 31, 2021**

(₹ in Lakhs)

| Particulars | General Approach | | | Simplified Approach | Total |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Loans and advances to customers | (72.94) | 23.25 | 83.46 | - | 33.76 |
| Receivables | - | - | - | 2.57 | 2.57 |
| **Total impairment loss** | **(72.94)** | **23.25** | **83.46** | **2.57** | **36.33** |

## 30 Employee benefits expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries and wages | 1,299.69 | 773.99 |
| Gratuity Expenses (Refer Note 38) | 19.15 | 10.57 |
| Contribution to provident and other funds | 70.93 | 38.94 |
| Share Based Payments to employees | (22.45) | 153.29 |
| Staff welfare expenses | 24.96 | 10.69 |
| **Total** | **1,392.28** | **987.48** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 31 Depreciation, amortization and impairment

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 12) | 302.60 | 67.38 |
| Amortization of intangible assets (Refer Note 13) | 105.40 | 52.47 |
| **Total** | **408.00** | **119.84** |

## 32 Others expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rent, Rates and taxes | 72.25 | 71.40 |
| Repairs and maintenance | 5.31 | 2.39 |
| Energy Costs | 17.29 | 10.99 |
| Communication costs | 20.02 | 10.38 |
| Printing and stationery | 20.78 | 9.09 |
| Advertisement and publicity | 55.45 | 16.64 |
| Director's fees, allowances, and expenses | 61.46 | 62.97 |
| Auditor fees and expenses [Refer Note 32.1] | 43.28 | 32.10 |
| Legal and professional charges | 481.30 | 200.61 |
| Insurance | 63.29 | 11.99 |
| **Other expenditure:** | | |
| - Annual Maintenance Charges | 37.59 | 17.08 |
| - Brokerage | 197.97 | 11.92 |
| - Donation | - | 5.15 |
| - GST Input Tax Credit written off | 123.02 | 73.40 |
| - Office Expenses | 31.84 | 20.60 |
| - Processing fee on co-lending business | 23.72 | 15.56 |
| - Software Licences Expenses | 20.95 | 14.34 |
| - Travel & Conveyance | 98.41 | 16.69 |
| - Website & Server Maintenance Expenses | 88.45 | 30.93 |
| - Miscellaneous Expenditure | 37.42 | 32.72 |
| **Total** | **1,499.80** | **666.95** |

### 32.1 Auditor fees and expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **As Auditor:** | | |
| - Statutory audit fees | 12.00 | 12.00 |
| - Limited review fees | 8.00 | 6.00 |
| - Tax audit fees | 2.00 | 2.00 |
| - Reimbursement of expenses | 0.30 | 0.75 |
| **In other capacity:** | | |
| - Certification | 20.99 | 11.35 |
| **Total** | **43.28** | **32.10** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 33 Income tax expense

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the period | 285.25 | 71.59 |
| Adjustments for current tax of prior periods | - | 1.32 |
| Mat credit entitlement (Refer Note11) | - | - |
| **Total Current Tax** | **285.25** | **72.91** |
| | | |
| **Deferred tax expense (income)** | | |
| Decrease in deferred tax assets (Refer Note11) | 45.23 | 32.15 |
| Total deferred tax expense/(benefit) | 45.23 | 32.15 |
| **Total tax expense** | **330.48** | **105.06** |

**Reconciliation of the total tax charge:**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and year ended March 31, 2021 is, as follows:

**Reconciliation of effective tax rate:**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit before income tax expense | 1,067.69 | 173.51 |
| **Enacted income tax rate in India applicable to the Company 27.82% (March 31, 2021 - 27.82%)** | 297.03 | 48.27 |
| **Tax effect of:** | | |
| Permanent Disallowances | 7.74 | 7.78 |
| Deferred tax assets not created on OCI | (1.85) | 0.54 |
| Long term capital gain on sale of property | - | - |
| Difference in tax rates for short term capital gains | (18.27) | (1.24) |
| Others | 45.83 | 48.38 |
| Tax in respect of earlier period | - | 1.32 |
| **Total tax expense** | **330.48** | **105.06** |
| **Effective tax rate** | **30.95%** | **60.55%** |

**Amounts recognised directly in equity**

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit attributable to the equity holders of the Company (A) | 737.21 | 68.45 |
| Weighted Average number of equity shares for calculating Basic EPS (In lakhs) (B) | 77,309,164 | 73,538,340 |
| Adjustment for calculation of Diluted EPS on account of Diluted potential ordinary shares (C) | 21,184,845.42 | 23,382,175 |
| Weighted Average number of equity shares for calculating Diluted EPS (In lakhs) (D= B+C) | 98,494,009 | 96,920,515 |
| Basic earnings per equity shares in ₹ (face value of ₹2/- per share) (A) / (B) | 0.95 | 0.09 |
| Diluted earnings per equity shares in ₹ (face value of ₹ 2/- per share) (A) / (D) | 0.80 | 0.07 |

## 35 Contingent liabilities & commitments

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Claims against the Company not acknowledged as debts | | |
| Income tax matters under dispute | 65.99 | 65.99 |
| Commitments | | |
| a) Capital commitments | 1.65 | - |
| (Estimated amount of contracts remaining to be executed on capital account and not provided for) | - | - |
| b) Loan sanction but undrawn | 198.95 | 361.01 |
| **Total Commitments** | **200.60** | **361.01** |

## 36 Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on March 31, 2022: Nil (March 31, 2021: Nil).

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 37 Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")

The Company had granted moratorium upto six months on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. During the year, the Company has scaled up the growth in the low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID related stress to the borrowers. Basis the abovementioned factors, the Company estimates that no additional Expected Credit Loss (ECL) provision on Loans is required on account of COVID – 19 during the quarter and year ended March 31, 2022. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

## 38 Employee benefits

### (a) Compensated absences

The compensated absences charge for the year ended March 31, 2022 of ₹ 25.55 lakhs (March 31, 2021 ₹ 25.51 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2022 is ₹ 50.37 lakhs (March 31, 2021: ₹ 34.64 lakhs)

### (b) Post employment obligations

#### I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

a. Provident Fund

b. Employees' Pension Scheme 1995

c. Employee State Insurance Scheme

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner . Under the schemes, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Contribution to Provident Fund | 45.32 | 25.73 |
| Contribution to Employees' Pension Scheme 1995 | 23.81 | 12.10 |
| Contribution to Employee State Insurance Scheme | 1.74 | 1.05 |
| **Total** | **70.87** | **38.89** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

II. **Defined benefit plans**

**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of Rs 20 lakhs. The gratuity plan is a funded plan.

The Company has a defined benefit plan in India (Funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The Fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in Lakhs)

| Defined benefit plans | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | Gratuity (funded) | Gratuity (funded) |
| **Expenses recognised in statement of profit and loss during the year:** | | |
| Current service cost | 10.44 | 10.15 |
| Past service cost | - | - |
| Expected return on plan assets | - | - |
| Liability Transferred Out/ Divestments | 7.82 | - |
| Net interest cost / (income) on the net defined benefit liability / (asset) | 0.61 | 0.42 |
| **Total expenses** | **18.87** | **10.57** |
| | | |
| **Expenses recognised in other comprehensive income** | | |
| Actuarial (gains) / losses due to demographic assumption changes | 0.01 | - |
| Actuarial (gains) / losses due to financial assumption changes | | - |
| Actuarial (gains)/ losses due to experience on defined benefit obligations | 6.60 | (2.10) |
| Return on plan assets excluding Interest income | 0.05 | 0.14 |
| **Total expenses** | **6.66** | **(1.96)** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Defined benefit plans | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | Gratuity (funded) | Gratuity (funded) |
| **Net asset /(liability) recognised as at balance sheet date:** | | |
| Present value of defined benefit obligation at the end of the period | (42.53) | (16.72) |
| Fair value of plan assets | 5.86 | 5.86 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(36.67)** | **(10.86)** |
| | | |
| **Movements in present value of defined benefit obligation** | | |
| Present value of defined benefit obligation at the beginning of the year | 16.72 | 12.92 |
| Current service cost | 10.44 | 10.15 |
| Past service cost | - | - |
| Liability Transferred Out/ Divestments | 7.82 | (5.01) |
| Interest cost | 0.93 | 0.76 |
| Actuarial (gains) / loss | 6.60 | (2.10) |
| Benefits paid | - | - |
| **Present value of defined benefit obligation at the end of the year** | **42.52** | **16.72** |
| | | |
| **Movements in fair value of the plan assets** | | |
| Opening fair value of plan assets | 5.86 | 5.67 |
| Interest Income | 0.33 | 0.33 |
| Expected returns on plan assets | - | - |
| Expected returns on plan assets excluding Interest income | (0.05) | (0.14) |
| Actuarial (gains) / loss on plan assets | - | - |
| Contribution from employer | - | - |
| Benefits paid | - | - |
| **Closing fair value of the plan asset** | **6.13** | **5.86** |
| | | |
| **Maturity profile of defined benefit obligation** | | |
| **Funding arrangements and funding policy** | | |
| The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company | | |
| | | |
| The average outstanding term of the obligations (years) as at valuation date is 4 years | | |
| Expected cash flows over the next (valued on undiscounted basis): | | |
| 1st Following Year | 2.23 | 0.03 |
| 2nd Following Year | 3.08 | 1.04 |
| 3rd Following Year | 3.76 | 1.61 |
| 4th Following Year | 5.55 | 1.88 |
| 5th Following Year | 6.68 | 2.38 |
| Sum of Years 6 To 10 | 22.53 | 8.79 |
| Sum of Years 11 and above | 20.91 | 10.51 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lakhs)

| | | |
|---|---|---|
| Increase / (decrease) on present value of defined benefit obligation at the end of the year | 42.52 | 16.72 |
| (i) +1% increase in discount rate | (2.41) | (1.11) |
| (ii) -1% decrease in discount rate | 2.67 | 1.25 |
| (iii) +1% increase in rate of salary increase | 2.61 | 1.12 |
| (iv) -1% decrease in rate of salary increase | (2.42) | (1.05) |
| (v) +1% increase in rate of Employee Turnover | (1.03) | (0.63) |
| (vi) -1% decrease in rate of Employee Turnover | 1.06 | 0.67 |

**Sensitivity analysis method**

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.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

| | | |
|---|---|---|
| Composition of plan assets | | |
| Qualifying policy with Tata AIA Life Insurance Company Limited | 100% | 100% |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Asset liability matching strategies

The Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

| Actuarial assumptions: | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| 1. Expected Return on Plan Assets | 6.09% | 5.58% |
| 2. Discount rate | 6.09% | 5.58% |
| 3. Expected rate of salary increase | 6.50% | 10.00% |
| 4. Rate of Employee Turnover | 18.00% | 18.00% |
| 5. Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) (Ultimate) |

Notes:

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Company expects to make a contribution of ₹ 35.50 lakhs to the defined benefit plans (gratuity - funded) during the next financial year.

d) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

## 39 Segment Reporting

The Company has primarily two reportable business segments namely Fund based Activities and Advisory services for the quarter and period ended March 31, 2022. In accordance with Ind AS 108 - Operating Segments, the Company has disclosed the segment information in the consolidated financial statements of the Company.

## 40 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. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Assets | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Financials Assets** | | | | | | |
| Cash and cash equivalents | 5,758.78 | - | 5,758.78 | 3,142.77 | | 3,142.77 |
| Bank balances other than cash and cash equivalents | 896.00 | 1,128.03 | 2,024.03 | 935.73 | 594.64 | 1,530.37 |
| Receivables | | | | | | |
| (i) Trade Receivables | 1,228.63 | - | 1,228.63 | 210.28 | - | 210.28 |
| (ii) Other Receivables | 46.96 | - | 46.96 | 46.96 | - | 46.96 |
| Loans* | 19,829.58 | 9,076.08 | 28,905.66 | 4,145.61 | 5,824.58 | 9,970.19 |
| Investments | 2,503.70 | 2,585.77 | 5,089.47 | 1,103.25 | 715.42 | 1,818.67 |
| Other Financials Assets | 569.95 | - | 569.95 | 97.56 | - | 97.56 |
| **Non Financials Assets** | | | | | | |
| Current Tax Assets (Net) | - | 173.19 | 173.19 | - | 174.49 | 174.49 |
| Deferred Tax Assets (Net) | - | 72.57 | 72.57 | - | 115.95 | 115.95 |
| Investment Property | | | | | | |
| Property,Plant and Equipment | - | 737.84 | 737.84 | - | 353.99 | 353.99 |
| Right of use assets | - | 637.38 | 637.38 | - | 518.82 | 518.82 |
| Capital work -in- progress | - | 194.23 | 194.23 | - | - | - |
| Intangible assets under development | - | 926.84 | 926.84 | - | 124.93 | 124.93 |
| Other Intangible assets | - | 386.37 | 386.37 | - | 176.53 | 176.53 |
| Other non-financials assets | - | 466.94 | 466.94 | 176.04 | - | 176.04 |
| Non-current assets and disposal group held for sale | - | - | - | - | - | - |
| **Total Assets** | **30,833.60** | **16,385.24** | **47,218.84** | **9,858.19** | **8,599.36** | **18,457.56** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Liabilities | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Financial Liabilities** | | | | | | |
| Payables | | | | | | |
| I)Trade payables | 357.92 | | 357.92 | 162.68 | - | 162.68 |
| II)Other payables | 130.00 | | 130.00 | 65.18 | - | 65.18 |
| Debt Securities | - | 3,821.46 | 3,821.46 | - | 601.98 | 601.98 |
| Borrowings (Other than Debt Securities) | 12,100.74 | 12,725.45 | 24,826.19 | 315.10 | 7,135.75 | 7,450.86 |
| Other financial liabilities | 218.72 | - | 218.72 | 44.69 | - | 44.69 |
| **Non-Financial Liabilities** | | | | | | |
| Current tax liabilities(Net) | 36.85 | - | 36.85 | 36.85 | - | 36.85 |
| Provisions | 8.21 | 87.04 | 95.25 | 23.37 | 25.57 | 48.94 |
| Other non-financial liabilities | 338.33 | - | 338.33 | 110.13 | - | 110.13 |
| **Total Liabilities** | **13,190.77** | **16,633.95** | **29,824.72** | **757.99** | **7,763.30** | **8,521.30** |
| | | | | | | |
| **Net** | **17,642.83** | **(248.71)** | **17,394.12** | **9,100.19** | **836.07** | **9,936.26** |

## 41 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares capital securities. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022.The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Debt | 28,647.65 | 8,052.83 |
| Less: cash and cash equivalents | (5,758.78) | (3,142.77) |
| Less: Bank balances other than cash and cash equivalents | (2,024.03) | (1,530.37) |
| Adjusted net debt | 20,864.83 | 3,379.68 |
| **Total Equity** | **17,394.12** | **9,936.25** |
| Adjusted net debt to adjusted equity ratio | 1.20 | 0.34 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 42 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

## 43 Change in liabilities arising from financing activities

(₹ in Lakhs)

| Particulars | April 1, 2021 | Cash Flows | Changes in fair values | Exchange difference | Other** | As at March 31, 2022 |
|---|---|---|---|---|---|---|
| Debt securities | 601.98 | 9,582.89 | - | - | (6,363.41) | 3,821.46 |
| Borrowings (other than debt securities)* | 7,382.11 | 18,673.37 | - | - | (1,406.77) | 24,648.70 |
| Lease Liabilities | 68.73 | (111.88) | - | - | 220.64 | 177.49 |
| Deposits | - | - | - | - | - | - |
| **Total liabilities from financing activities** | **8,052.82** | **28,144.38** | **-** | **-** | **(7,549.54)** | **28,647.65** |

| Particulars | April 1, 2020 | Cash Flows | Changes in fair values | Exchange difference | Other** | As at March 31, 2021 |
|---|---|---|---|---|---|---|
| Debt securities | - | 5,000.00 | - | - | (4,398.02) | 601.98 |
| Borrowings (other than debt securities)* | 1,445.22 | 7,387.29 | - | - | (1,450.40) | 7,382.11 |
| Lease Liabilities | 115.53 | (14.60) | - | - | (32.20) | 68.73 |
| Deposits | - | - | - | - | - | - |
| **Total liabilities from financing activities** | **1,560.75** | **12,372.69** | **-** | **-** | **(5,880.62)** | **8,052.82** |

*Other than lease liabilities

**Other column includes creation of lease liabilities, Ind AS Adjustments & adjustments on account of Capital Contribution by the Holding Company in the Form of Corporate Guarantee.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 44 Related party disclosures

A. **Names of related parties with whom transactions have taken place and description of relationship:**

| Description of relationship | Name of the related party |
|---|---|
| **Parent Company** | M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) |
| **Subsidiary** | M/s. DFL Technologies Private Limited (from October 07, 2019) (Wholly owned Subsidiary of Dhanvarsha Finvest Limited) |
| **Fellow Subsidiary:** | Wilson Financial Services Private Limited (Wholly owned Subsidiary of Wilson Holdings Private Limited)<br>Wilson Investment Adviser Private Limited |
| **Key Management Personnel (KMP)** | Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer*** |
| | Mr. Ashish Sharad Dalal, Non-Executive Director (Upto November 10, 2020) |
| | Mr. Nirmal Vinod Momaya, Independent Director |
| | Mr. Krishipal Tarachand Raghuvanshi, Independent Director |
| | Mr. Rakesh Inderjeet Sethi, Independent Director |
| | Mrs. Manjari Kacker, Independent Director (Upto October 30, 2021) |
| | Mr. Rajiv Prem Kapoor, Non-Executive Director* |
| | Mr. Rohanjeet Singh Juneja, Managing Director and Chief Executive Officer** |
| | Mrs. Minaxi Kishore Mehta, Non-Executive Non-Independent Director (w.e.f. June 10, 2021) |
| | Mr. Atwood Porter Collins, Non-Executive Non-Independent Director (w.e.f. July 31, 2021) |
| | Ms.Abha Kapoor, Independent Director (w.e.f. March 30, 2022) |
| | Mr. Narendra Kumar Tater, Chief Financial Officer (Upto July 31, 2020) |
| | Mr. M Vijay Mohan Reddy, Company Secretary (Upto July 31, 2020) |
| | Mr. Sanjay Kukreja, Chief Financial Officer (w.e.f. August 01, 2020) |
| | Mr. Fredrick Pinto, Company Secretary (Upto Septermber 30, 2021) |
| | Mr. Lalit Mohan Chendvankar, Company Secretary (w.e.f. October 01, 2021) |
| **Other Related Parties** | Mrs. Minaxi Mehta (Promoter of Wilson Holdings Private Limited) |
| | Mr. Nimir Kishore Mehta (Relative of Promoter of Wilson Holdings Private Limited) |
| | Prolific Ventures Pvt Ltd (Promoter of Parent Company Having Singnificant Influence) |
| | Exerfit Wellness Private Limited (Director Having Singnificant Influence) |

*Change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director with effect from March 30, 2022

** Change in designation of Mr. Rohanjeet Singh Juneja from Joint Managing Director to Managing Director and Chief Executive Officer with effect from March 12, 2022

***Change in designation of Mr. Karan Neale Desai from Joint Managing Director to Whole Time Director and Chief Business Officer with effect from March 12, 2022

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. Details of related party transactions:

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Parent Company** | | | |
| M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) | Interest expense | - | 93.95 |
| | Reimbursement of expenses | - | 28.13 |
| | Loans Taken | - | 875.00 |
| | Loans repaid | - | 1,905.00 |
| | Interest Income | 0.12 | 4.21 |
| | Loans Given | - | 305.00 |
| | Loans repayment received | - | 305.00 |
| | Issue of share warrants | - | 125.00 |
| | Conversion of share warrants into Equity | - | 500.00 |
| | Conversion of UCCD into Equity | 2,438.71 | - |
| | Issue of Equity | - | 1,030.00 |
| | Issue of UCCD | - | 4,500.00 |
| | Capital Contribution towards corporate gaurantee | 765.77 | 281.92 |
| **Subsidairy** | | | |
| M/s. DFL Technologies Private Limited | Rent income | - | 0.70 |
| | Investments (including ESOP issued to subsidiary's employees) | 1,870.35 | 710.42 |
| | Sale of Fixed assets | - | 31.39 |
| | Sale of Leasehold Improvements | - | 22.00 |
| | Sale of Intangible assets | - | 55.72 |
| | Sale of Intangible assets under developments | - | 58.24 |
| | Professional Fees Income | 120.00 | - |
| | Interest Income | 11.34 | 0.63 |
| | Loans Given | 340.00 | 45.00 |
| | Loans repayment received | 250.00 | 45.00 |
| | DSA Commission Expenses | 17.32 | 9.04 |
| | Rent paid | 1.80 | 0.75 |
| | Office Expenses | 71.35 | 4.33 |
| | Reimbursement of expenses | 28.15 | 102.07 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Fellow Subsidiary** | | | |
| Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited) | Fees Paid | 31.59 | 15.00 |
| Wilson Investment Adviser Pvt Ltd | Professional Fees paid | 23.30 | - |
| **Key Management Personnel (KMP)** | | | |
| Mr. Karan Neale Desai | Remuneration and Short-termemployee benefits* | 66.58 | 53.20 |
| | Reimbursement of expenses | 6.63 | 7.19 |
| | Issue of share warrants | - | 100.00 |
| | share-based payment | - | 10.90 |
| Mr. Narendra Kumar Tater | Remuneration and Short-termemployee benefits* | - | 22.59 |
| | Reimbursement of expenses | - | 1.07 |
| Mr. Vijay Mohan Reddy | Remuneration and Short-termemployee benefits* | - | 14.69 |
| | Reimbursement of expenses | - | 0.13 |
| Mr. Rohanjeet Singh Juneja | Remuneration and Short-termemployee benefits* | 64.84 | 52.59 |
| | Reimbursement of expenses | 22.78 | 7.66 |
| | Issue of share warrants | - | 100.00 |
| | share-based payment | 23.23 | - |
| Mr. Sanjay Kukreja | Remuneration and Short-termemployee benefits* | 49.00 | 31.45 |
| | Reimbursement of expenses | 6.79 | 1.50 |
| Mr. Fredrick Pinto | Remuneration and Short-termemployee benefits* | 11.97 | 14.15 |
| | Reimbursement of expenses | 2.65 | 2.96 |
| Mr. Lalit Mohan Chendvankar | Remuneration and Short-termemployee benefits* | 43.92 | - |
| | Reimbursement of expenses | 4.09 | - |
| Mr. Ashish Sharad Dalal | Sitting fees and commission | - | 6.66 |
| Mr. Nirmal Vinod Momaya | Sitting fees and commission | 11.55 | 10.91 |
| Mr. Krishipal Tarachand Raghuvanshi | Sitting fees and commission | 9.05 | 11.41 |
| Mrs. Manjari Kacker | Sitting fees and commission | 6.80 | 12.66 |
| Mr. Rakesh Inderjeet Sethi | Sitting fees and commission | 10.05 | 10.16 |
| Mr. Rajiv Kapoor | Sitting fees and commission | 11.05 | 11.16 |
| Mrs. Minaxi Kishore Mehta | Sitting fees and commission | 8.30 | - |
| Mr. Atwood Porter Collins | Sitting fees and commission | 5.30 | - |
| Mrs.Abha Kapoor | Sitting fees and commission | 1.30 | - |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Other Related Parties** | | | |
| Mrs. Minaxi Mehta | Issue of share warrants | - | 125.00 |
| Mr. Nimir Kishore Mehta | Rent paid | 3.23 | 22.58 |
| | Reimbursement of expenses | 0.53 | 0.57 |
| | Profession fees paid | 0.00 | 0.00 |
| Prolific Ventures Pvt Ltd | Rent paid | 25.32 | 25.68 |
| | Reimbursement of expenses | 5.12 | 0.52 |
| | Security deposit | 21.92 | - |
| | ROU Asset | 78.89 | 464.83 |
| Exerfit Wellness Private Limited | Staff Welfare expenses | 2.87 | 0.20 |

C. **Details of balances outstanding for related party transactions:**

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Parent Company** | | | |
| M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) | Short Term borrowing taken | - | 0.12 |
| | Equity Share Capital | 6,030.82 | 3,592.12 |
| | Share Warrants | 125.00 | 125.00 |
| | UCCD | 2,061.29 | 4,500.00 |
| | Capital Contribution towards corporate gaurantee | 1,047.69 | 281.92 |
| | | | |
| **Subsidiary** | | | |
| M/s. DFL Technologies Private Limited | Trade Receivable | 97.20 | - |
| | Other Receivable | - | 46.96 |
| | Reimbursement of expenses | 5.91 | 4.36 |
| | Trade Payables | 10.59 | 11.19 |
| | Investments (including ESOP issued to subsidiary's employees) | 2,585.77 | 715.42 |
| | Loan Receivable | 93.46 | - |
| **Fellow Subsidiary** | | | |
| Wilson Investment Adviser Pvt. Ltd. | Trade Payables | 9.48 | - |
| | | | |
| **Key Management Personnel (KMP)** | | | |
| Mr. Ashish Sharad Dalal | Sitting fees and commission | - | 0.58 |
| Mr. Nirmal Vinod Momaya | Sitting fees and commission | 1.17 | 0.58 |
| Mr. Krishipal Tarachand Raghuvanshi | Sitting fees and commission | 1.17 | 0.58 |
| Mrs. Manjari Kacker | Sitting fees and commission | 1.17 | 0.58 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| Mr. Rakesh Inderjeet Sethi | Sitting fees and commission | 1.17 | 0.61 |
| Mr. Rajiv Kapoor | Sitting fees and commission | 1.17 | 0.61 |
| Mr. Atwood Porter Collins | Sitting fees and commission | 1.03 | - |
| Ms. Abha Kapoor | Sitting fees and commission | 1.17 | - |
| Mr. Karan Neale Desai | Reimbursement of expenses | 0.12 | - |
| | Equity Share Capital | 3.63 | 3.63 |
| | Share Warrants | 100.00 | 100.00 |
| Mr. Rohanjeet Singh Juneja | Reimbursement of expenses | 0.31 | - |
| | Share Warrants | 100.00 | 100.00 |
| Mr. Sanjay Kukreja | Reimbursement of expenses | - | 0.24 |
| | | | |
| **Other Related Parties** | | | |
| Mrs. Minaxi Mehta | Share Warrants | 125.00 | 125.00 |
| Mr. Nimir Kishore Mehta | Trade Payables | 0.16 | 0.82 |
| Prolific Ventures Pvt Ltd | Trade Payables | 1.67 | 3.26 |
| | Security deposit | 28.82 | 6.90 |

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

D **The options granted and outstanding for the key managerial personnel as of March 31, 2022 and March 31, 2021 is as provided below:**

| Name of the KMP | Grant Date | Expiry date | Exercise Price | Shares outstanding | |
|---|---|---|---|---|---|
| | | | | Mar-22 | Mar-21 |
| Mr. Karan Neale Desai | November 05, 2018 | November 04, 2025 | 6.00 | 1,635,700 | 1,635,700 |
| Mr. Karan Neale Desai | December 17, 2019 | December 16, 2026 | 10.00 | 1,182,555 | 1,182,555 |
| Mr. Rohanjeet Singh Juneja | December 17, 2019 | December 16, 2026 | 10.00 | 2,950,000 | 3,000,000 |
| Mr. Karan Neale Desai | July 31, 2020 | August 01, 2028 | 10.00 | 375,000 | 375,000 |
| Mr. Rohanjeet Singh Juneja | July 31, 2020 | August 01, 2028 | 10.00 | 375,000 | 375,000 |
| **Total** | | | | **6,518,255** | **6,568,255** |

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 45 Fair Value Measurement

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

| Financial Assets and Liabilities as at March 31, 2022 | Carrying Amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value through profit and loss account | Fair value through other comprehensive Income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents | - | - | 5,758.78 | 5,758.78 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 2,024.03 | 2,024.03 | - | - | - | - |
| Receivables | - | - | | | - | - | - | - |
| Trade receivables | - | - | 1,228.63 | 1,228.63 | - | - | - | - |
| Other receivables | - | - | 46.96 | 46.96 | - | - | - | - |
| Loans | - | - | 28,905.66 | 28,905.66 | - | - | - | - |
| Investments | 2,503.70 | - | 2,585.77 | 5,089.47 | 2,503.70 | - | - | 2,503.70 |
| Other financials assets | - | - | 569.95 | 569.95 | - | - | - | - |
| **Total** | **2,503.70** | **-** | **41,119.79** | **43,623.48** | **2,503.70** | **-** | **-** | **2,503.70** |
| **Financial Liabilities** | | | | | | | | |
| Payables | | | | | | | | |
| Trade payables | - | - | 357.92 | 357.92 | - | - | - | - |
| Other payables | - | - | 130.00 | 130.00 | - | - | - | - |
| Debt Securities | - | - | 3,821.46 | 3,821.46 | - | - | - | - |
| Borrowings (Other than debt securities) | - | - | 24,826.19 | 24,826.19 | - | - | - | - |
| Other financial liabilities | - | - | 218.72 | 218.72 | - | - | - | - |
| **Total** | **-** | **-** | **29,354.29** | **29,354.29** | **-** | **-** | **-** | **-** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Financial Assets and Liabilities as at March 31, 2021 | Carrying Amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value through profit and loss account | Fair value through other comprehensive Income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents | - | - | 3,142.77 | 3,142.77 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 1,530.37 | 1,530.37 | - | - | - | - |
| Receivables | | | | | | | | |
| Trade receivables | - | - | 210.28 | 210.28 | - | - | - | - |
| Other receivables | - | - | 46.96 | 46.96 | - | - | - | - |
| Loans | - | - | 9,970.19 | 9,970.19 | - | - | - | - |
| Investments | 1,103.25 | - | 715.42 | 1,818.67 | 1,103.25 | - | - | 1,103.25 |
| Other financials assets | - | - | 97.56 | 97.56 | - | - | - | - |
| **Total** | **1,103.25** | **-** | **15,713.54** | **16,816.80** | **1,103.25** | **-** | **-** | **1,103.25** |
| **Financial Liabilities** | | | | | | | | |
| Payables | | | | | | | | |
| Trade payables | - | - | 162.68 | 162.68 | - | - | - | - |
| Other payables | - | - | 65.18 | 65.18 | - | - | - | - |
| Debt Securities | - | - | 601.98 | 601.98 | - | - | - | - |
| Borrowings (Other than debt securities) | - | - | 7,450.85 | 7,450.85 | - | - | - | - |
| Other financial liabilities | - | - | 44.69 | 44.69 | - | - | - | - |
| | **-** | **-** | **8,325.37** | **8,325.37** | **-** | **-** | **-** | **-** |

## B. Measurement of fair value

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

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances, other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

c. Fair Value Hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-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.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**C. Valuation techniques used to determine fair value**

**Investments in Mutual Funds**

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**D. Transfers between Level 1 and Level 2 and between Level 1 and Level 3**

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

## 46 Financial Risk Management

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk
- Climate related risk

**(A) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

**i) Trade and Other Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Outstanding for a period not exceeding six months | 1,196.23 | 117.49 |
| Outstanding for a period exceeding six months | 50.97 | 95.36 |
| Gross Trade Receivables | 1,247.21 | 212.85 |
| Less: Impairment Loss | (18.57) | (2.57) |
| Net Trade Receivables | 1,228.63 | 210.28 |

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

ii) Loans and financial assets measured at amortized cost

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due :

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **0-30 Days Past Due** | | |
| Secured | 10,211.87 | 4,843.51 |
| Unsecured | 14,694.64 | 3,983.54 |
| **30-90 Days Past due** | | |
| Secured | 3,001.57 | 976.40 |
| Unsecured | 547.63 | 195.29 |
| **More than 90 Days Past Due** | | |
| Secured | 591.44 | 352.84 |
| Unsecured | 326.20 | 90.65 |
| **Total** | **29,373.35** | **10,442.23** |

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is into small ticket loan business, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

**Inputs considered in the ECL model**

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

**(i) Definition of default**

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

**(ii) Exposure at default**

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

**(iii) Estimations and assumptions considered in the ECL model**

**Measurement of Expected Credit Losses**

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Company considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data.

#### Macroeconomic Scenarios

In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as CPI and reporate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

#### (iv) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income" in Statement of profit and loss.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :

**Gross exposure reconciliation**

(₹ in Lakhs)

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Gross carrying amount balance as at April 1, 2020** | **2,995.86** | **500.98** | **226.97** | **3,723.81** |
| New loans originated during the year | 6,988.84 | 273.20 | 0.24 | 7,262.28 |
| Transfers to Stage 1 | 0.79 | (0.17) | (0.62) | - |
| Transfers to Stage 2 | (553.94) | 553.94 | - | - |
| Transfers to Stage 3 | (35.35) | (174.35) | 209.70 | - |
| Write-offs | (0.56) | - | (6.79) | (7.35) |
| Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) | (568.59) | 18.09 | 13.99 | (536.51) |
| **Gross carrying amount balance as at March 31, 2021** | **8,827.05** | **1,171.69** | **443.49** | **10,442.23** |
| New loans originated during the year | 21,589.10 | 2,300.20 | 258.99 | 24,148.29 |
| Transfers to Stage 1 | 87.32 | - | - | 87.32 |
| Transfers to Stage 2 | (570.16) | 417.12 | - | (153.04) |
| Transfers to Stage 3 | (146.35) | - | 212.06 | 65.72 |
| Write-offs | - | - | (118.08) | (118.08) |
| Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) | (4,880.46) | (339.81) | 121.18 | (5,099.08) |
| **Gross carrying amount balance as at March 31, 2022** | **24,906.51** | **3,549.20** | **917.64** | **29,373.36** |

**Reconciliation of ECL balance**

(₹ in Lakhs)

| **Particulars** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **ECL Allowance- Opening Balance as at April 1, 2020** | **166.20** | **151.35** | **120.73** | **438.29** |
| New loans originated during the year | 59.29 | 23.84 | 0.19 | 83.32 |
| Transfers to Stage 1 | - | - | - | - |
| Transfers to Stage 2 | (81.80) | 81.80 | - | - |
| Transfers to Stage 3 | (18.57) | (75.60) | 94.17 | - |
| Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs | (31.85) | (6.80) | (7.50) | (46.15) |
| Amounts Written off | (0.01) | - | (3.40) | (3.41) |
| **ECL Allowance- Closing Balances as on March 31, 2021** | **93.26** | **174.59** | **204.19** | **472.04** |
| New loans originated during the year | 43.84 | 9.32 | 189.28 | 242.44 |
| Transfers to Stage 1 | 8.14 | - | - | 8.14 |
| Transfers to Stage 2 | (24.99) | (1.76) | - | (26.75) |
| Transfers to Stage 3 | (31.03) | 32.49 | 17.15 | 18.61 |
| Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs | (24.21) | (116.50) | (106.07) | (246.78) |
| Amounts Written off | - | - | - | - |
| **ECL Allowance- Closing Balances as on March 31, 2022** | **65.01** | **98.14** | **304.55** | **467.69** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iii. **Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of ₹ 7782.81 lakhs at March 31, 2022 (March 31, 2021: ₹ 4673.14 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

iv. **Others**

Apart from trade receivables ,loans, cash and bank balances and Investment measured at amortised cost, the Company has no other financial assets which carries any significant credit risk.

## (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows

### (i) Maturities of financial assets and liabilities

The table below analyses the company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity date. The amount disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of future interest payments.

(₹ in Lakhs)

| Contractual maturities of financial assets March 31, 2022 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 5,758.78 | - | - | 5,758.78 |
| Bank balances other than cash and cash equivalents | 2,007.00 | - | - | 2,007.00 |
| Receivables | - | - | - | |
| Trade receivables | 1,247.21 | - | - | 1,247.21 |
| Other receivables | 46.96 | - | - | 46.96 |
| Loans | 19,829.58 | 6,116.73 | 3,427.04 | 29,373.35 |
| Investments | 2,503.70 | - | 2,585.77 | 5,089.47 |
| Other Financials Assets | 569.95 | - | - | 569.95 |
| **Total** | **31,963.17** | **6,116.73** | **6,012.81** | **44,092.71** |

| Contractual maturities of financial liabilities March 31, 2022 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 357.92 | - | - | 357.92 |
| Other payables | 130.00 | - | - | 130.00 |
| Debt Securities | 126.98 | 3,319.49 | 375.00 | 3,821.46 |
| Borrowings (other than debt securities) | - | - | 24,826.19 | 24,826.19 |
| Other financial liabilities | 218.72 | - | - | 218.72 |
| **Total** | **833.61** | **3,319.49** | **25,201.19** | **29,354.29** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Contractual maturities of financial assets March 31, 2021 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 3,142.77 | - | - | 3,142.77 |
| Bank balances other than cash and cash equivalents | 928.95 | 82.50 | 490.00 | 1,501.45 |
| Receivables | | | | |
| Trade receivables | 212.85 | - | - | 212.85 |
| Other receivables | 46.96 | - | - | 46.96 |
| Loans | 4,145.61 | 3,179.00 | 3,117.61 | 10,442.22 |
| Investments | 1,103.25 | - | 715.42 | 1,818.67 |
| Other financials assets | 97.56 | - | - | 97.56 |
| **Total** | **9,677.95** | **3,261.50** | **4,323.03** | **17,262.48** |

| Contractual maturities of financial liabilities March 31, 2021 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 162.68 | - | - | 162.68 |
| Other payables | 147.89 | - | - | 147.89 |
| Debt Securities | - | 505.00 | - | 505.00 |
| Borrowings (Other than Debt Securities) | 1,156.42 | 4,749.16 | 1,960.12 | 7,865.70 |
| Other financial liabilities | 44.69 | - | - | 44.69 |
| **Total** | **1,511.68** | **5,254.16** | **1,960.12** | **8,725.96** |

(₹ in Lakhs)

| Contractual maturities of financial assets April 1, 2020 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 169.52 | - | - | 169.52 |
| Bank balances other than cash and cash equivalents | 168.55 | - | - | 168.55 |
| Receivables | | | | |
| Trade receivables | 117.64 | - | - | 117.64 |
| Other receivables | - | - | - | - |
| Loans | 616.91 | 901.88 | 2,210.17 | 3,728.96 |
| Investments | 128.41 | - | 5.00 | 133.41 |
| Other financials assets | 334.52 | 8.45 | 0.19 | 343.16 |
| **Total** | **1,535.55** | **910.33** | **2,215.36** | **4,661.24** |

| Contractual maturities of financial liabilities April 1, 2020 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 34.77 | - | - | 34.77 |
| Other payables | - | - | - | - |
| Borrowings (Other than Debt Securities) | 1,092.46 | 149.99 | 182.71 | 1,425.16 |
| Other financial liabilities | 36.26 | - | - | 36.26 |
| **Total** | **1,163.49** | **149.99** | **182.71** | **1,496.19** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to, and management of, these risks is explained below.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company caters mainly to the Indian Market . Most of the transactions are denominated in the Company's functional currency i.e. Rupees. Hence the Company is not materially exposed to Foreign Currency Risk.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting year are as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fixed rate borrowings | 25,949.69 | 7,696.79 |
| Floating rate borrowings | - | 287.30 |

**Interest Rate Sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Company's interest bearing financial instruments is as follows:

| Particulars | For the year ended March 31, 2022 | |
|---|---|---|
| | 100bps Increase | 100bps decrease |
| Financial Liability | | |
| Variable rate Instrument | | |
| Floating Rate Borrowings | - | - |

(iii) **Price Risk**

The Company's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 25.04 lakhs (March 31, 2021: ₹ 11.03 lakhs ). A similar percentage decrease would have resulted equivalent opposite impact.

(d) Climate related risk

During the financial year March 31, 2022, the Board have updated extensively on climate change related risks through presentations at the board meeting, and this has been assessed that the climate change not affecting significantly the company's operations in future.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 47 Disclosure in notes to Financial statements as required under paragraph 2 (a) of RBI Notification No RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

For the year ended March 31, 2022 (₹ in Lakhs)

| 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) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 24,906.51 | 65.01 | 24,841.50 | 62.74 | 2.27 |
| | Stage 2 | 3,544.41 | 97.97 | 3,446.44 | 8.91 | 89.07 |
| | Stage 3 | - | - | - | - | - |
| **Subtotal** | | 28,450.92 | 162.98 | 28,287.94 | 71.65 | 91.34 |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard | Stage 2 | 4.79 | 0.16 | 4.63 | 1.17 | (1.01) |
| Substandard | Stage 3 | 492.04 | 239.68 | 252.36 | 117.60 | 122.08 |
| Doubtful | Stage 3 | 425.60 | 64.87 | 360.73 | 155.07 | (90.20) |
| Subtotal for NPA | | 922.43 | 304.71 | 617.72 | 273.84 | 30.87 |
| | | | | | | |
| 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 | - | - | - | - | - |
| **Subtotal** | | | | | | |
| | | | | | | |
| **Total** | Stage 1 | 24,906.51 | 65.01 | 24,841.50 | 62.74 | 2.27 |
| | Stage 2 | 3,549.20 | 98.13 | 3,451.07 | 10.08 | 88.06 |
| | Stage 3 | 917.64 | 304.55 | 613.09 | 272.67 | 31.88 |
| | **Total** | **29,373.35** | **467.69** | **28,905.66** | **345.49** | **122.20** |

For the year ended March 31, 2021 (₹ in Lakhs)

| 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) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 8,827.05 | 93.26 | 8,733.79 | 22.37 | 70.89 |
| | Stage 2 | 1,171.69 | 174.59 | 997.10 | 2.77 | 171.82 |
| | Stage 3 | 133.25 | 47.36 | 85.89 | 0.30 | 47.06 |
| **Subtotal** | | **10,131.99** | **315.21** | **9,816.78** | **25.44** | **289.77** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

| | | | | | | |
|---|---|---|---|---|---|---|
| **Non-Performing Assets** | | | | | | |
| Substandard | Stage 2 | 224.75 | 111.66 | 113.09 | 21.77 | 89.89 |
| | Stage 3 | 85.49 | 45.17 | 40.32 | 18.07 | 27.10 |
| **Subtotal** | | **310.24** | **156.83** | **153.41** | **39.84** | **116.99** |
| | | | | | | |
| 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 | - | - | - | - | - |
| **Subtotal** | | - | - | - | - | - |
| | | | | | | |
| **Total** | Stage 1 | 8,827.05 | 93.26 | 8,733.79 | 22.37 | 70.89 |
| | Stage 2 | 1,171.69 | 174.59 | 997.10 | 2.77 | 171.82 |
| | Stage 3 | 443.49 | 204.19 | 239.30 | 40.14 | 164.04 |
| | **Total** | **10,442.23** | **472.04** | **9,970.19** | **65.28** | **406.76** |

* In the case of provision on standard advances in previous years, the Company had adopted a more stringent policy of maintaining provision on specified unsecured standard loans and advances, at rates that are higher than those prescribed by RBI (2.25% as against 0.25% prescribed by RBI). Hence computation of provision as per IRACP norms has been computed under earlier policy of the Company.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 48 Asset Classification and Provisioning Disclosure

Disclosure as per the circular no DOR.NO.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID -19 regulatory package - Asset Classification and provisioning".

1) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(₹ in Lakhs)

| Particulars | | As of March 31, 2022 | As of March 31, 2021 |
|---|---|---|---|
| i. | Amounts in SMA/overdue categories where moratorium/deferment was extended * | - | 934.39 |
| ii. | Respective amount where asset classification benefit is extended | Nil** | Nil** |
| iii. | Provisions made during quarter in terms of paragraph 5 of the above circular *** | Nil | Nil |
| iv. | Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular | Not applicable | Not applicable |

* Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium period is over.

*** The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has considered the additional provisions for the purpose of RBI circular mentioned in this note for provision computation under IRAC Norms as required under RBI Circular dated March 13, 2020.

2) Respective amount where asset classification benefit is extended: ₹ Nil.

## 49 Disclosure related to leases

### (A) Additions to right to use

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Lease hold Property | 303.01 | 549.18 |

### (B) Carrying value of right of use assets at the end of the reporting year

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | 518.82 | 113.10 |
| Additions | 303.01 | 549.18 |
| Deletion | - | 113.10 |
| Depreciation charge for the year | 184.46 | 30.36 |
| **Balance at the end of the year** | 637.38 | 518.82 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**(C) Maturity analysis of lease liabilities**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Less than one year | 150.33 | 41.34 |
| One to five years | 451.43 | 35.58 |
| More than five years | 98.20 | - |
| Total undiscounted lease liabilities at reporting period | 699.96 | 76.92 |
| Lease liabilities included in the statement of financial position at the year ended | 177.49 | 68.73 |

**(D) Amounts recognised in statement of profit or loss**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Interest on lease liabilities | 18.68 | 2.98 |
| Expenses relating to short-term leases | 53.74 | 48.62 |
| Expenses relating to leases of low-value assets | - | - |
| **Total** | **72.42** | **51.60** |

**(E) Amounts recognised in the statement of cash flows**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Operating Activity | 53.74 | 48.62 |
| Financial Activity | 111.88 | 14.60 |
| **Total Cash outflow for leases** | **165.62** | **63.22** |

**Sub Lease**

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the rightof- use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to ₹ 00.00 Lakhs (March 31, 2021 ₹ 0.70 Lakhs). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 50 Employee Stock Options Scheme (ESOP)

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to employees of the Company . These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service.Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2021. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

| ESOP Scheme | Particulars | Date of Grant | Date of Board Approval | Total options granted |
|---|---|---|---|---|
| ESOP Scheme 2018 | Grant 1 | Novemeber 5, 2018 | Novemeber 5, 2018 | 5,588,550 |
| ESOP Scheme 2018 | Grant 2 | May 22, 2019 | May 22, 2019 | 568,710 |
| ESOP Scheme 2018 | Grant 3 | December 17, 2019 | December 17, 2019 | 4,182,555 |
| ESOP Scheme 2018 | Grant 4 | July 31, 2020 | July 31, 2020 | 750,000 |
| ESOP Scheme 2018 | Grant 5 | July 31, 2020 | July 31, 2020 | 675,000 |

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Series Reference | 2019-2023 | | 2020-2024 | | 2020-2024 | | 2020-2024 | | 2020-2024 | |
| | T-1 | | T-2 | | T-3 | | T-4 | | T-5 | |
| Fair value of the option range | 23.39 - 23.98 | | 31.44 - 34.87 | | 41.36 - 44.82 | | 51.81 - 65.38 | | 51.81 - 65.38 | |
| Exercise price | 6 | | 10 | | 10 | | 10 | | 14 | |
| Vesting period (see table below) | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | |
| Method of settlement | Equity | | Equity | | Equity | | Equity | | Equity | |
| Options outstanding as at beginning of reporting period | 2,504,415 | 4,562,515 | 411,600 | 447,740 | 4,182,555 | 4,182,555 | 750,000 | - | 675,000 | - |
| Options granted during the year | - | - | - | - | - | - | - | 750,000 | - | 675,000 |
| Options lapse during the year | - | 146,360 | - | - | - | - | - | - | - | - |
| Options Forfeited during the year | 1,650,630 | 1,674,005 | - | - | 1,182,555 | | 375,000 | | 607,500 | |
| Options exercised during the year | 340,983 | 237,735 | 98,183 | 36,140 | 50,000 | - | - | - | 67,500 | - |
| Options outstanding as at end of reporting period | 512,802 | 2,504,415 | 313,417 | 411,600 | 2,950,000 | 4,182,555 | 375,000 | 750,000 | - | 675,000 |

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Company's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2021-22 is ₹ (22.45) lakhs (2020-21 ₹ 153.29 lakhs)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 50.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

| Grant Date | Risk Free Interest Rate | Expected Life | Expected Volatility | Dividend Yield | Price of Underlying share at the time of option grant |
|---|---|---|---|---|---|
| Novemeber 5, 2018 | 7.35% - 7.46% | 4.5 to 6 years | 46.1%-47.9% | 0.0229 | 43.8 |
| May 22, 2019 | 6.86% - 7.41% | 4.5 to 6 years | 46.50% | 0.0073 | 61.5 |
| December 17, 2019 | 6.86% - 7.41% | 4.5 to 6 years | 46.50% | 0.0073 | 73.9 |
| July 31, 2020 | 5.13% - 5.64% | 4.5 to 6 years | 45.00% | 0.0052 | 98.5 |
| July 31, 2020 | 5.13% - 5.64% | 4.5 to 6 years | 45.00% | 0.0052 | 98.5 |

### 50.2 Total carrying amount at the end of the year in Employee Stock Options under other equity

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total carrying amount | 194.47 | 269.21 |

During the year ended March 31, 2022, 30,290 options are granted and outstanding for the employees of the subsidiary company and accordingly the Company has recognised the Deemed Investment of ₹ 85.67 lakhs as on March 31, 2022 (March 31, 2021: ₹ 15.42 Lakhs).

**51** Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.9 and provision had been made accordingly.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection. Since, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

**52** In accordance with the instructions in aforementioned RBI circular dated April 7, 2021, and the Indian Banks Association (IBA) advisory letter dated April 19, 2021, the Company has put in place the Board approved policy to refund / adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to eligible borrowers under the abovementioned circular and advisory. The Company has no borrowers who are eligible for benefit as per the abovementioned RBI circular and IBA advisory.

**53** During the year ended March 31, 2021, the Company has not invoked resolution plans to relieve COVID-19 pandemic related stress to any of its borrowers. Therefore, disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2021 is not applicable to the Company.

**54** The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

**55** Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as at March 31, 2022.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| 55.1 | Liabilities Side | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Outstanding Amount | Amount Overdue | Outstanding Amount | Amount Overdue |
| | Loans and advances availed by the non banking financial Company inclusive of interest accrued thereon but not paid: | | | | |
| | a) Debentures: | | | | |
| | Secured | 3,694.49 | - | 497.39 | - |
| | Unsecured | 126.98 | - | 104.59 | - |
| | (other than falling within the meaning of public deposits*) | | | | |
| | b) Deferred Credits | - | - | - | - |
| | c) Term Loans | 24,648.70 | - | 7,094.82 | - |
| | d) Inter-corporate loans and borrowings | - | - | - | - |
| | e) Commercial Paper | - | - | - | - |
| | f) Public Deposits | - | - | - | - |
| | g) Other Loans - Bank Overdraft | - | - | 287.30 | - |
| | g) Other Loans - Lease Liability | 177.49 | - | 68.73 | - |
| | **Total** | **28,647.65** | **-** | **8,052.83** | **-** |

(₹ in Lakhs)

| 55.2 | Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | (a) In the form of Unsecured debentures | - | - |
| | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - |
| | (c) Other public deposits | - | - |

(₹ in Lakhs)

| 55.3 | Assets Side | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | Breakup of Loans and Advances including bills receivables (other than those included in (4) below) : | | |
| | a) Secured* | 13,804.88 | 6,172.75 |
| | b) Unsecured * | 15,568.47 | 4,269.48 |

* Represents gross value

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| 55.4 Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| i) Lease assets including lease rentals under sundry debtors: | | |
| a) Financial Lease | - | - |
| b) Operating Lease | - | - |
| ii) Stock on hire including hire charges under sundry debtors: | | |
| a) Assets on hire | - | - |
| b) Repossed Assets | - | - |
| iii) Other loans counting towards AFC activities | | |
| a) Loans where assets have been repossessed | - | - |
| b) Loans other than (a) above - | - | - |

(₹ in Lakhs)

| 55.5 Breakup of Investments: | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current Investments:** | | |
| **1. Quoted:** | | |
| i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| ii) Debentures and Bonds | - | - |
| iii) Units of mutual funds | 2,503.70 | 1,103.25 |
| iv) Government Securities | - | - |
| v) Others | - | - |
| | | |
| **2. Unquoted:** | | |
| i) Shares: | - | - |
| (a) Equity | 2,500.10 | 700.00 |
| (b) Preference | - | - |
| ii) Debentures and Bonds | - | - |
| iii) Units of mutual funds | - | - |
| iv) Government Securities | - | - |
| v) Others | 85.67 | 15.42 |
| | | |
| **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 | - | - |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| 55.5 Breakup of Investments: | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| 2. | Unquoted: | | | |
| | i) | Shares: | | |
| | | (a) Equity | - | - |
| | | (b) Preference | - | - |
| | ii) | Debentures and Bonds | - | - |
| | iii) | Units of mutual funds | - | - |
| | iv) | Government Securities | - | - |
| | v) | Others* | - | - |

*Others represents the ESOPs granted by the Company to certain employees of the subsidiary.

### 55.6 Borrower groupwise classification of assets financed as in (3) and (4) above:

(₹ in Lakhs)

| Category | | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Secured | Unsecured | Total | Secured | Unsecured | Total |
| **1.** | **Related Parties** | | | | | | |
| | (a) Subsidiaries | - | 93.46 | 93.46 | - | - | - |
| | (b) Companies in the same group | - | - | - | - | - | - |
| | (c) Other related parties | - | - | - | - | - | - |
| **2.** | **Other than related parties*** | 13,804.88 | 15,475.01 | 29,279.89 | 6,172.75 | 4,269.48 | 10,442.23 |

* Represents gross value

### 55.7 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Lakhs)

| Category | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
| **1.** | **Related Parties** | | | | |
| | a) Subsidiaries * | - | 2,585.77 | - | 715.42 |
| | b) Companies in the same group | - | - | - | - |
| | c) Other related parties | - | - | - | - |
| 2. | Other than related parties | 2,503.70 | 2,503.70 | 1,103.25 | 1,103.25 |

*The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the company to certain employees of subsidiary. It has been included in the above carrying value of investment in the subsidiary.

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 55.8 PUBLIC DISCLOSURE ON LIQUIDTY RISK AS ON MARCH 31, 2022

**(As per RBI circular no.RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019)**

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

(₹ in Lakhs)

| Number of significant Counterparties | Amount | % of Total deposits | % of Total Liabilities |
|---|---|---|---|
| 2 | 6,501.11 | - | 21.80% |

*A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs, in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies ("Liquidity Circular").

**ii) Top 20 large deposits (amount in ₹ crore and % of total deposits)**

Not applicable. The Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**iii) Total of top 10 borrowings (amount in ₹ crore and % of total borrowings)**

(₹ in Lakhs)

| Amount | Borrowing % |
|---|---|
| 18,756.72 | 66.18% |

**iv) Funding Concentration based on significant instrument/product**

(₹ in Lakhs)

| Name of the instrument/product* | Amount | % of Total Liabilities |
|---|---|---|
| Non-convertible debentures | 3,694.49 | 12.39% |
| Bank Borrowings | 12,125.95 | 40.66% |
| Other Borrowings (NBFC/Funds/FIs) | 12,522.75 | 41.99% |
| **Total** | **28,343.19** | |

*A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs as per Liquidity Circular.

**v) Stock Ratios:**

| Particulars | Ratios |
|---|---|
| Commercial Papers to Public Funds | - |
| Commercial Papers to Total Liabilities | - |
| Commercial Papers to Total Assets | - |
| NCDs (original Maturity <1 Yrs.) to Public Funds | - |
| NCDs (original Maturity <1 Yrs.) to Total Liabilities | - |
| NCDs (original Maturity <1 Yrs.) to Total Assets | - |
| Other Short Term Liabilities to Public Funds | 53.97% |
| Other Short Term Liabilities to Total Liabilities | 51.29% |
| Other Short Term Liabilities to Total Assets | 32.40% |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

vi) **Institutional set-up for liquidity risk management**

As on March 31, 2021, the Company have crossed the threshold of ₹ 100 Crores. Accordingly, in compliance with Liquidity Circular, the Board of Directors of the Company have at its meeting held on June 10, 2021 constituted the Asset Liability Management Committee and the Risk Management Committee.

Note:

The amount stated in this disclosure is based on the Audited financial results for the quarter ended March 31, 2022.

Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

Other Short-term liabilities is computed as current maturities of Long-term debts but exclude commercial papers, Non-Convertible Debentures having original maturity of less than one year.

**55.9 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021**

| Details of transfer through assignment in repect of loans not in default during year ended March 31, 2022 | Amount |
|---|---|
| Count of loans accounts assigned | 554.00 |
| Amount of loan accounts assigned (₹ In Lakhs) | 1,004.94 |
| Weighted average maturity (in months) | 59.00 |
| Weighted average holding period (in months) | 25.00 |
| Retention of beneficial economic interest(%)* | 10% |
| Coverage of tangible security (%)* | 100% |
| Rating wise distribution of rated loans | Nil |
| Break-up of loans Transferred/acquired through assignment /Novation and loan participation | All Assignment deals |
| Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty | Nil |

*excluding the loan amount of ₹ 488.84.

The Company has not acquired any loans (which are in not default or stressed loans) through assignment during the financial year ended March 31, 2022.

The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

**Details of stressed loans transferred during the year::**

During the year company has not transferred any stressed loans.

**55.10 Information on instances of fraud:**

During the year there are no fraud reported

**55.11 Other information**

(₹ in Lakhs)

| Particulars | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| i) | Gross Non Performing Assets ## | | | |
| | a) | Related Parties | - | - |
| | b) | Other than related parties | 922.43 | 443.49 |
| ii) | Net Non Performing Assets## | | | |
| | a) | Related Parties | - | - |
| | b) | Other than related parties | 617.72 | 239.30 |
| iii) | Assets acquired in satisfaction of debt | | - | - |

## NPA accounts refer to Stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

at the reporting date as defined under Ind-AS. 90 days Past due is considered as default for classifying a financial instrument as credit impaired.

Note :

Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.

All Indian Accounting Standards issued by MCA are applicable including valuation of investments and other assets.

**55.12 Disclosure of gold auction**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Number of loan accounts | 117 | - |
| Outstanding amount | 112.63 | - |
| Value fetched on auctions | 121.91 | - |

None of the sister concerns of the Company participated in the auction.

## 56 Financial Ratios

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Current ratio | NA | NA |
| Debt equity ratio | 1.65 | 0.81 |
| Leverage ratio | 1.78 | 0.95 |

## 57 Other Regulatory informations

(i) Title deeds of immovable properties not held in name of the company:

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note(s) [*] [add additional references for investment properties and other line items where applicable] to the financial statements, are held in the name of the company.

(ii) Registration of charges or satisfaction with Registrar of Companies:

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) Utilisation of borrowings availed from banks and financial institutions:

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans was taken.

**58** Corporate social responsibility As per the provisions of Section 135 of the Companies Act 2013, the Company was required to contribute an amount of ₹ Nil towards CSR activities.

**59** a) **Details of benami property held:**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) **Borrowing secured against current assets:**

The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

c) **Wilful defaulter:**

The company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

d) **Relationship with struck off companies:**

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e) **Compliance with number of layers of companies:**

The company has complied with the number of layers prescribed under the Companies Act, 2013.

f) **Compliance with approved scheme(s) of arrangements:**

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g) **Utilisation of borrowed funds and share premium:**

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h) **Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i) **Details of crypto currency or virtual currency:**

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j) **Valuation of PP&E, intangible asset and investment property:**

The company has not revalued its property, plant and equipment (excluding right-of-use assets) or intangible assets or both during the current or previous year.

**60** Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

Sd/-
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

Sd/-
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

Sd/-
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

Sd/-
**Sanjay Kukreja**
Chief Financial Officer

Sd/-
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANVARSHA FINVEST LIMITED

## REPORT ON AUDIT OF CONSOLIDATED IND AS FINANCIAL STATEMENTS

## OPINION

We have audited the accompanying consolidated Ind AS financial statements of **DHANVARSHA FINVEST LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as ''Ind AS financial statements'').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act , of the consolidated state of affairs (financial position) of the Company as at 31st March 2022, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 together with the ethical requirements that are relevant to our audit of the consolidated Ind AS 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 on consolidated Ind AS financial statements.

## KEY AUDIT MATTERS

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Allowances for expected credit losses ('ECL'):<br><br>The holding company has reported that 'As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 289.06 crore (net of allowance of expected credit loss ₹ 4.68 crore) constituting approximately 61.22 % of the Company's total assets.<br><br>Significant judgment has been used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of judgment by the management.<br><br>As part of risk assessment, determined that ECL on such loan assets has a high degree of estimation which may be uncertain, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:<br><br>• Quantitative and Qualitative factors used in staging the loan assets measured at amortised cost;<br><br>• Basis used for estimating Loss Given Default ('LGD'), Probabilities of Default ('PD'), and exposure at default ('EAD') product level with past trends;<br><br>• Judgments used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and<br><br>• Adjustments to model driven ECL results to address emerging trends. | Auditors have examined the policies approved by the Boards of Directors of the Holding Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. Also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment been approved by the Audit Committee of the Board of Directors. Audit procedures related to the allowance for ECL included the following, among others:<br><br>Testing the design and operating effectiveness of the following:<br><br>• Completeness and accuracy of the Exposure at Default ('EAD') and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.<br><br>• accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model;<br><br>• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; |

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| | Testing details on a sample basis in respect of the following:<br>• the mathematical accuracy of the ECL computation by using the same input data as used by the company;<br>• accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;<br>• completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.<br>• evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the audit committee of the company. |

## INFORMATION OTHER THAN THE CONSOLIDATED IND AS FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Board Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information and Business Responsibility Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs(financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective management of the company included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITY

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary, which are incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors of the Holding Company as on 31st March 2022, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st 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 over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Group does not have any pending litigations.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

   iv. 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 share premium or any other sources or kind of funds) by the Company to or in any other persons or entities with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or

      b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Bansal Bansal & Co.**
Chartered Accountants
FRN: 100986W

**Sd/-**

**Jatin Bansal**
(Partner)
Membership No.135399
UDIN: 22135399AJXSCQ4009

Place : Mumbai
Dated : 30th May 2022

## ANNEXURE – A TO THE AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of **DHANVARSHA FINVEST LIMITED** ("Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial control and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Bansal Bansal & Co.**
Chartered Accountants
FRN: 100986W

**Sd/-**

**Jatin Bansal**
(Partner)
Membership No.135399
UDIN: 22135399AJXSCQ4009

Place : Mumbai
Dated : 30th May 2022

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial Assets** | | | |
| (a) Cash and cash equivalents | 4 | 5,855.55 | 3,222.53 |
| (b) Bank balances other than cash and cash equivalents | 5 | 2,024.03 | 1,530.37 |
| (c) Receivables | 6 | | |
| (i) Trade receivables | | 1,599.91 | 596.91 |
| (ii) Other receivables | | 46.96 | 112.10 |
| (d) Loans | 7 | 28,812.20 | 9,970.19 |
| (e) Investments | 8 | 2,589.37 | 1,103.25 |
| (f) Other financials assets | 9 | 571.74 | 93.20 |
| **Total Financial Assets** | | **41,499.76** | **16,628.54** |
| **Non Financials Assets** | | | |
| (a) Current tax assets (net) | 10 | 246.43 | 174.49 |
| (b) Deferred tax assets (net) | 11 | 83.93 | 119.25 |
| (c) Property, plant and equipment | 12 | 899.60 | 423.00 |
| (d) Right of use assets | 12 | 637.38 | 518.82 |
| (e) Capital work in progress | 12 | 194.23 | 78.46 |
| (f) Intangible assets under development | 12 | 2,232.37 | 330.70 |
| (g) Other Intangible assets | 13 | 720.36 | 191.69 |
| (h) Other non-financials assets | 14 | 653.11 | 183.85 |
| **Total Non Financials Assets** | | **5,667.41** | **2,020.26** |
| **Total Assets** | | **47,167.17** | **18,648.80** |
| **LIABILITIES AND EQUITY** | | | |
| **Liabilities** | | | |
| **Financial Liabilities** | | | |
| (a) Payables | 15 | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 133.31 | 16.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 242.86 | 166.35 |
| (ii) Other payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 37.79 | 21.56 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 169.19 | 48.05 |
| (b) Debt Securities | 16 | 3,821.46 | 601.98 |
| (c) Borrowings (Other than Debt Securities) | 17 | 24,826.19 | 7,450.85 |
| (d) Other financial liabilities | 18 | 217.38 | 58.12 |
| **Total Financial Liabilities** | | **29,448.18** | **8,363.87** |
| **Non-Financial Liabilities** | | | |
| (a) Current tax liabilities (net) | 10 | 36.86 | 60.76 |
| (b) Provisions | 19 | 111.00 | 64.34 |
| (c) Other non-financial liabilities | 20 | 363.45 | 168.46 |
| **Total Non-Financial Liabilities** | | **511.31** | **293.56** |
| **Total Liabilities** | | **29,959.49** | **8,657.43** |
| **EQUITY** | | | |
| (a) Equity share capital | 21 | 1,776.78 | 1,529.24 |
| (b) Other equity | 22 | 15,430.90 | 8,462.13 |
| **Total Equity** | | 17,207.68 | 9,991.37 |
| **Total Liabilities and Equity** | | **47,167.17** | **18,648.80** |
| Significant accounting policies and notes to the consolidated financial statements | 1 to 58 | | |

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | | Note No | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| **I.** | **Revenue from operations** | | | |
| (i) | Interest income | 23 | 4,536.31 | 1,224.41 |
| (ii) | Fees and commission income | 24 | 2,873.15 | 1,728.52 |
| (iii) | Net gain on fair value changes | 25 | 164.67 | 8.43 |
| | **Total Revenue from operations** | | **7,574.13** | **2,961.36** |
| II. | **Other income** | 26 | 24.07 | 45.05 |
| **III.** | **Total Income(I+II)** | | **7,598.20** | **3,006.41** |
| **IV.** | **Expenses** | | | |
| (i) | Finance costs | 27 | 2,435.97 | 423.13 |
| (ii) | Fees and commission expense | 28 | 69.27 | 29.61 |
| (iii) | Impairment on financial instruments | 29 | 207.34 | 43.67 |
| (iv) | Employee benefits expenses | 30 | 1,853.86 | 1,315.01 |
| (v) | Depreciation, amortization and impairment | 31 | 474.69 | 127.07 |
| (vi) | Others expenses | 32 | 1,838.23 | 789.70 |
| | **Total Expenses** | | **6,879.36** | **2,728.19** |
| V. | **Profit before exceptional items and tax (III-IV)** | | 718.84 | 278.22 |
| | Exceptional Items | | - | - |
| **VI.** | **Profit before tax (III-IV)** | | **718.84** | **278.22** |
| VII. | **Tax expense:** | 33 | | |
| | Current tax | | 285.25 | 117.41 |
| | Deferred tax | | 35.11 | 29.39 |
| | Earlier years tax | | - | 1.32 |
| | **Total Tax Expense** | | **320.36** | **148.12** |
| VIII. | **Profit for the period (VI-VII)** | | 398.48 | 130.10 |
| IX. | **Other comprehensive income** | | | |
| | Items that will not be reclassified to profit or loss : | | | |
| | i) Remeasurement gain / (loss) on defined benefit plan | | 1.16 | 1.95 |
| | ii) Income tax impact on above | 33 | (0.18) | (0.54) |
| | **Total other comprehensive income/(loss)** | | **0.98** | **1.41** |
| **X.** | **Total comprehensive income(VIII+IX)** | | **399.46** | **131.51** |
| XI. | **Earnings per equity share** | 34 | | |
| | Basic (INR) | | 0.52 | 0.18 |
| | Diluted (INR) | | 0.45 | 0.14 |
| Significant accounting policies and notes to the consolidated financial statements | | 1 to 58 | | |

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| **Net profit before taxes** | **718.84** | **278.22** |
| **Adjustment for:** | | |
| Interest Income from Fixed Deposits | (99.64) | (34.27) |
| Profit on sale of property, plant and equipment | (0.01) | - |
| Profit on sale of Investment property | - | - |
| Depreciation / Amortisation | 474.69 | 127.07 |
| Impairment on financial instruments | 200.48 | 43.67 |
| Realised gain on investments | (164.15) | (11.17) |
| Unrealised gain on investments | (0.51) | 2.74 |
| Fee Income Recognition per EIR | (112.13) | (51.28) |
| Employee share based payment expenses | (22.45) | 168.70 |
| Cash outflow towards finance cost | (2,435.24) | (600.92) |
| **Operating (loss)/ profit before working capital changes** | **(1,440.12)** | **(77.23)** |
| **Movement in working capital** | | |
| (Increase)/decrease in Loans | (18,953.58) | (6,677.06) |
| (Increase)/Decrease in other financial assets | 1,634.04 | 218.32 |
| (Increase)/Decrease in other assets | (142.42) | (528.15) |
| (Increase)/Decrease in Trade Receivable | (1,100.42) | (590.84) |
| Increase/(Decrease) in Other payables | 376.21 | 216.47 |
| Increase/(Decrease) in Other Financial liabilities | 1,300.82 | 21.86 |
| Increase/(Decrease) in Other liabilities | 194.99 | (406.77) |
| Increase/(Decrease) in provisions | 42.25 | 39.50 |
| **Cash generated from operations** | **(18,088.23)** | **(7,783.87)** |
| Income taxes paid | (381.49) | (253.46) |
| **Net cash from/(utilised in) operating activities** | **(18,469.72)** | **(8,037.33)** |
| | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of Property, plant and equipment and Intangible Assets | (3,614.93) | (1,300.13) |
| Proceeds from sale of Property, plant and equipment and Intangible Assets | 0.08 | 112.10 |
| Purchase of investment at fair value through profit and loss account | (20,512.29) | (5,074.81) |
| Proceeds from sale of investment at fair value through profit and loss account | 17,242.01 | 4,116.84 |
| Investment in Fixed Deposits | (5,234.50) | (3,282.50) |
| Proceeds from sale of Fixed Deposits | 4,710.00 | 1,950.00 |
| Interest Income from Fixed Deposits | 99.64 | 34.27 |
| **Net cash from/(utilised in) investing activities** | **(7,309.99)** | **(3,444.23)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Proceeds from issue of share capital and share warrants including share premium | 192.69 | 2,174.92 |
| Debt securities issued | 9,582.89 | 5,000.00 |
| Debt securities repaid | - | - |
| Borrowings other than debt securities issued | 23,962.70 | 8,925.00 |
| Proceeds from / (repayment of) borrowings | (5,199.33) | (1,537.71) |
| Payment of Lease Liability | (111.88) | (14.60) |
| Dividends paid including dividend distribution tax | (14.34) | (14.34) |
| **Net cash from financing activities** | **28,412.73** | **14,533.27** |
| **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS** | **2,633.02** | **3,051.68** |
| **Cash and cash equivalents at the beginning of the financial year** | **3,222.53** | **170.84** |
| **Cash and cash equivalents at end of the year** | **5,855.55** | **3,222.53** |

**Reconciliation of cash and cash equivalents as per the cash flow statement**

Cash and cash equivalents as per above comprise of the following (₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Balances with banks in Current accounts | 5,344.48 | 3,145.89 |
| Cash on hand (including foreign currencies) | 511.07 | 76.63 |
| Bank deposits with maturity of less than 3 months | - | - |
| **Total** | **5,855.55** | **3,222.53** |

The above Consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, refer note 46

Significant accounting policies and notes to the Consolidated financial statements 1 to 58

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

## A. Equity share capital

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 1,529.24 | 1,350.78 |
| Changes in equity share capital during the year | 247.54 | 178.46 |
| **Balance at the end of the year** | **1,776.78** | **1,529.24** |

## B. Other Equity

(₹ in Lakhs)

| Particulars | Reserve and Surplus | | | | Money received against share warrants | Share application money pending allotment | Equity component of compound financial instruments | Capital Contribution | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Securities Premium | Employee stock option outstanding | Retained Earnings w | Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | | | | | |
| **Balance at April 1, 2020** | **629.84** | **120.16** | **612.18** | **277.38** | **125.00** | **-** | **-** | **-** | **1,764.54** |
| Profit for the year | - | - | 130.10 | - | - | - | - | - | 130.10 |
| Additions for the year | 1,397.67 | - | - | - | 875.00 | 2.92 | 4,376.42 | 279.17 | 6,931.18 |
| Deletion for the year | - | - | - | - | (500.00) | - | - | - | (500.00) |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | (13.69) | 13.69 | - | - | - | - | - |
| Options Exercised and lapsed | - | (0.19) | 0.19 | - | - | - | - | - | - |
| Share based payments to employees | - | 153.29 | - | - | - | - | - | - | 153.29 |
| Utlisation of securities premium | - | (19.47) | - | - | - | - | - | - | (19.47) |
| ESOP's granted to employees of Subsidiary Company | - | 15.42 | - | - | - | - | - | - | 15.42 |
| Remeasurement of defined benefit plans (net of tax) | - | - | 1.41 | - | - | - | - | - | 1.41 |
| Dividend paid | - | - | (14.34) | - | - | - | - | - | (14.34) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - |
| **Changes during the the year** | **1,397.67** | **149.05** | **103.67** | **13.69** | **375.00** | **2.92** | **4,376.42** | **279.17** | **6,697.59** |
| **At March 31, 2021** | **2,027.51** | **269.22** | **715.84** | **291.07** | **500.00** | **2.92** | **4,376.42** | **279.17** | **8,462.13** |
| Profit for the year | - | - | 398.48 | - | - | - | - | - | 398.48 |
| Additions for the year | 2,469.63 | - | - | - | - | 1.64 | 3,309.10 | 837.46 | 6,617.83 |
| Deletion for the year | - | - | - | - | (50.00) | (2.92) | - | | (52.92) |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | - | - | (146.48) | 146.48 | - | - | - | - | - |
| Options Exercised and lapsed | - | (86.79) | 86.79 | - | - | - | - | - | - |
| Share based payments to employees | - | (22.45) | - | - | - | - | - | - | (22.45) |
| Utlisation of securities premium | - | (35.75) | - | - | - | - | - | - | (35.75) |
| ESOP's granted to employees of Subsidiary Company | - | 70.25 | - | - | - | - | - | - | 70.25 |
| Remeasurement of defined benefit plans (net of tax) | - | - | 0.98 | - | - | - | - | - | 0.98 |
| Dividend paid | - | - | (7.67) | - | - | - | - | - | (7.67) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - |
| **Changes during the the year** | **2,469.63** | **(74.74)** | **332.11** | **146.48** | **(50.00)** | **(1.28)** | **3,309.10** | **837.46** | **6,968.76** |
| **At March 31, 2022** | **4,497.14** | **194.48** | **1,047.94** | **437.55** | **450.00** | **1.64** | **7,685.52** | **1,116.63** | **15,430.90** |
| Significant accounting policies and notes to the Consolidated Financial Statements | | | | 1 to 58 | | | | | |

As per our report of even date attached
For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive Non-Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 202

# 1. Basis of preparation

### A. Statement of compliance

The Consolidated financial statements relates to M/s. Dhanvarsha Finvest Limited (the "Holding Company") and its subsidiary (together constitute as the "Group'). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statement.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to Non Banking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on May 30, 2022.

### B. Significant and material orders

During the year, there is no significant or material orders were passed by any regulator or court or any tribunal impacting the going concern status and company's operations in future.

### C. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of following subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

| Name of the subsidiary | Name of the parent entity | Ownership in % either directly or through subsidiaries | Country of incorporation |
|---|---|---|---|
| DFL Technologies Private Limited | Dhanvarsha Finvest Limited | 100% | India |

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### D. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

### E. Basis of Measurement

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- Financial instruments – measured at fair value
- Employees Stock Option plan as per fair value of the option
- Employee's Defined Benefit Plan as per actuarial valuation.

### F. Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

#### i. Business model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Group determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**ii. Determination of estimated useful lives of property, plant, equipment:**

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

**iii. Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 38

**iv. Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

**v. Recognition and measurement of provisions and contingencies**

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**vi. Fair value of financial instruments**

The fair value of financial instruments 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 (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 45 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

**vii. Impairment of financial assets**

The Group recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Group assesses whether the above financial assets 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. The Group follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**viii. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**G. Standards issued but not effective:**

**The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 2. Significant accounting policies

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

**A. Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 included in the statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**Depreciation on plant, property and equipment**

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

| Particulars | Useful Life as per prescribed in Schedule II of the Act (year) |
|---|---|
| Computers | 3 |
| Networks and Servers | 6 |
| Furniture and fixtures | 10 |
| Office equipment | 5 |

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

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. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

**B. Capital Work in Progress**

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire the property, plant and equipment. Assets which are not ready for intended use are also shown under capital work-in-progress

**C. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Group's intangible assets is as below:

| Particulars | Useful life (years) |
|---|---|
| Computer software | 5 |

**D. Intangible Assets Under Development**

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

**E. Impairment of property, plant and equipment and intangible assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Group estimates the recoverable amount of the assets.

If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

**F. Revenue recognition**

**i. Interest income**

Interest income for all financial instruments except for those measured or designated as at Fair Value Through Profit and Loss account (FVTPL) are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

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

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**ii. Processing fee and application fee:**

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

**iii. Delayed payment charges, penal Interest, other penal charges, foreclosure charges :**

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

**iv. Dividends:**

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

**v. 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:

**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 goods 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.

### vi. Other Income and Expenses

Other income and expenses are recognised in the period they occur

### vii. Net gain on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In 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 under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

## G. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months and low value assets . The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### As a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

## H. Financial Instruments

### i. Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets 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 Group's 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 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 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 at amortised cost:

The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

### iii. Financial assets at fair value through other comprehensive income (FVOCI):

The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

**iv. Financial instruments at fair value through profit and loss account (FVTPL)**

**Items at fair value through profit or loss comprise:**

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss 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.

**Financial instruments held for trading**

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

**Financial instruments designated as measured at fair value through profit or loss**

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Group does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

**v. Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**vi. Derecognition of financial assets and financial liabilities**

**Recognition**

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Group.

d) Other financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**Derecognition of financial assets other than due to substantial modification :**

**a) Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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.

**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 profit or loss. As at the reporting date, the Group does not have any financial liabilities which have been derecognised.

**vii. Offsetting of financial instruments**

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

**viii. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

**ix. Compound Financial Instruments**

Compulsorily convertible instruments with a fixed conversion ratio are separated into liability and equity components. On issuance of the said instruments, the liability component (being the present value of the future interest cash outflows discounted at a market rate for an equivalent non-convertible instrument) is reduced from the fair value of the instrument to arrive at the equity component. This Equity component is disclosed separately under Other Equity.

**I. Impairment of financial assets:**

The Holding Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, 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. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Holding Company performs an assessment of whether the loan's / investment'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 asset.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 46 (Risk Management).

**Simplified approach for trade/other receivables and contract assets**

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

**Write-offs**

The Holding Company reduces the gross carrying amount of a financial asset when the Holding Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Holding 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.

## J. Determination of fair value

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 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. 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:** quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

**Level 3:** inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

## K. Retirement and other employee benefits

**Defined contribution schemes**

The employees of the Holding Company who have opted, are entitled to receive benefits under the Provident Fund Scheme and Employee Pension Scheme, defined contribution plans in which both the employee and the Holding Company contribute monthly at a stipulated rate. The Holding 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.

**Defined benefit plans**

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Holding Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Other long term employee benefits**

The Holding Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**L. Share based payments**

**Employees stock options plans ("ESOPs") - equity settled**

The Holding Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Holding Company's operations. Employees (including directors) of the Holding Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

**M. Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of temporary timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

**Minimum alternate tax**

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

**N. Finance costs**

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

**The EIR in case of a financial liability is computed**

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised 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.

**O. Foreign currency transactions and balances**

**a. Initial recognition:**

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. **Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c. **Exchange differences:**

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

### P. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### Q. Segmental reporting

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

The Joint Managing Directors of the Holding Company assesses the financial performance and position of the Group and make strategic decisions and hence has been identified as being chief operating decision maker.

### R. Provisions

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

### S. Contingent liabilities and assets

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

### T. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### U. Goods and service tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The Company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the statement of profit and loss as per applicable provisions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 4 Cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Cash on hand | 510.03 | 75.90 |
| Foreign currency on hand | 1.04 | 0.73 |
| Balance with Bank (of the nature of cash and cash equivalents) | 5,344.48 | 3,145.89 |
| **Total** | **5,855.55** | **3,222.53** |

### 5 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unclaimed dividend accounts | 17.03 | 18.95 |
| Bank deposit with original maturity for more than three months | 2,007.00 | 1,511.42 |
| **Total** | **2,024.03** | **1,530.37** |

Note: 1) Fixed deposit earns interest at a fixed interest rate.

2) Bank deposits amounting to ₹ 2007.00 Lakhs (March 31, 2021 - ₹ 1,018.61 Lakhs) pledged as lien against borrowings.

### 6 Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(i) Trade Receivable** | | |
| Considered good - secured | - | - |
| Considered good - unsecured | 1,599.91 | 504.12 |
| Trade receivables which have significant increase in credit risk | 18.57 | 95.36 |
| Trade receivables credit impaired | - | - |
| Gross | 1,618.48 | 599.48 |
| Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46) | (18.57) | (2.57) |
| **Total (Refer Note 46)** | **1,599.91** | **596.91** |
| **(ii) Other Receivables** | | |
| Considered good - secured | - | - |
| Considered good - unsecured | 46.96 | 112.10 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables credit impaired | - | - |
| **Total** | **46.96** | **112.10** |
| Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46) | - | - |
| **Total** | **1,646.87** | **709.01** |

i) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

ii) No trade receivables are due from firms or private Companies respectively in which any director is a partner, a director or a member. However, Other receivables balance as at March 31, 2022 includes ₹ 46.96 Lakhs (March 31, 2021: ₹ 46.96 Lakhs) due from firms or private Companies respectively in which any director is a partner,a director or a member.

iii) The company has not entered in any supplier finance arrangements during the financial year 2021-22.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Aging of trade receivables**

(₹ in Lakhs)

| Particulars | FY 2021-22 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade receivables: | | | | | | | |
| Considered good | - | - | 1,646.87 | - | - | - | 1,646.87 |
| Which have significant increase in credit risk | - | - | 18.57 | - | - | - | 18.57 |
| Credit impaired | - | - | (18.57) | - | - | - | (18.57) |
| **Total** | **-** | **-** | **1,646.87** | **-** | **-** | **-** | **1,646.87** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

| Particulars | FY 2020-21 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | - | - | 616.22 | - | - | - | 616.22 |
| Which have significant increase in credit risk | - | - | 95.36 | - | - | - | 95.36 |
| Credit impaired | - | - | (2.57) | - | - | - | (2.57) |
| **Total** | **-** | **-** | **709.01** | **-** | **-** | **-** | **709.01** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**Reconciliation of impairment loss allowance on trade receivables:**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Impairment allowance measured as per simplified approach | - |
| **Impairment allowance as per April 01, 2020** | - |
| Add: Addition during the year | 2.57 |
| (Less): Reduction during the year | - |
| **Impairment allowance as per March 31, 2021** | **2.57** |
| Add: Addition during the year | 16.00 |
| (Less): Reduction during the year | - |
| **Impairment allowance as per March 31, 2022** | **18.57** |

The managements expects no default in receipt of other receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on other receivables.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 7 Loans and Advances

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Amortised Cost** | | |
| **Term Loans** | | |
| Secured Loans (considered good) | 13,711.41 | 6,172.75 |
| Unsecured Loans (considered good) | 15,568.48 | 4,269.48 |
| **Total Gross (A) (Refer Note 7.1 and 46)** | **29,279.89** | **10,442.23** |
| Less:Impairment loss allowance (Refer Note 7.2 and 46) | (467.69) | (472.04) |
| **Total Net (A)** | **28,812.20** | **9,970.19** |
| (i) Secured by tangible assets | 13,711.41 | 6,172.75 |
| (ii) Secured by intangible assets | - | - |
| (iii) Covered by Bank/Government Guarantees | - | - |
| (iv) Unsecured | 15,568.48 | 4,269.48 |
| **Total Gross (B)** | **29,279.89** | **10,442.23** |
| Less:Impairment loss allowance | (467.69) | (472.04) |
| **Total Net (B)** | **28,812.20** | **9,970.19** |
| Loans in India | | |
| (i) Public Sector | - | - |
| (ii) Others | 29,279.89 | 10,442.23 |
| Loans outside India | - | - |
| **Total Gross (C)** | **29,279.89** | **10,442.23** |
| Less:Impairment loss allowance | (467.69) | (472.04) |
| **Total Net (C)** | **28,812.20** | **9,970.19** |

7.1 **The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -**

(₹ in Lakhs)

| Particulars | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| | Low Credit Risk | Significant increase in credit risk | Credit Impaired |
| | 0-30 DPD | 30-90 DPD | > 90 DPD |
| **March 31, 2022** | | | |
| Secured Loan | 10,211.87 | 3,001.57 | 591.44 |
| Unsecured Loan | 14,601.18 | 547.63 | 326.20 |
| **Total** | **24,813.05** | **3,549.20** | **917.64** |
| | | | |
| **March 31, 2021** | | | |
| Secured Loan | 4,843.51 | 976.40 | 352.84 |
| Unsecured Loan | 3,983.54 | 195.29 | 90.65 |
| **Total** | **8,827.05** | **1,171.69** | **443.49** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model -

(₹ in Lakhs)

| **Particulars** | **Stage 1** | **Stage 2** | **Stage 3** |
|---|---|---|---|
| | **Low Credit Risk** | **Significant increase in credit risk** | **Credit Impaired** |
| | **0-30 DPD** | **30-90 DPD** | **More than 90 DPD** |
| **ECL Allowance -** | | | |
| **March 31, 2022** | | | |
| Secured Loan | 12.87 | 72.51 | 72.47 |
| Unsecured Loan | 52.14 | 25.62 | 232.08 |
| **Total** | **65.01** | **98.13** | **304.55** |
| | | | |
| **March 31, 2021** | | | |
| Secured Loan | 37.20 | 154.73 | 155.80 |
| Unsecured Loan | 56.06 | 19.86 | 48.38 |
| **Total** | **93.26** | **174.59** | **204.19** |

7.3 Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties:

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| **loans:** | | |
| Promoters | - | - |
| Directors | - | - |
| Key-managerial personnel | - | - |
| Other related parties | - | - |
| **Total** | **-** | **-** |
| **Advances:** | | |
| Promoters | - | - |
| Directors | - | - |
| Key-managerial personnel | - | - |
| Other related parties | - | - |
| **Total** | **-** | **-** |
| Loans & Advances repayable on demand | | |
| Loans | - | - |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 8 Investments

(₹ in Lakhs)

| Particulars | March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Amortised cost | At fair value | | | | Others (at cost) | Total |
| | | Through other comprehensive income | Through profit and loss | Designated at fair value through profit and loss | Sub total | | |
| | (1) | (2) | (3) | (4) | (5=2+3+4) | (6) | (7=1+5+6) |
| (i) Mutual Funds | - | - | 2,503.70 | - | 2,503.70 | - | 2,503.70 |
| (ii) Equity Instruments | - | - | - | - | - | 85.67 | 85.67 |
| **Total Gross (A)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **85.67** | **2,589.37** |
| (i) Investment outside India | - | - | - | - | - | - | - |
| (ii) Investment in India | - | - | 2,503.70 | - | 2,503.70 | 85.67 | 2,589.37 |
| **Total (B)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **85.67** | **2,589.37** |
| Less: Impairment allowance (C) | - | - | - | - | - | - | - |
| **Total Net (A-C)** | **-** | **-** | **2,503.70** | **-** | **2,503.70** | **85.67** | **2,589.37** |

(₹ in Lakhs)

| Particulars | March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Amortised cost | At fair value | | | | Others (at cost) | Total |
| | | Through other comprehensive income | Through profit and loss | Designated at fair value through profit and loss | Sub total | | |
| | (1) | (2) | (3) | (4) | (5=2+3+4) | (6) | (7=1+5+6) |
| (i) Mutual Funds | - | - | 1,103.25 | - | 1,103.25 | - | 1,103.25 |
| (ii) Equity Instruments | | | - | | - | | - |
| **Total Gross (A)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **-** | **1,103.25** |
| (i) Investment outside India | - | - | - | - | - | - | - |
| (ii) Investment in India | - | - | 1,103.25 | - | 1,103.25 | - | 1,103.25 |
| **Total (B)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **-** | **1,103.25** |
| Less: Impairment allowance (C) | - | - | - | - | - | - | - |
| **Total Net (A-C)** | **-** | **-** | **1,103.25** | **-** | **1,103.25** | **-** | **1,103.25** |

There are no investments measured at FVOCI.

More information regarding the valuation methodologies can be found in Note 45

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 9 Other financials assets

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security Deposits | 99.69 | 25.26 |
| Other advances* | 472.05 | 15.79 |
| Other Financial Assets | - | 52.16 |
| **Total** | **571.74** | **93.20** |

* Includes the amount recoverable from related party: Current year ₹ Nil (previous year ₹ 4.36 lakhs)

## 10 Current Tax assets/(Liabilities)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current Tax assets** | | |
| Advance income tax(Net of provisions of ₹ 667.97 lakhs (March 31, 2021 ₹ 382.71 lakhs) | 246.43 | 174.49 |
| **Current Tax liabilities** | | |
| Provision for current tax(Net of advance tax of ₹ Nil lakhs (March 31, 2021 ₹ Nil lakhs) | (36.86) | (60.76) |
| **Total** | **209.57** | **113.73** |

## 11 Deferred tax assets/(liabilities) (net)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Deferred tax asset on account of:** | | |
| Impairment loss allowance | 145.22 | 128.20 |
| Provision on Emplyoee Stock Option | 54.11 | 74.90 |
| Expenses allowable for tax purposes when paid | 28.31 | 18.17 |
| EIR impact on loans measured at amortised cost | 65.22 | 32.43 |
| Other Temporary Differences | 0.20 | 1.46 |
| Right of Use Assets | 18.70 | - |
| EIR impact of Subvention Income | 1.73 | - |
| **Deferred tax liability on account of:** | | |
| Property, plant and equipment and other intangible assets - carrying amount | (19.91) | (22.78) |
| EIR impact of DSA Commission | (64.90) | (28.59) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | (103.40) | (44.35) |
| Liability component of Compound Financial Instrument | (35.32) | (29.10) |
| Other Temporary Differences | (6.02) | (11.12) |
| MAT Entitlement Credit | - | - |
| **Net deferred tax assets** | **83.93** | **119.25** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**11.1 Note (a): Summary of deferred tax assets/(liabilities)**

(₹ in Lakhs)

| Particulars | As at April 1, 2020 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | Utilised | As at March 31, 2021 |
|---|---|---|---|---|---|
| Impairment loss allowance | 116.02 | 12.18 | - | - | 128.20 |
| Provision on Emplyoee Stock Option | 33.43 | 41.47 | - | - | 74.90 |
| Expenses allowable for tax purposes when paid | 6.91 | 11.80 | (0.54) | - | 18.17 |
| EIR impact on loans measured at amortised cost | 1.44 | 30.99 | - | - | 32.43 |
| Other Temporary Differences | 0.01 | 1.45 | - | - | 1.46 |
| Property, plant and equipment and other intangible assets - carrying amount | (8.23) | (14.56) | - | - | (22.78) |
| EIR impact of DSA Commission | (1.22) | (27.37) | | | (28.59) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | - | (44.35) | | | (44.35) |
| Liability component of Compound Financial Instrument | - | (29.10) | | | (29.10) |
| Other Temporary Differences | 0.25 | (11.37) | - | - | (11.12) |
| MAT Entitlement Credit | 39.59 | - | - | (39.59) | - |
| **Net Net deferred tax assets/(liability)** | **188.21** | **(28.85)** | **(0.54)** | **(39.59)** | **119.25** |

| Particulars | As at April 1, 2021 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | Utilised | As at March 31, 2022 |
|---|---|---|---|---|---|
| Impairment loss allowance | 128.20 | 17.02 | - | - | 145.22 |
| Provision on Emplyoee Stock Option | 74.90 | (20.79) | - | - | 54.11 |
| Expenses allowable for tax purposes when paid | 18.17 | 10.32 | (0.18) | - | 28.31 |
| EIR impact on loans measured at amortised cost | 32.43 | 32.79 | - | - | 65.22 |
| Other Temporary Differences | 1.46 | (1.26) | - | - | 0.20 |
| Right of use assets | - | 18.70 | - | - | 18.70 |
| EIR impact of subvension income | - | 1.73 | - | - | 1.73 |
| Property, plant and equipment and other intangible assets - carrying amount | (22.78) | 2.87 | - | - | (19.91) |
| EIR impact of DSA Commission | (28.59) | (36.33) | - | - | (64.91) |
| EIR impact on debt instrument in the nature of borrowings measured at amortised cost | (44.35) | (59.05) | - | - | (103.40) |
| Liability component of Compound Financial Instrument | (29.10) | (6.23) | - | - | (35.32) |
| Other Temporary Differences | (11.12) | 5.10 | - | - | (6.02) |
| MAT Entitlement Credit | - | - | - | - | - |
| **Net Net deferred tax assets/(liability)** | **119.25** | **(35.12)** | **(0.18)** | **-** | **83.93** |

## 12 Notes to Consolidated Financial Statements for the year ended March 31, 2022

(a) Property, plant and equipment

(b) Right of use assets

(₹ in Lakhs)

| Particulars | (a) Property, plant and equipment | | | | | | (b) Right of use assets | |
|---|---|---|---|---|---|---|---|---|
| | Computers | Motor Cars | Office Equipment | Furniture and Fixtures | Leasehold Improvements | Total | Right to Use | Total |
| **For the year ended March 31, 2022** | | | | | | | | |
| Gross Carrying Amount | | | | | | | | |
| Cost as at April 1, 2021 | 111.71 | 0.17 | 101.35 | 153.98 | 122.76 | 489.98 | 549.18 | 549.18 |
| Additions | 69.37 | 24.63 | 153.58 | 106.95 | 277.30 | 631.83 | 192.76 | 192.76 |
| Adjustments | - | - | - | - | - | - | 110.25 | 110.25 |
| Disposals | | | | | | | | |
| **Gross carrying value as of March 31, 2022** | **181.08** | **24.80** | **254.93** | **260.93** | **400.06** | **1,121.81** | **852.19** | **852.19** |
| **Accumulated Depreciation** | | | | | | | | |
| Accumulated Depreciation as at April 1, 2021 | 35.03 | - | 9.94 | 2.00 | 19.99 | 66.96 | 30.36 | 30.36 |
| Depreciation charge during the year | 42.10 | 1.88 | 36.15 | 22.68 | 52.44 | 155.25 | 184.46 | 184.46 |
| Disposals | - | - | - | - | - | - | - | - |
| Impairment loss | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as of March 31, 2022** | **77.13** | **1.88** | **46.09** | **24.68** | **72.43** | **222.21** | **214.81** | **214.81** |
| **Net carrying value as of March 31, 2022** | **103.95** | **22.92** | **208.84** | **236.25** | **327.63** | **899.60** | **637.38** | **637.38** |
| **For the year ended March 31, 2021** | | | | | | | | |
| Gross Carrying Amount | | | | | | | | |
| Cost as at April 1, 2020 | 46.84 | 0.17 | 17.96 | 3.88 | 146.55 | 215.40 | - | - |
| Additions | 64.87 | - | 83.39 | 150.10 | 91.74 | 390.10 | 549.18 | 549.18 |
| Adjustments | - | - | - | - | (115.53) | (115.53) | 115.53 | 115.53 |
| Disposals | - | - | - | - | - | - | (115.53) | (115.53) |
| **Gross carrying value as of March 31, 2021** | **111.71** | **0.17** | **101.35** | **153.98** | **122.76** | **489.97** | **549.18** | **549.18** |
| Accumulated Depreciation | | | | | | | | |
| **Accumulated Depreciation as at April 1, 2020** | **13.56** | **-** | **1.70** | **0.26** | **10.49** | **26.01** | **-** | **-** |
| Depreciation charge during the year | 21.47 | - | 8.24 | 1.74 | 11.93 | 43.38 | 30.36 | 30.36 |
| Adjustments | - | - | - | - | (2.43) | (2.43) | 2.43 | 2.43 |
| Disposals | - | - | - | - | - | - | (2.43) | (2.43) |
| Impairment loss | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as of March 31, 2021** | **35.03** | **-** | **9.94** | **2.00** | **19.99** | **66.96** | **30.36** | **30.36** |
| **Net carrying value as of March 31, 2021** | **76.68** | **0.17** | **91.41** | **151.98** | **102.77** | **423.00** | **518.82** | **518.82** |

* **Revaluations of right to use assets:** The right of use assets has been revalued by by the company itself instead of any independent registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(C) **Capital work-in-progress** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Capital work in progress | 194.23 | 78.46 |
| **Total** | **194.23** | **78.46** |

(d) **Intangible assets under development** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Intangible assets under development | 2,232.37 | 330.70 |
| **Total** | **2,232.37** | **330.70** |

**Aging of Capital work-in-progress and Intangible assets under development** (₹ in Lakhs)

| Particulars | Less than one year | 1 - 2 year | 2 - 3 year | More than 3 Year | Total |
|---|---|---|---|---|---|
| **i. Projects in progress** | | | | | |
| Capital work in progress | 194.23 | - | - | - | 194.23 |
| Intangible assets under development | 2,232.37 | - | - | - | 2,232.37 |
| **Total** | **2,426.60** | **-** | **-** | **-** | **2,426.60** |
| **ii. Projects temporarily suspended** | | | | | |
| Capital work in progress | - | - | - | - | - |
| Intangible assets under development | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 13 Other intangible assets

(₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| For the year ended March 31, 2022 | | |
| Gross Carrying Amount | | |
| Cost as at April 1, 2021 | 283.41 | 283.41 |
| Additions | 663.66 | 663.66 |
| Disposals | - | - |
| **Gross carrying value as of March 31, 2022** | **947.07** | **947.07** |
| | | |
| **Accumulated Depreciation** | | |
| Accumulated Depreciation as at April 1, 2021 | 91.72 | 91.72 |
| Depreciation charge during the year | 134.99 | 134.99 |
| Disposals | - | - |
| Impairment loss | - | - |
| **Accumulated depreciation as of March 31, 2022** | **226.71** | **226.71** |
| **Net carrying value as of March 31, 2022** | **720.36** | **720.36** |
| | | |
| **For the year ended March 31, 2021** | | |
| Gross Carrying Amount | | - |
| Cost as at April 1, 2020 | 181.26 | 181.26 |
| Additions | 102.15 | 102.15 |
| Disposals | - | - |
| **Gross carrying value as of March 31, 2021** | **283.41** | **283.41** |
| | | |
| **Accumulated Depreciation** | | |
| Accumulated Depreciation as at April 1, 2020 | 38.39 | 38.39 |
| Depreciation charge during the year | 53.33 | 53.33 |
| Disposals | - | - |
| Impairment loss | - | - |
| **Accumulated depreciation as of March 31, 2021** | **91.72** | **91.72** |
| **Net carrying value as of March 31, 2021** | **191.69** | **191.69** |

## 14 Other non-financials assets

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Prepaid expense | 437.42 | 114.58 |
| Advance to vendors | 33.58 | 34.44 |
| Advance to employees | 11.55 | 10.09 |
| Balances with statutory/government authorities | 170.56 | 24.74 |
| **Total** | **653.11** | **183.85** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 15 Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 133.31 | 16.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 242.86 | 166.35 |
| **Total** | **376.17** | **183.31** |
| | | |
| Other payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 37.79 | 21.56 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 169.19 | 48.05 |
| **Total** | **206.98** | **69.61** |

(i) The Company has not enterned in any supplier finance arrangements during the financial year 2021-22.

(ii) Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Group. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| The principal amount remaining unpaid to supplier as at the end of the year | 171.10 | 38.52 |
| The interest due thereon remaining unpaid to supplier as at the end of the year | - | - |
| The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| The amount of interest accrued during the year and remaining unpaid at the end of the year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006 | - | - |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

| Particulars | FY 2021-22 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade payables: | | | | | | | |
| Micro enterprises and small enterprises | - | - | 171.10 | - | - | - | 171.10 |
| Others | 19.62 | - | 392.43 | - | - | - | 412.05 |
| **Total** | **19.62** | **-** | **563.53** | **-** | **-** | **-** | **583.15** |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

| Particulars | FY 2020-21 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Outstanding for following periods from the due date | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | |
| Undisputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | 38.52 | - | - | - | 38.52 |
| Others | 85.26 | - | 129.13 | - | - | - | 214.39 |
| **Total** | **85.26** | **-** | **167.65** | **-** | **-** | **-** | **252.92** |
| Disputed trade payables | | | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 16 Debt Securities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **At Amortised Cost** | | |
| Unsecured | | |
| Compulsorily Convertible Debentures * | 126.98 | 104.59 |
| Secured | | |
| Non Convertible Debentures - Privately Placed | 3,694.49 | 497.39 |
| **Total** | **3,821.46** | **601.98** |
| Deb Securities within India | 3,821.46 | 601.98 |
| Deb Securities outside India | - | - |
| **Total** | **3,821.46** | **601.98** |

* Includes ₹ 57.82 issued to Related Parties

**Debt Securities Disclosure**

**i) Privately placed redeemable non-convertible debenture**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) 24-36 Months [of ₹ 10,00,000/- each] | 11.00% | 375.00 | 375.00 |
| (ii) 12-24 Months [of ₹ 10,00,000/- each] | 11.00% | 125.00 | 125.00 |
| (iii) 12-24 Months [of ₹ 10,00,000/- each] | 11.39% | 1,500.00 | - |
| (iv) 12-24 Months [of ₹ 1,000/- each] | 11.61% | 1,500.00 | - |
| | | | |
| **Gross** | | **3,500.00** | **500.00** |
| Less: Effective Interest Rate Adjustment | | (194.49) | (2.61) |
| **Net** | | **3,694.49** | **497.39** |

**Nature of Security**

**i) Non-convertible debenture @ 11%**

The facility is secured by exclusive hypothecation of standard loans & advances receivables to maintain a security cover of 1.20 times.

**ii) Non-convertible debenture @ 11.39%**

The facility is secured by exclusive hypothecation of loans & advances receivables.

**iii) Non-convertible debenture @ 11.61%**

The facility is secured by exclusive hypothecation of loans & advances receivables.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii) Privately placed unsecured compulsorily convertible debenture (₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) Upto 18 Months [of ₹ 22.26/- each] | 2% | 2,042.40 | 4,500.00 |
| (ii) Upto 18 Months [of ₹ 80.00/- each] | 10% | 6,582.89 | - |
| **Gross** | | **8,625.29** | **4,500.00** |
| Less: Equity component of compound financial instrument | | (7,685.52) | (4,376.42) |
| Less: accrued interest adjustment | | (812.79) | (18.99) |
| **Net** | | **126.98** | **104.59** |

**Terms of Redemption**

The holder shall have the option to convert the CCDs, any time prior to the expiry of 18 (eighteen) months from the date of issuance of the CCDs, provided that all compulsorily convertible debentures issued shall mandatorily convert simultaneously. Each CCD shall convert into Equity Share at below mentioned converiosn price:

i) CCD bering interest rate 2% shall convert into one Equity Share at a conversion price of ₹ 22.26 per equity share.

ii) CCD bering interest rate 10% shall convert into one Equity Share at a conversion price of ₹ 80.00 per equity share.

## 17 Borrowings (other than debt securities)

(₹ In Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **At amortised cost** | | |
| Secured | | |
| Term Loan from Banks | | |
| - from Banks | 12,125.94 | 5,900.03 |
| - from Financial Institutions | 12,522.76 | 1,194.79 |
| Bank Over draft | - | 287.30 |
| **Unsecured** | | |
| Loans repayable on demand from other parties | - | - |
| Lease Liability (Refer Note 47) | 177.49 | 68.73 |
| **Total (A)** | **24,826.19** | **7,450.85** |
| Borrowings India | 24,826.19 | 7,450.85 |
| Borrowings outside India | - | - |
| **Total (B)** | **24,826.19** | **7,450.85** |
| Current borrowings | 1,249.45 | - |
| Current maturities of Long term borrowings | 10,851.29 | 352.72 |
| Long term borrowings | 12,725.45 | 7,098.13 |
| **Total (C)** | **24,826.19** | **7,450.85** |

The Group has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Borrowings Disclosure**

**i) Term loans from Banks & Financial Institutions**

(₹ in Lakhs)

| Tenure (from the date of the Balance Sheet) | Terms of Repayment | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| 49-60 Months | Monthly Instalments | 11.00% | 355.76 | 464.28 |
| 37-48 Months | Monthly Instalments | 9.75-13% | 1,482.56 | 3,269.82 |
| 37-48 Months | Quarterly Instalments | 11-13% | - | 2,031.25 |
| 25-36 Months | Monthly Instalments | 9.75%-13.45% | 3,500.37 | - |
| 13-24 Months | Monthly Instalments | 9.75%-14% | 7,732.26 | 1,257.72 |
| 13-24 Months | Two Instalments | 7-9% | - | 500.58 |
| 25-36 Months | Quarterly Instalments | 12.45% | 156.25 | - |
| 13-24 Months | Quarterly Instalments | 12.45% | 625.00 | - |
| Upto 12 Months | Quarterly Instalments | 12.45% | 625.00 | - |
| Upto 12 Months | Monthly Instalments | 6.75%-14% | 11,475.74 | - |
| **Gross** | | | **25,952.94** | **7,523.65** |
| Less: Effective Interest Rate Adjustment | | | (468.30) | (159.41) |
| Less: Capital Contribution by the Holding Company in the Form of Corporate Guarantee | | | (835.94) | (269.42) |
| **Net** | | | **24,648.70** | **7,094.82** |

**Nature of Security**

The facility is secured on a first and exclusive charge basis by way of hypothecation over the portfolio loans in such a way that the security cover of 1.10 to 1.33 times is met. Further, the Group has provided additional security by way of lien on Fixed Deposits and Corporate Guarantee in certain cases.

**ii) Bank Overdraft**

(₹ In Lakhs)

| Tenure (from the date of the Balance Sheet) | Rate of Interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Upto 12 Months | - | - | 287.30 |

**Nature of Security**

The facility is secured by pledge of gold ornaments.

## 18 Other financial liabilities

(₹ In Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unpaid dividends | 17.03 | 18.95 |
| Loan Pending Disbursal | - | 10.29 |
| Payable to employees | 7.43 | 14.07 |
| NPS Contribution | - | 0.07 |
| Other financial liabilities | 192.92 | 14.74 |
| **Total** | **217.38** | **58.12** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 19 Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Gratuity (Refer Note 38) | 43.74 | 16.83 |
| Leave encashment (Refer Note 38) | 57.08 | 47.51 |
| PF and ESIC (Refer Note 38) | 10.18 | - |
| **Total** | **111.00** | **64.34** |

## 20 Other non-financial liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance from customers and others | 247.91 | 74.34 |
| Liability towards Statutory Dues | 115.54 | 93.57 |
| Unearned income | - | 0.55 |
| **Total** | **363.45** | **168.46** |

## 21 Equity share capital

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **a. Authorised Share Capital** | | |
| 25,00,00,000 (March 31, 2021: 25,00,00,000) Equity Shares of ₹ 2 each | 5,000.00 | 5,000.00 |
| **Total** | **5,000.00** | **5,000.00** |
| | | |
| **b. Issued, Subscribed and Paid-up:** | | |
| 8,88,38,939 (March 31, 2021: 7,64,62,145) Equity Shares of ₹ 2 each | 1,776.78 | 1,529.24 |
| **Total** | **1,776.78** | **1,529.24** |

**c. Reconciliation of number of equity shares:** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Balance as at the beginning of the year | 76,462,145 | 1,529.24 | 67,538,780 | 1,350.78 |
| Issued during the year | 12,376,794 | 247.54 | 8,923,365 | 178.46 |
| Balance as at the end of the year | 88,838,939 | 1,776.78 | 76,462,145 | 1,529.24 |

**d. Details of shareholders holding more than 5% shares in the Company** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 57,869,685 | 65.14% | 46,914,130 | 61.36% |
| Siddhi Jaiswal | - | - | 3,912,855 | 5.11% |
| **Total** | | | **50,826,985** | |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**e. Shares of the Company held by the Holding Company**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') | 57,869,685 | 46,914,130 |
| **Total** | **57,869,685** | **46,914,130** |

**f. Shares reserved for issues under options** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No of Shares | Amount in ₹ | No of Shares | Amount in ₹ |
| Equity shares of ₹ 2 each reserved for issue under employee stock option scheme | 4,151,219 | 83.02 | 8,523,570 | 170.47 |

**g. Terms and rights attached to equity shares**

The Group has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group. The distribution will be proportional to the number of equity shares held by the shareholders.

**h. The Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2022.**

**i. Proposed dividends on equity shares** (₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Proposed dividend on equity shares for the year ended on March 31, 2022: ₹ 0.01 per share (March 31, 2021: ₹ 0.01 per share) | 8.88 | 7.65 |

**j. Refer Note 41- Capital for the Company's objectives, policies and processes for managing capital.**

## 22 Other equity

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Securities Premium | (i) | 4,497.14 | 2,027.51 |
| Retained earnings | (ii) | 1,047.94 | 715.82 |
| Employee stock option outstanding reserve | (iii) | 194.48 | 269.21 |
| Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | (iv) | 437.55 | 291.07 |
| Money received against share warrants | (v) | 450.00 | 500.00 |
| Share application money pending allotment | (vi) | 1.64 | 2.92 |
| Equity component of compound financial instruments | (vii) | 7,685.52 | 4,376.42 |
| Capital Contribution towards corporate gaurantee | (viii) | 1,116.63 | 279.17 |
| **Total** | | **15,430.90** | **8,462.13** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### (i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 2,027.51 | 629.85 |
| Add: premium received on issue of shares | 2,469.63 | 1,397.66 |
| **Balance at the end of the year** | **4,497.14** | **2,027.51** |

### (ii) Retained earnings

Retained Earnings are the profits of the Group earned till date net of appropriations.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 715.82 | 612.19 |
| Profit for the year | 398.48 | 130.10 |
| Remeasurement of defined benefit plans (net of tax) | 0.98 | 1.41 |
| Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | (146.48) | (13.69) |
| Left Employee vested expenses reversed | 86.79 | 0.19 |
| Dividends | (7.67) | (14.34) |
| Dividend distribution tax | - | - |
| **Balance at the end of the year** | **1,047.94** | **715.82** |

### (iii) Employee stock option outstanding reserves

Employee stock option outstanding reserves is created as required by Ind AS 102 ‘Share Based Payments’ on the Employee Stock Option Scheme operated by the Group for employees of the Group

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | 269.21 | 120.16 |
| Add:Share based payment expense | (22.45) | 153.29 |
| Add:ESOP's granted to employees of Subsidiary Company | 70.25 | 15.42 |
| Less: Share based payment expense reversed for resigned employees | (86.79) | (0.19) |
| Less:Transfer to securities premium on account of exercise of Options | (35.75) | (19.47) |
| **Balance at the end of the year** | **194.48** | **269.21** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iv) **Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934**

The Group maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 291.07 | 277.38 |
| Add: Profit transferred during the year | 146.48 | 13.69 |
| **Balance at the end of the year** | **437.55** | **291.07** |

(v) **Money received against share warrants**

money received against share warrants is to be made since shares are yet to be allotted against the share warrants

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 500.00 | 125.00 |
| Add: Warrants issued during the year | - | 875.00 |
| Less: Options exercised during the year | (50.00) | (500.00) |
| **Balance at the end of the year** | **450.00** | **500.00** |

(vi) **Share application money pending allotment**

The amount received on the application on which allotment is not yet made

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 2.92 | - |
| Add: Application money received during the year | 1.64 | 2.92 |
| Less: Allotment made during the year | ( 2.92) | - |
| **Balance at the end of the year** | **1.64** | **2.92** |

(vii) **Equity component of compound financial instruments**

This represent the equity component of compound financial instruments

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 4,376.42 | - |
| Add: Equity component of compound finance instrument | 3,309.10 | 4,376.42 |
| **Balance at the end of the year** | **7,685.52** | **4,376.42** |

(viii) **Capital Contribution towards corporate gaurantee**

This represent the Capital Contribution towards corporate gaurantee

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 279.17 | - |
| Add: Capital Contribution by the Holding Company in the Form of Corporate Guarantee | 837.46 | 279.17 |
| **Balance at the end of the year** | **1,116.63** | **279.17** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 23 Interest income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Interest on loans (at amortised cost) | 4,432.93 | 1,189.45 |
| Interest on deposit with banks (at amortised cost) | 99.64 | 34.27 |
| Other interest Income | 3.74 | 0.69 |
| **Total** | **4,536.31** | **1,224.41** |

## 24 Fees and commission Income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Income from loan services | 151.47 | 25.67 |
| Income from other services | 2,721.68 | 1,702.85 |
| **Total** | **2,873.15** | **1,728.52** |

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Type of Services | | |
| Fee and commission income | 2,873.15 | 1,728.52 |
| Total revenue from contract with customers | 2,873.15 | 1,728.52 |
| Geographical markets | | |
| India | 2,873.15 | 1,728.52 |
| Outside India | - | - |
| Total revenue from contract with customers | 2,873.15 | 1,728.52 |
| Timing of revenue recognition | | |
| Services transferred at a point in time | 2,873.15 | 1,728.52 |
| Services transferred over time | - | - |
| **Total revenue from contracts with customers** | **2,873.15** | **1,728.52** |

**Contract balance**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Trade receivables | 1,581.33 | 596.91 |
| Contract Assets | - | - |

The Group does not have any contract assets or liability, hence disclosures related to it has not been presented.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 25 Net gain on fair value changes

(₹ in Lakhs)

| 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 | 164.67 | 8.43 |
| - Derivatives | - | - |
| (ii) Others | - | - |
| **Total Net Gain on Fair Value Changes (B)** | **164.67** | **8.43** |
| Fair value changes: | | |
| Realised | - | 11.17 |
| Unrealised | 164.67 | (2.74) |
| **Total Net Gain on Fair Value Changes (C)** | **164.67** | **8.43** |

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

## 26 Other Income

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rent income | - | - |
| Net gain/(loss) on derecognition of property, plant and equipment and investment property | - | - |
| Gain on foreign currency transactions | - | - |
| Recovery from written off accounts | 5.39 | - |
| Miscellaneous income | 18.68 | 45.05 |
| **Total** | **24.07** | **45.05** |

## 27 Finance costs

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| On Financial liabilities measured at amortised cost | | |
| Interest on borrowings (other than debt securities) | 2,122.52 | 407.57 |
| Interest on debt securities | 294.04 | 12.58 |
| Other interest expense | | |
| Interest on lease liabilities | 18.67 | 2.98 |
| Interest on taxes | 0.74 | - |
| **Total** | **2,435.97** | **423.13** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 28 Fees and commission expense

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Commission | 69.27 | 29.61 |
| **Total** | **69.27** | **29.61** |

## 29 Impairment on financial instruments

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Loans | (4.35) | 33.76 |
| Receivable | 93.61 | 2.57 |
| Bad debts written off | 118.08 | 7.34 |
| **Total** | **207.34** | **43.67** |

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

**Year ended March 31, 2022**

(₹ in Lakhs)

| Particulars | General Approach | | | Simplified Approach | Total |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Loans and advances to customers | (28.25) | (76.47) | 100.36 | - | (4.35) |
| Receivables | - | - | - | 16.50 | 16.50 |
| **Total impairment loss** | **(28.25)** | **(76.47)** | **100.36** | **16.50** | **12.15** |

**Year ended March 31, 2021**

(₹ in Lakhs)

| Particulars | General Approach | | | Simplified Approach | Total |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | | |
| Loans and advances to customers | (72.94) | 23.25 | 83.46 | - | 33.76 |
| Receivables | - | - | - | 2.57 | 2.57 |
| **Total impairment loss** | **(72.94)** | **23.25** | **83.46** | **2.57** | **36.33** |

## 30 Employee benefits expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries and wages | 1,647.45 | 1,065.12 |
| Gratuity Expenses (Refer Note 38) | 28.07 | 11.53 |
| Contribution to provident and other funds | 102.34 | 57.93 |
| Share Based Payments to employees | 47.81 | 168.70 |
| Staff welfare expenses | 28.19 | 11.73 |
| **Total** | **1,853.86** | **1,315.01** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 31 Depreciation, amortization and impairment

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 12) | 339.70 | 73.74 |
| Amortization of intangible assets (Refer Note 13) | 134.99 | 53.33 |
| **Total** | **474.69** | **127.07** |

## 32 Others expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rent, Rates and taxes | 160.97 | 100.64 |
| Repairs and maintenance | 5.31 | 2.39 |
| Energy Costs | 21.93 | 12.95 |
| Communication costs | 20.48 | 10.38 |
| Printing and stationery | 21.80 | 9.09 |
| Advertisement and publicity | 139.75 | 16.64 |
| Director's fees, allowances, and expenses | 65.21 | 62.97 |
| Auditor fees and expenses [Refer Note 32.1] | 49.45 | 37.42 |
| Legal and professional charges | 590.00 | 261.57 |
| Insurance | 65.51 | 11.99 |
| **Other expenditure:** | | |
| - Annual Maintenance Charges | 38.10 | 17.08 |
| - Brokerage | 197.97 | 11.92 |
| - Donation | - | 5.15 |
| - GST Input Tax Credit written off | 123.34 | 73.40 |
| - Office Expenses | 42.55 | 20.86 |
| - Processing fee on co-lending business | 23.72 | 15.56 |
| - Software Licences Expenses | 27.96 | 14.34 |
| - Travel & Conveyance | 101.39 | 16.69 |
| - Website & Server Maintenance Expenses | 105.04 | 26.60 |
| - Miscellaneous Expenditure | 37.75 | 62.06 |
| **Total** | **1,838.23** | **789.70** |

### 32.1 Auditor fees and expenses

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **As Auditor:** | | |
| - Statutory audit fees | 15.75 | 15.00 |
| - Limited review fees | 10.25 | 8.25 |
| - Tax audit fees | 2.00 | 2.00 |
| - Reimbursement of expenses | 0.32 | 0.82 |
| **In other capacity:** | | |
| - Certification | 21.14 | 11.35 |
| **Total** | **49.45** | **37.42** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 33 Income tax expense

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Current tax | | |
| Current tax on profits for the period | 285.25 | 117.41 |
| Adjustments for current tax of prior periods | - | 1.32 |
| Mat credit entitlement (Refer Note11) | - | - |
| **Total Current Tax** | **285.25** | **118.73** |
| | | |
| Deferred tax expense (income) | | |
| Decrease in deferred tax assets (Refer Note11) | 35.11 | 29.39 |
| **Total deferred tax expense/(benefit)** | **35.11** | **29.39** |
| **Total tax expense** | **320.36** | **148.12** |

**Reconciliation of the total tax charge:**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and year ended March 31, 2021 is, as follows:

### 33.1 Reconciliation of effective tax rate:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit before income tax expense | 718.84 | 278.22 |
| | | |
| **Enacted income tax rate in India applicable to the Company 27.82% (2020-2021 – 27.82%)** | 199.98 | 77.40 |
| **Tax effect of:** | | |
| Permanent Disallowances | 7.94 | 15.24 |
| Deferred tax assets not created on OCI | 0.18 | 0.54 |
| Long term capital gain on sale of property | - | - |
| Difference in tax rates for short term capital gains | (18.27) | (1.24) |
| Provision for ESOP and Others | 45.83 | 54.86 |
| Tax in respect of earlier period | - | 1.32 |
| | | |
| **Total tax expense** | **235.67** | **148.12** |
| **Effective tax rate** | **32.78%** | **53.24%** |

### 33.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit attributable to the equity holders of the Group (A) | 398.48 | 130.10 |
| Weighted Average number of equity shares for calculating Basic EPS (In lakhs) (B) | 77,309,164 | 73,538,340 |
| Adjustment for calculation of Diluted EPS on account of Diluted potential ordinary shares (C) | 21,184,845.42 | 23,382,175 |
| Weighted Average number of equity shares for calculating Diluted EPS (In lakhs) (D= B+C) | 98,494,009 | 96,920,515 |
| Basic earnings per equity shares in ₹ (face value of ₹ 2/- per share) (A) / (B) | 0.52 | 0.18 |
| Diluted earnings per equity shares in ₹ (face value of ₹ 2/- per share) (A) / (D) | 0.45 | 0.14 |

## 35 Contingent liabilities & commitments

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Claims against the Company not aknowledged as debts | | |
| Income tax matters under dispute | 65.99 | 65.99 |
| Commitments | | |
| a) Capital commitments | 1.65 | - |
| (Estimated amount of contracts remaining to be executed on capital account and not provided for) | - | - |
| b) Loan sanction but undrawn | 198.95 | 361.01 |
| **Total Commitments** | **200.60** | **361.01** |

## 36 Derivatives

The Group has no transactions / exposure in derivatives in the current and previous year. The Group has no unhedged foreign currency exposure as on March 31, 2022: Nil (March 31, 2021: Nil).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 37 Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")

The Group had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Group's business operations. During the year, the Group has scaled up the growth in the low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID related stress to the borrowers. Basis the abovementioned factors, the Group estimates that no additional Expected Credit Loss (ECL) provision on Loans is required on account of COVID – 19 during the quarter and year ended March 31, 2021. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

## 38 Employee benefits

### (a) Compensated absences

The compensated absences charge for the year ended March 31, 2022 of ₹ 25.55 lakhs (March 31, 2021: ₹ 43.77 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2022 is ₹ 50.37 lakhs (March 31, 2021: ₹ 44.08 lakhs)

### (b) Post employment obligations

### I. Defined contribution plans

The Group has classified the various benefits provided to employees as under:

a. Provident Fund

b. Employees' Pension Scheme 1995

c. Employee State Insurance Scheme

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan -

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Contribution to Provident Fund | 67.41 | 39.19 |
| Contribution to Employees' Pension Scheme 1995 | 32.01 | 17.23 |
| Contribution to Employee State Insurance Scheme | 2.82 | 1.46 |
| **Total** | **102.24** | **57.89** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

II. **Defined benefit plans**

**Gratuity**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of Rs 20 lakhs. The holding company has a funded gratuity plan while the Subsidiary Company has a unfunded gratuity plan.

The Holding Company has a defined benefit plan in India (Funded) while the Subsidiary Company has a defined benefit plan in India (unfunded). The Holding Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund where as the Subsidiary Company's defined benfit gratuity plan is a final salary plan for employees under which gratuity is paid from entity as and when it becomes due and is paid as per company scheme for gratuity.

For the Holding Company's plan, a separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by Rule 103 of Income Tax Rules, 1962. The Fund is managed by a trust which is governed by the Board of Trustees . The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in Lakhs)

| Defined benefit plans | For the year ended March 31, 2022 Gratuity (Funded) | For the year ended March 31, 2022 Gratuity (Un-funded) | For the year ended March 31, 2021 Gratuity (Funded) | For the year ended March 31, 2021 Gratuity (Un-funded) |
|---|---|---|---|---|
| **Expenses recognised in statement of profit and loss during the year:** | | | | |
| Current service cost | 10.44 | 16.34 | 10.15 | 0.96 |
| Past service cost | - | - | - | - |
| Expected return on plan assets | - | - | - | - |
| Liability Transferred Out/ Divestments | 7.82 | - | - | - |
| Liability Transferred In/ Acquisitions | - | (7.82) | | |
| Net interest cost / (income) on the net defined benefit liability / (asset) | 0.61 | 0.41 | 0.42 | - |
| **Total expenses** | **18.87** | **8.92** | **10.57** | **0.96** |
| | | | | |
| **Expenses recognised in other comprehensive income** | | | | |
| Actuarial (gains) / losses due to demographic assumption changes | 0.01 | - | - | - |
| Actuarial (gains) / losses due to financial assumption changes | - | - | - | - |
| Actuarial (gains)/ losses due to experience on defined benefit obligations | 6.60 | (7.84) | (2.10) | - |
| Return on plan assets excluding Interest income | 0.05 | - | 0.14 | - |
| **Total expenses** | **6.66** | **(7.84)** | **(1.95)** | **-** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Defined benefit plans | For the year ended March 31, 2022 Gratuity (Funded) | For the year ended March 31, 2022 Gratuity (Un-funded) | For the year ended March 31, 2021 Gratuity (Funded) | For the year ended March 31, 2021 Gratuity (Un-funded) |
|---|---|---|---|---|
| **Net asset /(liability) recognised as at balance sheet date:** | | | | |
| Present value of defined benefit obligation at the end of the period | (42.53) | (7.07) | (16.72) | (5.97) |
| Fair value of plan assets | 5.86 | - | 5.86 | - |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(36.67)** | **(7.07)** | **(10.86)** | **(5.97)** |
| | | | | |
| **Movements in present value of defined benefit obligation** | | | | |
| Present value of defined benefit obligation at the beginning of the year | 16.72 | 5.97 | 12.92 | - |
| Current service cost | 10.44 | 16.34 | 10.15 | 0.96 |
| Past service cost | - | - | - | - |
| Liability Transferred Out/ Divestments | 7.82 | - | (5.01) | - |
| Liability Transferred In/ Acquisitions | - | (7.82) | - | 5.01 |
| Interest cost | 0.93 | 0.41 | 0.76 | - |
| Actuarial (gains) / loss | 6.60 | (7.84) | (2.10) | - |
| Benefits paid | - | | - | - |
| **Present value of defined benefit obligation at the end of the year** | **42.52** | **7.05** | **16.72** | **5.97** |
| | | | | |
| **Movements in fair value of the plan assets** | | | | |
| Opening fair value of plan assets | - | - | 5.67 | - |
| Interest Income | 0.33 | - | 0.33 | - |
| Expected returns on plan assets | - | - | - | - |
| Expected returns on plan assets excluding Interest income | (0.05) | - | (0.14) | - |
| Actuarial (gains) / loss on plan assets | - | - | - | - |
| Contribution from employer | - | - | - | - |
| Benefits paid | - | - | - | - |
| **Closing fair value of the plan asset** | **0.27** | **-** | **5.86** | **-** |

Maturity profile of defined benefit obligation

Funding arrangements and funding policy

**Holding Company:** 'The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**Subsidiary Company:** Gratuity plan is unfunded.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The average outstanding term of the obligations (years) as at valuation date is 4 years for the funded plan and 14 years for the funded.

**Expected cash flows over the next (valued on undiscounted basis):** (₹ in Lakhs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| | Gratuity (Funded) | Gratuity (Un-funded) | Gratuity (Funded) | Gratuity (Un-funded) |
| 1st Following Year | 2.23 | 0.06 | 0.03 | 0.01 |
| 2nd Following Year | 3.08 | 0.12 | 1.04 | 0.01 |
| 3rd Following Year | 3.76 | 0.12 | 1.61 | 0.01 |
| 4th Following Year | 5.55 | 0.18 | 1.88 | 0.01 |
| 5th Following Year | 6.68 | 0.50 | 2.38 | 0.28 |
| Sum of Years 6 To 10 | 22.53 | 2.57 | 8.79 | 1.59 |
| Sum of Years 11 and above | 20.91 | 22.37 | 10.51 | 24.92 |

**Quantitative sensitivity analysis for significant assumptions is as below:** (₹ in Lakhs)

| | | | | |
|---|---|---|---|---|
| Increase / (decrease) on present value of defined benefit obligation at the end of the year | 42.52 | 7.05 | 16.72 | 5.97 |
| (i) +1% increase in discount rate | (2.41) | (0.91) | (1.11) | (0.97) |
| (ii) -1% decrease in discount rate | 2.67 | 1.12 | 1.25 | 1.23 |
| (iii) +1% increase in rate of salary increase | 2.61 | 1.12 | 1.12 | 0.87 |
| (iv) -1% decrease in rate of salary increase | (2.42) | (0.93) | (1.05) | (0.83) |
| (v) +1% increase in rate of Emplyoee Turnover | (1.03) | (0.16) | (0.63) | (0.41) |
| (vi) -1% decrease in rate of Emplyoee Turnover | 1.06 | 0.15 | 0.67 | 0.45 |

**Sensitivity analysis method**

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.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and Company is exposed to the following risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

**Composition of plan assets**

| | | | | |
|---|---|---|---|---|
| Qualifying policy with Tata AIA Life Insurance Company Limited | 100% | NA | 100% | NA |

**Asset liability matching strategies**

The Holding Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer..

| Actuarial assumptions: | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Gratuity (Funded) | Gratuity (Unfunded) | Gratuity (Funded) | Gratuity (Unfunded) |
| 1. Expected Return on Plan Assets | 6.09% | NA | 5.58% | NA |
| 2. Discount rate | 6.09% | 6.82% | 5.58% | 6.82% |
| 3. Expected rate of salary increase | 6.50% | 10.00% | 10.00% | 10.00% |
| 4. Rate of Employee Turnover | 18.00% | 5.00% | 18.00% | 5.00% |
| 5. Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |

**Holding company (Funded Plan):**

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Holding Company expects to make a contribution of ₹ 35.50 lakhs to the defined benefit plans (gratuity - funded) during the next financial year.

d) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

**Subsidiary company (Unfunded Plan):**

a) Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

b) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20 years.

c) Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 39 Segment Reporting

Operating segment are components of the group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") of the Company to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group operates in a two reportable business segment i.e. Fund Based Activities and Advisory Services, which has similar risks and returns for the purpose of Ind AS 108 – "Operating segments".

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED | | |
| **Segment revenue** | | |
| Fund based activities | 5927.60 | 2,024.28 |
| Advisory services | 1,637.89 | 937.38 |
| **Total** | **7,565.48** | **2,961.66** |
| Less : Inter segment revenue | - | - |
| **Revenue from operations** | **7,565.48** | **2,961.66** |
| | | |
| **Segment results** | | |
| Profit before tax from each segment : | | |
| Fund based activities | 405.94 | 58.17 |
| Advisory services | 435.74 | 180.70 |
| **Total** | **841.68** | **238.87** |
| Add: Other Un-allocable Income net of expenditure | (122.84) | 39.35 |
| Profit before tax | 718.84 | 278.22 |
| Less: Income taxes | 320.36 | 148.12 |
| **Profit after tax** | **398.48** | **130.10** |
| | | |
| **Capital employed** | | |
| Segment assets | | |
| Fund based activities | 38,098.00 | 12,503.06 |
| Advisory services | 859.23 | 1,074.36 |
| Unallocated | 8,209.94 | 5,071.38 |
| **Total** | **47,167.17** | **18,648.80** |
| | | |
| **Segment liabilities** | | |
| Fund based activities | 29,515.86 | 8,348.78 |
| Advisory services | 406.78 | 228.93 |
| Unallocated | 36.85 | 79.71 |
| **Total** | **29,959.49** | **8,657.43** |
| | | |
| **Capital expenditure** | | |
| Fund based activities | 2,494.30 | 1,031.66 |
| Advisory services | **1,120.63** | **381.57** |
| | | |
| **Depreciation and amortisation** | | |
| Fund based activities | 327.12 | 91.07 |
| Advisory services | 147.56 | 36.00 |
| Unallocated | - | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Finance Cost** | | |
| Fund based activities | 2,435.97 | 423.13 |
| Advisory services | - | - |
| Unallocated | - | - |
| | | |
| **Other non-cash expenditure** | | |
| Fund based activities | 207.34 | 43.67 |
| Advisory services | - | - |

**Geographic Segment**

All the assets of the Group and source of revenue of the Group is within India and hence, no separate geographical segment is identified.

## 40 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. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakhs)

| Assets | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Financials Assets** | | | | | | |
| Cash and cash equivalents | 5,855.55 | - | 5,855.55 | 3,222.53 | | 3,222.53 |
| Bank balances other than cash and cash equivalents | 896.00 | 1,128.03 | 2,024.03 | 935.73 | 594.64 | 1,530.37 |
| Receivables | | | | | | - |
| (i) Trade Receivables | 1,599.91 | - | 1,599.91 | 596.91 | - | 596.91 |
| (ii) Other Receivables | 46.96 | - | 46.96 | 112.10 | - | 112.10 |
| Loans | 19,829.58 | 8,982.62 | 28,812.20 | 4,145.61 | 5,824.59 | 9,970.20 |
| Investments | 2,503.70 | 85.67 | 2,589.37 | 1,103.25 | - | 1,103.25 |
| Other Financials Assets | 571.74 | - | 571.74 | 93.20 | - | 93.20 |
| Non Financials Assets | | | | | | |
| Current Tax Assets (Net) | - | 246.43 | 246.43 | - | 174.49 | 174.49 |
| Deferred Tax Assets (Net) | - | 83.93 | 83.93 | - | 119.25 | 119.25 |
| Investment Property | | | | | | |
| Property, Plant and Equipment | - | 899.60 | 899.60 | - | 423.00 | 423.00 |
| Right of use assets | - | 637.38 | 637.38 | - | 518.82 | 518.82 |
| Capital work-in-progress | - | 194.23 | 194.23 | - | 78.46 | 78.46 |
| Intangible assets under development | - | 2,232.37 | 2,232.37 | - | 330.70 | 330.70 |
| Other Intangible assets | - | 720.36 | 720.36 | - | 191.69 | 191.69 |
| Other non-financials assets | 653.11 | - | 653.11 | 183.85 | - | 183.85 |
| Non-current assets and disposal group held for sale | - | - | - | - | - | - |
| **Total Assets** | **31,956.55** | **15,210.63** | **47,167.17** | **10,393.18** | **8,255.63** | **18,648.80** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Liabilities | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Financial Liabilities** | | | | | | |
| Payables | | | | | | |
| I) Trade payables | 376.17 | - | 376.17 | 183.30 | - | 183.30 |
| II) Other payables | 206.98 | - | 206.98 | 69.61 | - | 69.61 |
| Debt Securities | - | 3,821.46 | 3,821.46 | - | 601.98 | 601.98 |
| Borrowings (Other than Debt Securities) | 12,100.74 | 12,725.45 | 24,826.19 | 315.10 | 7,135.75 | 7,450.86 |
| Other financial liabilities | 217.38 | - | 217.38 | 58.12 | - | 58.12 |
| | | | | | | |
| **Non-Financial Liabilities** | | | | | | |
| Current tax liabilities(Net) | 36.86 | - | 36.86 | 60.76 | - | 60.76 |
| Provisions | 10.18 | 100.81 | 111.00 | 23.87 | 40.47 | 64.34 |
| Other non-financial liabilities | 363.45 | - | 363.45 | 168.46 | - | 168.46 |
| **Total Liabilities** | **13,311.76** | **16,647.73** | **29,959.49** | **879.24** | **7,778.20** | **8,657.44** |
| **Net** | **18,644.79** | **(1,437.10)** | **17,207.68** | **9,513.95** | **477.44** | **9,991.37** |

## 41 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares capital securities. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022.The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

**The Group's adjusted net debt to equity ratio is as follows.**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Debt | 28,647.65 | 8,052.82 |
| Less: cash and cash equivalents | (5,855.55) | (3,222.53) |
| Less: Bank balances other than cash and cash equivalents | (2,024.03) | (1,530.37) |
| **Adjusted net debt** | **20,768.06** | **3,299.92** |
| Total Equity | 17,207.68 | 9,991.37 |
| Adjusted net debt to adjusted equity ratio | 1.21 | 0.33 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 42 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

### 43 Change in liabilities arising from financing activities

(₹ in Lakhs)

| Particulars | April 1, 2021 | Cash Flows | Changes in fair values | Exchange difference | Other** | As at March 31, 2022 |
|---|---|---|---|---|---|---|
| Debt securities | 601.98 | 9,582.89 | - | - | (6,363.41) | 3,821.46 |
| Borrowings (other than debt securities)* | 7,382.11 | 18,763.37 | - | - | (1,496.78) | 24,648.70 |
| Lease Liabilities | 68.73 | (111.88) | - | - | 220.64 | 177.49 |
| Deposits | - | - | - | - | - | - |
| **Total liabilities from financing activities** | **8,052.82** | **28,234.38** | **-** | **-** | **(7,639.55)** | **28,647.65** |

| Particulars | April 1, 2020 | Cash Flows | Changes in fair values | Exchange difference | Other** | As at March 31, 2021 |
|---|---|---|---|---|---|---|
| Debt securities | - | 5,000.00 | - | - | (4,398.02) | 601.98 |
| Borrowings (other than debt securities)* | 1,445.22 | 7,387.29 | - | - | (1,450.40) | 7,382.11 |
| Lease Liabilities | 115.53 | (14.60) | - | - | (32.20) | 68.73 |
| Deposits | - | - | - | - | - | - |
| **Total liabilities from financing activities** | **1,560.75** | **12,372.69** | **-** | **-** | **(5,880.62)** | **8,052.82** |

*Other than lease lliabilities

**Other column includes creation of lease liabilities, Ind AS Adjustments & adjustments on account of Capital Contribution by the Holding Company in the Form of Corporate Guarantee.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 44 Related party disclosures

A. **Names of related parties with whom transaction have taken place and description of relationship:**

| Description of relationship | Name of the related party |
|---|---|
| Parent Company | M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) |
| Fellow Subsidiary: | Wilson Financial Services Private Limited (Wholly owned Subsidiary of Wilson Holdings Private Limited)<br>Wilson Investment Adviser Private Limited |
| Key Management Personnel (KMP) | Mr. Karan Neale Desai, Whole Time Director and Chief Business Officer*** |
| | Mr. Ashish Sharad Dalal, Non-Executive Director (Upto November 10, 2020) |
| | Mr. Nirmal Vinod Momaya, Independent Director |
| | Mr. Krishipal Tarachand Raghuvanshi, Independent Director |
| | Mr. Rakesh Inderjeet Sethi, Independent Director |
| | Mrs. Manjari Kacker, Independent Director (Upto October 30, 2021) |
| | Mr. Rajiv Prem Kapoor, Non-Executive Director* |
| | Mr. Rohanjeet Singh Juneja, Managing Director and Chief Executive Officer** |
| | Mrs. Minaxi Kishore Mehta, Non-Excecutive Non-Independent Director (w.e.f. June 10, 2021) |
| | Mr. Atwood Porter Collins, Non-Excecutive Non-Independent Director (w.e.f. July 31, 2021) |
| | Ms.Abha Kapoor, Independent Director (w.e.f. March 30, 2022) |
| | Mr. Narendra Kumar Tater, Chief Financial Officer (Upto July 31, 2020) |
| | Mr. M Vijay Mohan Reddy, Company Secretary (Upto July 31, 2020) |
| | Mr. Sanjay Kukreja, Chief Financial Officer (w.e.f. August 1, 2020) |
| | Mr. Fredrick Pinto, Company Secretary (Upto Septermber 30, 2021) |
| | Mr. Lalit Mohan Chendvankar, Company Secretary (w.e.f. October 1, 2021) |
| Other Related Parties | Mrs. Minaxi Mehta (Promoter of Wilson Holdings Private Limited) |
| | Mr. Nimir Kishore Mehta (Relative of Promoter of Wilson Holdings Private Limited) |
| | Prolific Ventures Pvt Ltd (Promoter of Parent Company Having Singnificant Influence) |
| | Exerfit Wellness Private Limited (Director Having Singnificant Influence) |

*Change in designation of Mr. Rajiv Kapoor from Independent Director to Non-Executive Non-Independent Director with effect from March 30, 2022

** Change in designation of Mr. Rohanjeet Singh Juneja from Joint Managing Director to Managing Director and Chief Executive Officer with effect from March 12, 2022

***Change in designation of Mr. Karan Neale Desai from Joint Managing Director to Whole Time Director and Chief Business Officer with effect from March 12, 2022

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**B. Details of related party transactions:** (₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Parent Company** | | | |
| M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) | Interest expense | - | 93.95 |
| | Reimbursement of expenses | - | 28.13 |
| | Loans Taken | - | 875.00 |
| | Loans repaid | - | 1,905.00 |
| | Interest Income | 0.12 | 4.21 |
| | Loans Given | - | 305.00 |
| | Loans repayment received | - | 305.00 |
| | Issue of share warrants | - | 125.00 |
| | Conversion of share warrants into Equity | - | 500.00 |
| | Conversion of UCCD into Equity | 2,438.71 | - |
| | Issue of Equity | - | 1,030.00 |
| | Issue of UCCD | - | 4,500.00 |
| | Capital Contribution towards corporate gaurantee | 765.77 | 281.92 |
| **Fellow Subsidiary** | | | |
| Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited) | Fees Paid | 31.59 | 15.00 |
| Wilson Investment Adviser Pvt Ltd | Professional Fees paid | 23.30 | - |
| | | | |
| **Key Management Personnel (KMP)** | | | |
| Mr. Karan Neale Desai | Remuneration and Short-termemployee benefits* | 66.58 | 53.20 |
| | Reimbursement of expenses | 6.63 | 7.19 |
| | Issue of share warrants | - | 100.00 |
| | share-based payment | - | 10.90 |
| Mr. Narendra Kumar Tater | Remuneration and Short-termemployee benefits* | - | 22.59 |
| | Reimbursement of expenses | - | 1.07 |
| Mr. Vijay Mohan Reddy | Remuneration and Short-termemployee benefits* | - | 14.69 |
| | Reimbursement of expenses | - | 0.13 |
| Mr. Rohanjeet Singh Juneja | Remuneration and Short-termemployee benefits* | 64.84 | 52.59 |
| | Reimbursement of expenses | 29.88 | 7.66 |
| | Issue of share warrants | - | 100.00 |
| | share-based payment | 23.23 | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**B. Details of related party transactions:** (₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| Mr. Sanjay Kukreja | Remuneration and Short-termemployee benefits* | 49.00 | 31.45 |
| | Reimbursement of expenses | 7.60 | 1.50 |
| Mr. Fredrick Pinto | Remuneration and Short-termemployee benefits* | 11.97 | 14.15 |
| | Reimbursement of expenses | 2.65 | 2.96 |
| Mr. Lalit Mohan Chendvankar | Remuneration and Short-termemployee benefits* | 43.92 | - |
| | Reimbursement of expenses | 4.09 | - |
| Mr. Ashish Sharad Dalal | Sitting fees and commission | - | 6.66 |
| Mr. Nirmal Vinod Momaya | Sitting fees and commission | 11.55 | 10.91 |
| Mr. Krishipal Tarachand Raghuvanshi | Sitting fees and commission | 9.05 | 11.41 |
| Mrs. Manjari Kacker | Sitting fees and commission | 9.55 | 12.66 |
| Mr. Rakesh Inderjeet Sethi | Sitting fees and commission | 10.05 | 10.16 |
| Mr. Rajiv Kapoor | Sitting fees and commission | 12.05 | 11.16 |
| Mrs. Minaxi Kishore Mehta | Sitting fees and commission | 8.30 | - |
| Mr. Atwood Porter Collins | Sitting fees and commission | 5.30 | |
| Ms.Abha Kapoor | Sitting fees and commission | 1.30 | - |
| **Other Related Parties** | | | |
| Mrs. Minaxi Mehta | Issue of share warrants | - | 125.00 |
| | Rent paid | 4.34 | - |
| | Reimbursement of expenses | 0.53 | - |
| Mr. Nimir Kishore Mehta | Rent paid | 16.29 | 24.76 |
| | Reimbursement of expenses | 3.44 | 0.62 |
| | Profession fees paid | - | - |
| Prolific Ventures Pvt Ltd | Rent paid | 46.02 | 40.58 |
| | Reimbursement of expenses | 6.99 | 0.80 |
| | Security deposit | 21.92 | - |
| | ROU Asset | 78.89 | 464.83 |
| Exerfit Wellness Private Limited | Staff Welfare expenses | 2.87 | 0.20 |
| | Sale of Fixed Assets | 0.08 | - |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

C. **Details of balances outstanding for related party transactions:**

(₹ in Lakhs)

| Name of the related party | Nature of Transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Parent Company** | | | |
| M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited) | Short Term borrowing taken | - | 0.12 |
| | Equity Share Capital | 6,030.82 | 938.28 |
| | Share Warrants | 125.00 | 125.00 |
| | UCCD | 2,061.29 | 4,500.00 |
| | Capital Contribution towards corporate gaurantee | 1,047.69 | 281.92 |
| | Interest Paid on UCCD | 88.80 | - |
| **Fellow Subsidiary** | | | |
| Wilson Investment Adviser Pvt Ltd | Trade Payables | 9.48 | - |
| **Key Management Personnel (KMP)** | | | |
| Mr. Ashish Sharad Dalal | Sitting fees and commission | - | 0.58 |
| Mr. Nirmal Vinod Momaya | Sitting fees and commission | 1.17 | 0.58 |
| Mr. Krishipal Tarachand Raghuvanshi | Sitting fees and commission | 1.17 | 0.58 |
| Mrs. Manjari Kacker | Sitting fees and commission | 1.17 | 0.58 |
| Mr. Rakesh Inderjeet Sethi | Sitting fees and commission | 1.17 | 0.61 |
| Mr. Rajiv Kapoor | Sitting fees and commission | 1.17 | 0.61 |
| Mr. Atwood Porter Collins | Sitting fees and commission | 1.03 | - |
| Ms.Abha Kapoor | Sitting fees and commission | 1.17 | - |
| Mr. Karan Neale Desai | Reimbursement of expenses | 0.12 | - |
| | Equity Share Capital | 3.63 | 3.63 |
| | Share Warrants | 100.00 | 100.00 |
| Mr. Rohanjeet Singh Juneja | Reimbursement of expenses | 0.31 | - |
| | Share Warrants | 100.00 | 100.00 |
| Mr. Sanjay Kukreja | Reimbursement of expenses | - | 0.48 |
| | | | |
| **Other Related Parties** | | | |
| Mrs. Minaxi Mehta | Share Warrants | 125.00 | 125.00 |
| | Trade Payables | 0.07 | - |
| Mr. Nimir Kishore Mehta | Trade Payables | 0.79 | 3.28 |
| Prolific Ventures Pvt Ltd | Trade Payables | 1.88 | 11.07 |
| | Security deposit | 28.82 | 6.90 |

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**D The options granted and outstanding for the key managerial personnel as of March 31, 2022 and March 31, 2021 is as provided below:**

| Name of the KMP | Grant Date | Expiry date | Exercise Price | Shares outstanding | |
|---|---|---|---|---|---|
| | | | | Mar-22 | Mar-21 |
| Mr. Karan Neale Desai | November 5, 2018 | November 4, 2025 | 6.00 | 1,635,700 | 1,635,700 |
| Mr. Karan Neale Desai | December 17, 2019 | December 16, 2026 | 10.00 | 1,182,555 | 1,182,555 |
| Mr. Rohanjeet Singh Juneja | December 17, 2019 | December 16, 2026 | 10.00 | 2,950,000 | 3,000,000 |
| Mr. Karan Neale Desai | July 31, 2020 | August 1, 2028 | 10.00 | 375,000 | 375,000 |
| Mr. Rohanjeet Singh Juneja | July 31, 2020 | August 1, 2028 | 10.00 | 375,000 | 375,000 |
| **Total** | | | | **6,518,255** | **6,568,255** |

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 45 Fair Value Measurement

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

| Financial Assets and Liabilities as at March 31, 2022 | Carrying Amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value through profit and loss account | Fair value through other comprehensive Income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents | - | - | 5,855.55 | 5,855.55 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 2,024.03 | 2,024.03 | - | - | - | - |
| Receivables | - | - | | | - | - | - | - |
| Trade receivables | - | - | 1,599.91 | 1,599.91 | - | - | - | - |
| Other receivables | - | - | 46.96 | 46.96 | - | - | - | - |
| Loans | - | - | 28,812.20 | 28,812.20 | - | - | - | - |
| Investments | 2,503.70 | - | 85.67 | 2,589.37 | 2,503.70 | - | - | 2,503.70 |
| Other financials assets | - | - | 571.74 | 571.74 | - | - | - | - |
| **Total** | **2,503.70** | **-** | **38,996.07** | **41,499.76** | **2,503.70** | **-** | **-** | **2,503.70** |
| **Financial Liabilities** | | | | | | | | |
| Payables | | | | | | | | |
| Trade payables | - | - | 376.17 | 376.17 | - | - | - | - |
| Other payables | - | - | 206.98 | 206.98 | - | - | - | - |
| Debt Securities | - | - | 3,821.46 | 3,821.46 | - | - | - | - |
| Borrowings (Other than debt securities) | - | - | 24,826.19 | 24,826.19 | - | - | - | - |
| Other financial liabilities | - | - | 217.38 | 217.38 | - | - | - | - |
| **Total** | **-** | **-** | **29,448.19** | **29,448.19** | **-** | **-** | **-** | **-** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

| Financial Assets and Liabilities as at March 31, 2021 | Carrying Amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value through profit and loss account | Fair value through other comprehensive Income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents | - | - | 3,222.53 | 3,222.53 | - | - | - | - |
| Bank balances other than cash and cash equivalents | - | - | 1,530.37 | 1,530.37 | - | - | - | - |
| Receivables | | | | | | | | |
| Trade receivables | - | - | 596.91 | 596.91 | - | - | - | - |
| Other receivables | - | - | 112.10 | 112.10 | - | - | - | - |
| Loans | - | - | 9,970.19 | 9,970.19 | - | - | - | - |
| Investments | 1,103.25 | - | - | 1,103.25 | 1,103.25 | - | - | 1,103.25 |
| Other financials assets | - | - | 93.20 | 93.20 | - | - | - | - |
| **Total** | **1,103.25** | **-** | **15,525.30** | **16,628.55** | **1,103.25** | **-** | **-** | **1,103.25** |
| Financial Liabilities | | | | | | | | |
| Payables | | | | | | | | |
| Trade payables | - | - | 183.30 | 183.30 | - | - | - | - |
| Other payables | - | - | 69.61 | 69.61 | - | - | - | - |
| Debt Securities | - | - | 601.98 | 601.98 | - | - | - | - |
| Borrowings (Other than debt securities) | - | - | 7,450.85 | 7,450.85 | - | - | - | - |
| Other financial liabilities | - | - | 58.12 | 58.12 | - | - | - | - |
| **Total** | **-** | **-** | **8,363.86** | **8,363.86** | **-** | **-** | **-** | **-** |

### B. Measurement of fair value

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

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances , other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

c. Fair Value Hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

C. **Valuation techniques used to determine fair value**

**Investments in Mutual Funds**

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

D. **Transfers between Level 1 and Level 2 and between Level 1 and Level 3**

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

## 46 Financial Risk Management

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Group. Together they help in achieving the business goals and objectives consistent with the Group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk
- Climate related risk

(A) **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) **Trade and Other Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of busines.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Outstanding for a period not exceeding six months | 1,567.50 | 504.12 |
| Outstanding for a period exceeding six months | 50.97 | 95.36 |
| **Gross Trade Receivables** | **1,618.47** | **599.48** |
| Less: Impairment Loss | (18.57) | (2.57) |
| **Net Trade Receivables** | **1,599.90** | **596.91** |

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group's historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii) **Loans and financial assets measured at amortized cost**

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **0-30 Days Past Due** | | |
| Secured | 10,211.87 | 4,843.51 |
| Unsecured | 14,694.64 | 3,983.54 |
| **30-90 Days Past due** | | |
| Secured | 3,001.57 | 976.40 |
| Unsecured | 547.63 | 195.29 |
| **More than 90 Days Past Due** | | |
| Secured | 591.44 | 352.84 |
| Unsecured | 326.20 | 90.65 |
| **Total** | **29,373.35** | **10,442.23** |

The Group reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Group is into small ticket loan business, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Group has calculated its ECL allowances on a collective basis.

**Inputs considered in the ECL model**

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Group categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(i) Definition of default

The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(ii) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

(iii) Estimations and assumptions considered in the ECL model

Measurement of Expected Credit Losses

The Group has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Group uses information that is relevant and available without undue cost or effort. This includes the Group's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the Group considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Group considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data.

**Macroeconomic Scenarios**

In addition, the Group uses reasonable and supportable information on future economic conditions including macroeconomic factors such as CPI and repo rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

(iv) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income" in Statement of profit and loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :**

**Gross exposure reconciliation**

(₹ in Lakhs)

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **Gross carrying amount balance as at April 1, 2020** | **2,995.86** | **500.98** | **226.97** | **3,723.81** |
| New loans originated during the year | 6,988.84 | 273.20 | 0.24 | 7,262.27 |
| Transfers to Stage 1 | 0.79 | (0.17) | (0.62) | - |
| Transfers to Stage 2 | (553.94) | 553.94 | - | - |
| Transfers to Stage 3 | (35.35) | (174.35) | 209.70 | - |
| Write-offs | (0.56) | - | (6.79) | (7.35) |
| Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) | (568.59) | 18.09 | 13.99 | (536.51) |
| **Gross carrying amount balance as at March 31, 2021** | **8,827.05** | **1,171.69** | **443.49** | **10,442.23** |
| New loans originated during the year | 21,495.63 | 2,300.20 | 258.99 | 24,054.82 |
| Transfers to Stage 1 | 87.32 | - | - | 87.32 |
| Transfers to Stage 2 | (570.16) | 417.12 | - | (153.04) |
| Transfers to Stage 3 | (146.35) | - | 212.06 | 65.72 |
| Write-offs | - | - | (118.08) | (118.08) |
| Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) | (4,880.46) | (339.81) | 121.18 | (5,099.08) |
| **Gross carrying amount balance as at March 31, 2022** | **24,813.04** | **3,549.20** | **917.64** | **29,279.89** |

**Reconciliation of ECL balance**

(₹ in Lakhs)

| Particulars | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| **ECL Allowance- Opening Balance as at April 1, 2020** | **166.20** | **151.35** | **120.73** | **438.28** |
| New loans originated during the year | 59.29 | 23.84 | 0.19 | 83.32 |
| Transfers to Stage 1 | - | - | - | - |
| Transfers to Stage 2 | (81.80) | 81.80 | - | - |
| Transfers to Stage 3 | (18.57) | (75.60) | 94.17 | - |
| Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs | (31.85) | (6.80) | (7.50) | (46.15) |
| Amounts Written off | (0.01) | - | (3.40) | (3.41) |
| **ECL Allowance- Closing Balances as on March 31, 2021** | **93.26** | **174.59** | **204.19** | **472.04** |
| New loans originated during the year | 43.84 | 9.32 | 189.28 | 242.44 |
| Transfers to Stage 1 | 8.14 | - | - | 8.14 |
| Transfers to Stage 2 | (24.99) | (1.76) | - | (26.75) |
| Transfers to Stage 3 | (31.03) | 32.49 | 17.15 | 18.61 |
| Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs | (24.21) | (116.50) | (106.07) | (246.78) |
| Amounts Written off | - | - | - | - |
| **ECL Allowance- Closing Balances as on March 31, 2022** | **65.01** | **98.14** | **304.55** | **467.69** |

**iii. Cash and bank balances**

The Group held cash and cash equivalent and other bank balance of ₹ 7879.58 lakhs at March 31, 2022 (March 31, 2021: ₹ 4752.90 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Group to credit risk.

**iv. Others**

Apart from trade receivables, loans, cash and bank balances and Investment measured at amortised cost, the Group has no other financial assets which carries any significant credit risk.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(B) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows

**(i) Maturities of financial assets and liabilities**

The table below analyses the Group's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity date. The amount disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of future interest payments.

(₹ in Lakhs)

| Contractual maturities of financial assets March 31, 2022 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 5,855.55 | - | - | 5,855.55 |
| Bank balances other than cash and cash equivalents | 2,024.03 | - | - | 2,024.03 |
| Receivables | | | | |
| Trade receivables | 1,599.91 | - | - | 1,599.91 |
| Other receivables | 46.96 | - | - | 46.96 |
| Loans | 19,829.58 | 6,116.73 | 2,865.89 | 28,812.20 |
| Investments | 2,503.70 | - | 85.67 | 2,589.37 |
| Other Financials Assets | 571.74 | - | - | 571.74 |
| **Total** | **32,431.48** | **6,116.73** | **2,951.55** | **41,499.76** |

| Contractual maturities of financial liabilities March 31, 2022 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 376.17 | - | - | 376.17 |
| Other payables | 206.98 | - | - | 206.98 |
| Debt Securities | 126.98 | 3,319.49 | 375.00 | 3,821.46 |
| Borrowings (other than debt securities) | - | - | 24,826.19 | 24,826.19 |
| Other financial liabilities | 217.38 | - | - | 217.38 |
| **Total** | **927.51** | **3,319.49** | **25,201.19** | **29,448.19** |

(₹ in Lakhs)

| Contractual maturities of financial assets March 31, 2021 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 3,222.53 | - | - | 3,222.53 |
| Bank balances other than cash and cash equivalents | 957.87 | 82.50 | 490.00 | 1,530.37 |
| Receivables | | | | |
| Trade receivables | 596.91 | - | - | 596.91 |
| Other receivables | 112.10 | - | - | 112.10 |
| Loans | 4,145.61 | 3,179.00 | 3,117.61 | 10,442.22 |
| Investments | 1,103.25 | - | - | 1,103.25 |
| Other financials assets | 93.20 | - | - | 93.20 |
| **Total** | **10,231.47** | **3,261.50** | **3,607.61** | **17,100.58** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

| Contractual maturities of financial liabilities March 31, 2021 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 183.30 | - | - | 183.30 |
| Other payables | 69.61 | - | - | 69.61 |
| Debt Securities | - | 505.00 | - | 505.00 |
| Borrowings (Other than Debt Securities) | 1,156.42 | 4,749.16 | 1,960.12 | 7,865.70 |
| Other financial liabilities | 58.12 | - | - | 58.12 |
| **Total** | **1,467.45** | **5,254.16** | **1,960.12** | **8,681.73** |

(₹ in Lakhs)

| Contractual maturities of financial assets April 1, 2020 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 170.84 | - | - | 170.84 |
| Bank balances other than cash and cash equivalents | 177.94 | - | - | 177.94 |
| Receivables | | | | |
| Trade receivables | 118.17 | - | - | 118.17 |
| Other receivables | - | - | - | - |
| Loans | 616.91 | 901.88 | 2,210.17 | 3,728.96 |
| Investments | 128.41 | - | - | 128.41 |
| Other financials assets | 334.52 | 8.45 | 0.19 | 343.16 |
| **Total** | **1,546.79** | **910.33** | **2,210.36** | **4,667.48** |

| Contractual maturities of financial liabilities April 1, 2020 | 1 year or less | 1-3 years | More than 3 years | Total |
|---|---|---|---|---|
| Payables | | | | |
| Trade payables | 36.44 | - | - | 36.44 |
| Other payables | - | - | - | - |
| Borrowings (Other than Debt Securities) | 1,185.55 | 271.18 | 285.18 | 1,741.91 |
| Other financial liabilities | 36.26 | - | - | 36.26 |
| **Total** | **1,258.25** | **271.18** | **285.18** | **1,814.61** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Group's exposure to, and management of, these risks is explained below.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group caters mainly to the Indian Market. Most of the transactions are denominated in the Group's functional currency i.e. Rupees. Hence, the Group is not materially exposed to Foreign Currency Risk.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Interest rate risk exposure**

The exposure of the Group's borrowing to interest rate changes at the end of the reporting year are as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fixed rate borrowings | 25,949.69 | 7,696.79 |
| Floating rate borrowings | - | 287.30 |

**Interest Rate Sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Group's interest bearing financial instruments is as follows:

| Particulars | For the year ended March 31, 2022 | |
|---|---|---|
| | 100bps increase | 100bps decrease |
| **Financial Liability** | | |
| **Variable rate Instrument** | | |
| Floating Rate Borrowings | - | (2.87) |

(iii) **Price Risk**

The Group's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 00.00 lakhs (March 31, 2021: ₹ 00.00 lakhs ). A similar percentage decrease would have resulted equivalent opposite impact.

(C) **Climate related risk**

During the financial year March 31, 2022, the Board have updated extensively on climate change related risks through presentations at the board meeting, and this has been assessed that the climate change not affecting significantly the company's operations in future.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 47 Disclosure related to leases

### (A) Additions to right to use

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Lease hold Property | 303.01 | 549.18 |

### (B) Carrying value of right of use assets at the end of the reporting year

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **518.82** | **113.10** |
| Additions | 303.01 | 549.18 |
| Deletion | - | 113.10 |
| Depreciation charge for the year | 184.46 | 30.36 |
| **Balance at the end of the year** | **637.38** | **518.82** |

### (C) Maturity analysis of lease liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Less than one year | 150.33 | 41.34 |
| One to five years | 451.43 | 35.58 |
| More than five years | 98.20 | - |
| **Total undiscounted lease liabilities at reporting period** | 699.96 | 76.92 |
| **Lease liabilities included in the statement of financial position at the year ended** | 177.49 | 68.73 |

### (D) Amounts recognised in statement of profit or loss

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Interest on lease liabilities | 18.68 | 2.98 |
| Expenses relating to short-term leases | 90.04 | 65.04 |
| Expenses relating to leases of low-value assets | - | - |
| **Total** | **108.73** | **68.02** |

### (E) Amounts recognised in the statement of cash flows

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Operating Activity | 90.04 | 65.04 |
| Financial Activity | 111.88 | 14.60 |
| **Total Cash outflow for leases** | **201.92** | **79.64** |

**Sub Lease**

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 48 Employee Stock Options Scheme (ESOP)

The Group has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to employees of the Group . These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service. Vesting of options is subject to continued employment with the Group. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2022. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

| ESOP Scheme | Particulars | Date of Grant | Date of Board Approval | Total options granted |
|---|---|---|---|---|
| ESOP Scheme 2018 | Grant 1 | November 5, 2018 | November 5, 2018 | 5,588,550 |
| ESOP Scheme 2018 | Grant 2 | May 22, 2019 | May 22, 2019 | 568,710 |
| ESOP Scheme 2018 | Grant 3 | December 17, 2019 | December 17, 2019 | 4,182,555 |
| ESOP Scheme 2018 | Grant 4 | July 31, 2020 | July 31, 2020 | 750,000 |
| ESOP Scheme 2018 | Grant 5 | July 31, 2020 | July 31, 2020 | 675,000 |

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Series Reference** | 2019-2023 | | 2020-2024 | | 2020-2024 | | 2020-2024 | | 2020-2024 | |
| | T-1 | | T-2 | | T-3 | | T-4 | | T-5 | |
| Fair value of the option range | 23.39 - 23.98 | | 31.44 - 34.87 | | 41.36 - 44.82 | | 51.81 - 65.38 | | 51.81 - 65.38 | |
| Exercise price | 6 | | 10 | | 10 | | 10 | | 14 | |
| Vesting period (see table below) | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | | 12 to 48 months | |
| Method of settlement | Equity | | Equity | | Equity | | Equity | | Equity | |
| **Options outstanding as at beginning of reporting period** | **2,504,415** | **4,562,515** | **411,600** | **447,740** | **4,182,555** | **4,182,555** | **750,000** | **-** | **675,000** | - |
| Options granted during the year | - | - | - | - | - | - | - | 750,000 | - | 675,000 |
| Options lapse during the year | - | 146,360 | - | - | - | - | - | - | - | - |
| Options Forfeited during the year | 1,650,630 | 1,674,005 | - | - | 1,182,555 | | 375,000 | | 607,500 | |
| Options exercised during the year | 340,983 | 237,735 | 98,183 | 36,140 | 50,000 | - | - | - | 67,500 | - |
| **Options outstanding as at end of reporting period** | **512,802** | **2,504,415** | **313,417** | **411,600** | **2,950,000** | **4,182,555** | **375,000** | **750,000** | **-** | **675,000** |

**Manner of vesting:** In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Group's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2021-22 is ₹ (22.45) lakhs (2020-21 ₹ 153.29 lakhs)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 48.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer. The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

| Grant Date | Risk Free Interest Rate | Expected Life | Expected Volatility | Dividend Yield | Price of Underlying share at the time of option grant |
|---|---|---|---|---|---|
| November 5, 2018 | 7.35% - 7.46% | 4.5 to 6 years | 46.1%-47.9% | 0.0229 | 43.8 |
| May 22, 2019 | 6.86% - 7.41% | 4.5 to 6 years | 46.50% | 0.0073 | 61.5 |
| December 17, 2019 | 6.86% - 7.41% | 4.5 to 6 years | 46.50% | 0.0073 | 73.9 |
| July 31, 2020 | 5.13% - 5.64% | 4.5 to 6 years | 45.00% | 0.0052 | 98.5 |
| July 31, 2020 | 5.13% - 5.64% | 4.5 to 6 years | 45.00% | 0.0052 | 98.5 |

### 48.2 Total carrying amount at the end of the year in Employee Stock Options under other equity

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total carrying amount | 194.48 | 269.21 |

## 49 Additional information, as required under schedule III of the Company Act, 2013 of enterprises consolidated as subsidiaries:

(₹ in Lakhs)

As on March 31, 2022

| Name of the Enterprise | Net Assets i.e Total Assets minus Total Liabilities | | Share In Profit or Loss | | Share In OCI | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) |
| **Parent** | | | | | | | | |
| Dhanvarsha Finvest Limited | 101.08% | 17,394.12 | 185.01% | 737.21 | 100.00% | (4.81) | 183.35% | 732.40 |
| **Subsidiaries** | | | | | | | | |
| DFL Technologies Private Limited | 13.45% | 2,313.66 | (85.01%) | (338.73) | - | - | (83.35%) | (332.94) |
| **Total** | - | **19,707.78** | - | **398.48** | - | **(4.81)** | - | **399.46** |
| Adjustments arising out of Consolidation: | (14.53%) | (2,500.10) | 0.00% | 0.00 | - | 5.79 | 0.00% | 0.00 |
| **Consolidated Figures** | **100.00%** | **17,207.68** | **100.00%** | **398.48** | **100.00%** | **0.98** | **100.00%** | **399.46** |

(₹ in Lakhs)

As on March 31, 2021

| Name of the Enterprise | Net Assets i.e Total Assets minus Total Liabilities | | Share In Profit or Loss | | Share In OCI | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) | As % of Consolidated Profit or Loss | Amount (₹) |
| **Parent** | | | | | | | | |
| Dhanvarsha Finvest Limited | 99.45% | 9,936.25 | 52.61% | 68.45 | 100.00% | 1.41 | 53.13% | 69.86 |
| **Subsidiaries** | | | | | | | | |
| DFL Technologies Private Limited | 7.77% | 776.25 | 49.68% | 64.63 | - | - | 49.15% | 64.63 |
| **Total** | - | **10,712.50** | - | **133.08** | - | **1.41** | - | **134.50** |
| Adjustments arising out of Consolidation: | (7.22%) | (721.13) | (2.30%) | (2.99) | - | - | (2.28%) | (2.99) |
| **Consolidated Figures** | **100.00%** | **9,991.37** | **100.00%** | **130.10** | **100.00%** | **1.41** | **100.00%** | **131.51** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**50** Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.9 and provision had been made accordingly.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection. Since, the Group was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

**51** In accordance with the instructions in aforementioned RBI circular dated April 7, 2021, and the Indian Banks Association (IBA) advisory letter dated April 19, 2021, the Group has put in place the Board approved policy to refund / adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to eligible borrowers under the abovementioned circular and advisory. The Group has no borrowers who are eligible for benefit as per the abovementioned RBI circular and IBA advisory.

**52** During the year ended March 31, 2021, the Group has not invoked resolution plans to relieve COVID-19 pandemic related stress to any of its borrowers. Therefore, disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2021 is not applicable to The Group.

**53** The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

### 54 Financial Ratios

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Current ratio | NA | NA |
| Debt equity ratio | 1.65 | 0.81 |
| Leverage ratio | 1.84 | 0.95 |

### 55 Other Regulatory informations

(i) **Title deeds of immovable properties not held in name of the company:**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note(s) [*] [add additional references for investment properties and other line items where applicable] to the financial statements, are held in the name of the company.

(ii) **Registration of charges or satisfaction with Registrar of Companies:**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) **Utilisation of borrowings availed from banks and financial institutions:**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans was taken.

**56** Corporate social responsibility As per the provisions of Section 135 of the Companies Act 2013, the Company was required to contribute an amount of INR Nil lakhs towards CSR activities.

**57** a) **Details of benami property held:**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b) **Borrowing secured against current assets:**

The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

c) **Wilful defaulter:**

The Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) **Relationship with struck off companies:**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e) **Compliance with number of layers of companies:**

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

f) **Compliance with approved scheme(s) of arrangements:**

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g) **Utilisation of borrowed funds and share premium:**

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h) **Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i) **Details of crypto currency or virtual currency:**

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j) **Valuation of PP&E, intangible asset and investment property:**

The company has not revalued its property, plant and equipment (excluding right-of-use assets) or intangibl assets or both during the current or previous year.

**58** Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

For **Bansal Bansal & Co**
Chartered Accountants
ICAI FRN 100986W

**Sd/-**
**Jatin Bansal**
Partner
Membership No. 135399
Mumbai
Date : May 30, 2022

**For and on behalf of the Board of Directors of**
**Dhanvarsha Finvest Limited**
**CIN: L24231MH1994PLC334457**

**Sd/-**
**Rohanjeet Singh Juneja**
Managing Director
DIN: 08342094

**Sd/-**
**Minaxi Kishore Mehta**
Non-Executive & Non Independent Director
DIN: 03050609

**Sd/-**
**Sanjay Kukreja**
Chief Financial Officer

**Sd/-**
**Lalit Mohan Chendvankar**
Company Secretary
M. No. 20699

# TEAM

**TruCap Finance Limited**

(formerly Dhanvarsha Finvest Limited)

**Regd. Off :** 3rd Floor, A Wing, D. J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069

Tel : 1800 210 2100 | contact@trucapfinance.com | www.trucapfinance.com | CIN : L24231MH1994PLC334457