ANNUAL REPORT

OF

ASHV FINANCE LIMITED

FOR

FY 2021-22

Ashv

AAVISHKAAR GROUP

CORPORATE INFORMATION

BOARD OF DIRECTORS

NON-EXECUTIVE CHAIRMAN
Mr. Vineet Chandra Rai

MANAGING DIRECTOR
Mr. Nikesh Kumar Sinha

NON-EXECUTIVE DIRECTORS
Ms. Anuradha Ramachandran
Ms. Suma Swaminathan
Mr. Sagar Thakar (Appointed w.e.f. 09-Feb-2022)
Mr. Anurag Agrawal

NON-EXECUTIVE INDEPENDENT DIRECTORS
Mr. Rakeh Rewari
Ms. Matangi Gowrishankar

CHIEF FINANCIAL OFFICER
Ms. Kiran Agarwal Todi

COMPANY SECRETARY AND COMPLIANCE OFFICER
Ms. Monika Thadeshwar (Variava)

STATUTORY AUDITORS
Batliboi & Purohit
Mumbai

SECRETARIAL AUDITORS
Parikh & Associates
Mumbai

REGISTERED & CORPORATE OFFICE
12B, 3rd Floor, Techniplex-II IT Park,
Off. Veer Savarkar Flyover, Goregaon (West),
Mumbai – 400062, Maharashtra, India
CIN: U65910MH1998PLC333546
RBI Regn. No.: B-13.02376
Tel No.: +91 22 6249 2700
FAX No.: +91 22 6249 2789
E-mail: compliance.team@ashvfinance.com
Website: www.ashvfinance.com

DEBENTURE TRUSTEE

1. Catalyst Trusteeship Limited
   Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098

2. Beacon Trusteeship Limited
   4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East) Mumbai – 400051, Maharashtra, India

REGISTRAR AND SHARE TRANSFER AGENT
Satellite Corporate Services Pvt. Ltd.
106 & 107, Dattani Plaza, Kurla Andheri Road,
Kurla (W), Nr. Safed Poll East West Ind Estate,
Mumbai – 400072, Maharashtra, India

BANKERS
Suryoday Small Finance Bank Ltd
Federal Bank Ltd
SBI Bank Limited
HDFC Bank Limited
Small Industries Development Bank of India
AU Small Finance Bank Limited
State Bank of Mauritius

INDEPENDENT AUDITOR'S REPORT

To the Members of ASHV FINANCE LIMITED (formerly known as JAIN SONS FINLEASE LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ASHV FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Our opinion on the 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 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2022.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Annexure - A to the Independent Auditors' Report
(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Ashv Finance Limited** of even date)

I In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have ownership of any immovable property.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The quarterly statements filed by the Company with such banks were in agreement with unaudited books of account of the Company as at the respective quarters ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022.

iii The Company has granted secured and unsecured loans to other parties, during the year, in respect of which:

	(a)	According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, income tax and other material statutory dues applicable to it with the appropriate authorities.According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
	(b)	According to information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
viii		According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
ix	(a)	Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks.
	(b)	According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
	(c)	In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
	(d)	According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
	(e)	According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
	(f)	According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
x	(a)	According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.

(d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have an Core Investment Companies (CICs).

xvii In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: May 5, 2022
ICAI UDIN:

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976
Place: Mumbai
Date: May 5, 2022
ICAI UDIN :

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Balance Sheet as at 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	5	4,472.55	2,357.18
(b) Bank balances other than (a) above	6	7,344.48	2,502.18
(c) Loans	7	70,516.00	49,903.81
(d) Investment	8	102.27	-
(e) Other financial assets	9	2,974.96	1,896.01
Total financial assets		**85,410.26**	**56,659.18**
2 Non-financial assets			
(a) Current tax assets (net)		1,065.90	692.31
(b) Deferred tax assets (net)	10	1,199.42	869.18
(c) Property, plant and equipment	11A	209.59	217.72
(d) Right-of-use asset	11B	344.44	311.83
(e) Goodwill		2,009.10	2,009.10
(f) Other Intangible assets	12	39.61	77.94
(g) Other non-financial assets	13	294.67	203.04
Total non-financial assets		**5,162.73**	**4,381.12**
Total assets		**90,572.99**	**61,040.30**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		21.14	-
(ii) total outstanding dues other than micro enterprises and small enterprises	14	21.00	91.12
(b) Debt securities	15	19,417.00	10,156.24
(c) Borrowings (other than debt securities)	16	42,774.97	23,999.13
(d) Other financial liabilities	17	2,433.65	1,664.03
Total financial liabilities		**64,667.76**	**35,910.52**
2 Non-financial liabilities			
(a) Provisions	18	119.19	71.91
(b) Other non-financial liabilities	19	283.37	171.04
Total non-financial liabilities		**402.56**	**242.95**
3 Equity			
(a) Equity share capital	20	3,361.53	3,361.53
(b) Preference share capital	20	847.77	847.77
(c) Other equity	21	21,293.37	20,677.53
Total equity		**25,502.67**	**24,886.83**
Total liabilities and equity		**90,572.99**	**61,040.30**

Summary of significant accounting policies — 3
The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Batliboi and Purohit**
Chartered Accountants
Firm registration number: 101048W

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Janak Mehta
Partner
Membership No: 116976

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 5 May 2022

Monika Variava
Company Secretary

Place: Mumbai
Date: 5 May 2022

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
1 Revenue from operations			
(i) Interest income	22	12,000.16	8,632.59
(ii) Net gain on fair value changes	23	29.25	-
(iii) Other operating revenue	24	770.26	447.22
Total revenue from operations		**12,799.67**	**9,079.81**
2 Other income	25	52.72	92.46
3 Total income (1+2)		**12,852.39**	**9,172.27**
4 Expenses			
(i) Finance costs	26	5,840.32	3,454.06
(ii) Fee and commission expense		72.66	64.34
(iii) Impairment on financial instruments	27	1,324.29	1,790.68
(iv) Employee benefits expense	28	3,655.36	2,558.50
(v) Depreciation and amortisation expense	30	272.49	157.79
(vi) Other expenses	29	1,455.97	881.44
Total expenses		**12,621.09**	**8,906.81**
5 Profit before tax (3-4)		**231.30**	**265.46**
6 Tax expense :			
(a) Current tax expense	35	21.74	75.49
(b) Deferred tax benefit	35	(330.24)	(579.94)
(c) Taxes of earlier years	35	(6.97)	(26.44)
		(315.47)	**(530.89)**
7 Profit for the year (5-6)		**546.77**	**796.35**
8 Other comprehensive income, net of tax			
(i) Items that will not be reclassified to profit or loss			
Remeasurement expense on defined benefit plans	33	8.31	2.34
Income tax relating to remeasurement gains on defined benefit plans	33	-	-
Other comprehensive income		**8.31**	**2.34**
9 Total comprehensive income for the year (7+8)		**538.46**	**794.01**
10 Earnings per equity share (Face value of Rs. 10 each)	31		
Basic (in ₹)		1.63	2.37
Diluted (in ₹)		1.30	1.89
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Batliboi and Purohit**
Chartered Accountants
Firm registration number: 101048W

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Janak Mehta
Partner
Membership No: 116976

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 5 May 2022

Monika Variava
Company Secretary

Place: Mumbai
Date: 5 May 2022

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Profit before tax		231.30	265.46
Adjustments for:			
Depreciation and amortisation expenses		272.49	157.79
Impairment on financial assets		97.37	1,790.68
Share-based payments to employees		77.38	64.30
Interest expense on lease liability		24.45	22.63
Gain on derecognition of assigned receivables		380.92	116.08
Net gain on fair value changes		29.25	-
Finance cost		5,815.87	3,431.43
Effective interest rate adjustment for financial instruments		(148.75)	(87.11)
Interest income from fixed deposits		(386.88)	(308.18)
Interest income on income tax refund		(49.31)	(88.80)
Provisions from employee benefits		38.97	30.05
Operating profit before working capital changes		**6,383.06**	**5,394.33**
Adjustment for change in working capital:			
Increase/(Decrease) in trade payables		(48.98)	75.27
Decrease in other liabilities		693.70	(193.35)
Increase in loans and advances		(20,738.81)	(9,118.82)
Increase in other assets		(1,551.50)	(1,554.85)
Cash used in operating activities		**(15,262.53)**	**(5,397.42)**
Income tax paid, net of refunds		(352.99)	1,036.63
Net cash used in operating activities	(A)	**(15,615.52)**	**(4,360.79)**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(76.42)	(127.42)
Proceeds from sale of property, plant and equipment		0.16	0.20
Payment of purchase consideration on acquisition		-	(6,305.16)
Purchase of investment measured at FVTPL		32,944.00	-
Proceeds from sale of investment measured at FVTPL		(32,870.98)	-
Movement in margin money deposits (net)		(4,455.42)	(1,406.26)
Net cash generated from / (used in) investing activities	(B)	**(4,458.66)**	**(7,838.64)**
Cash flows from financing activities			
Proceeds of loan availed		56,903.25	24,568.20
Repayment of debt securities/borrowings		(29,101.27)	(16,333.87)
Repayment of Finance costs		(5,432.50)	(3,431.43)
Repayment of lease liabilities		(179.93)	(58.27)
Cash generated from financing activities	(C)	**22,189.55**	**4,744.63**
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)		2,115.37	(7,454.80)
Cash and cash equivalents at the beginning of the year (refer note 5)		2,357.18	9,811.98
Cash and cash equivalents at the end of the year (refer note 5)		**4,472.55**	**2,357.18**
Note 1:			
Cash and cash equivalents as per note 5		4,472.55	2,357.18
		4,472.55	**2,357.18**

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

This is the Statement of Cash Flows referred to in our report of even date.

For **Batliboi and Purohit**
Chartered Accountants
Firm registration number: 101048W

Janak Mehta
Partner
Membership No: 116976

Place: Mumbai
Date: 5 May 2022

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 5 May 2022

Monika Variava
Company Secretary

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

A. Equity share capital and Preference share capital

	Balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity shares of ₹ 10 each, issued, subscribed and fully paid-up	3,361.53	-	3,361.53
0.001% Series C CCPS of ₹10 each	585.00	-	585.00
0.001% Series D CCPS of ₹10 each	262.77	-	262.77
Total	**4,209.30**	-	**4,209.30**

B. Other equity

	Reserves and surplus				
	Statutory reserve	Securities premium	Share options outstanding account	Retained earnings	Total
Balance as at 31 March 2020	**354.39**	**21,992.25**	**92.77**	**(2,620.19)**	**19,819.22**
Profit for the year	-	-	-	796.35	**796.35**
Remeasurement expense on defined benefit plans, net of tax	-	-	-	(2.34)	**(2.34)**
Share based compensation for the year	-	-	64.30	-	**64.30**
Transfer to Statutory Reserve	160.00	-	-	(160.00)	-
Balance as at 31 March 2021	**514.39**	**21,992.25**	**157.07**	**(1,986.18)**	**20,677.53**
Profit for the year	-	-	-	546.77	**546.77**
Remeasurement expense on defined benefit plans, net of tax	-	-	-	(8.31)	**(8.31)**
Share based compensation for the period	-	-	77.38	-	**77.38**
Transfer to Statutory Reserve	110.00		-	(110.00)	-
Balance as at 31 March 2022	**624.39**	**21,992.25**	**234.45**	**(1,557.72)**	**21,293.37**

The accompanying notes form an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.
For **Batliboi and Purohit**
Chartered Accountants
Firm registration number: 101048W

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Janak Mehta
Partner
Membership No: 116976

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer
Place: Mumbai
Date: 5 May 2022

Monika Variava
Company Secretary

Place: Mumbai
Date: 5 May 2022

1 Background

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited) ("the Company") is a company incorporated under the provisions of the Companies Act, 1956. Effective 7 January 1999, the Company is registered as a non-deposit taking, Non-Banking Financial Company ("NBFC") under the rules and regulations framed by the Reserve Bank of India ("the RBI"). The Company is engaged in the business of providing lending facilities to the small businesses primarily in MSME segment. The Company is part of a Systemically Important Non-Deposit taking NBFC group. The Company has changed its name to Ashv Finance Limited and has received a fresh certificate of incorporation dated 8 October 2020.

2 Basis of preparation

a) Statement of compliance

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2016, as amended and other relevant provisions of the Act and other applicable guidelines issued by the Reserve Bank of India ('RBI'). The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 5 May 2022.

b) Historical cost convention

These financial statements have been prepared on going concern basis following accrual system of accounting and are in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

3 Summary of significant accounting policies

a) Basis of measurement

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies have been applied consistently for all the periods presented in the financial statements.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of property, plant and equipment, useful lives of right of use assets, share based payments, deferred tax, accrual for employee benefits and impairment of loans under the expected credit loss model. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

3 Summary of significant accounting policies (cont'd)

b) Use of estimates (cont'd)

Significant estimates

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss to estimate ECL:
- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

c) Income recognition

Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

Dividend income
Income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on accrual basis when Company's right to receive payment is established.
Provided that in case of final dividend, right to receive payment shall be considered as established only upon approval of the dividend by the shareholders in Annual General Meeting.

Other services
Fees/other charges on loan assets, other than those considered an adjustment to EIR, are accounted for only when it is certain that the amounts will be collected from the customers.

d) Borrowing costs
Borrowing cots consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Such borrowing costs are charged to the Statement of Profit and Loss as per the effective interest rate method.

e) 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 (interest and other associated finance cost) 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.

3 Significant accounting policies (cont'd)

f) Intangible assets

Recognition and initial measurement

Intangible assets mainly comprise of computer software which is initially measured at acquisition cost thereof. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company. Software acquired in a business combination are recognized at fair value at the acquisition date.

Subsequent measurement (amortisation method, useful lives and residual value)

All intangible assets with finite useful life are amortized on a straight line basis over the estimated useful lives and a possible impairment is assessed if there is an indication that the intangible asset may be impaired. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. Management estimates useful life of intangible assets to be 3 years.

Intangible assets under development

Expenditure incurred which are eligible for capitalisation under intangible assets is carried as 'Intangible assets under development' till they are ready for their intended use.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

g) Property, plant and equipment (PPE)

Recognition and initial measurement

PPE other than land are initially recognized at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company beyond one year. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.

Subsequent measurement (depreciation method, useful lives, residual value and impairment)

Depreciation is provided using the straight-line method at the rates estimated by the Management which coincides with the rates specified in Schedule II of the Act. The table below summarises useful lives of various category of PPE:

Asset Category	Estimated useful life
Furniture and fixtures	10
Office equipments	5
Computer & peripherals	3

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

PPE other than land are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

An item of PPE 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 de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Capital work-in-progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress'. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the balance sheet date are classified under 'Capital Advances'.

h) 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.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

3 Significant accounting policies (Contd.)

h) Leases (Contd.)

Where the Company is lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

Where the Company is lessee

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

a) the contract involves the use of an identified asset
b) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
c) the Company has the right to direct the use of the asset

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows

i) Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:
a) Amortised cost
b) Financial assets at fair value through profit or loss (FVTPL)
c) Financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL or equity instruments at FVOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

3 Significant accounting policies (cont'd)

i) Financial instruments (cont'd)

Amortised cost

A financial asset is measured at amortised cost using Effective Interest Rate (EIR) if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's loans and advances, security deposits, staff loans, cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

A loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

Modification of cash flows

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

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets comprise of equity instruments measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the FVOCI reserve within equity, except for dividend income, which is recognized in profit or loss.

De-recognition of financial assets

De-recognition 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.

De-recognition of financial assets other than due to substantial modification

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 contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Derecognition of financial liabilities

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

Derivative financial instruments and hedge accounting

The derivative financial instruments are accounted for at FVTPL. The Company does not apply hedge accounting.

3 Significant accounting policies (cont'd)

j) Impairment of financial assets

Loans

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

i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation. Please refer note 37 for further explanation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support. Please refer note 37 for further explanation.

Exposure at Default (EAD) - EAD is based on the amount of outstanding exposure as on the assessment date on which ECL is computed including amount guaranteed by way of letter of credit. Please refer note 37 for further explanation.

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

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3 Significant accounting policies (cont'd)

l) Taxation (contd.)

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay dividend is recognized.

m) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and national pension scheme. The Company recognises contribution payable as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company has an obligation towards gratuity which is being considered as defined benefit plans covering eligible employees. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service, final salary and other defined parameters. The plan is unfunded.

The Company's obligation towards defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in Other Comprehensive Income.

n) Share based payments - Employee Stock Option Scheme ('ESOP')

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

o) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

p) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value.

At the acquisition date, the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed are representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which it pertains is less than the carrying value

q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.
Contingent assets are not recognised. However, when inflow of economic benefits is probable, the related asset is disclosed.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

4 Standards issued but not yet effective as on date

There are no new standard or amendments notified by the Ministry of Corporate Affairs ('MCA') to the existing standards which would have been applicable from 1 April 2022.

(All amounts in ₹ lakhs unless otherwise stated)

5 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.51	0.38
Balances with banks in current accounts	2,272.04	2,356.80
Fixed deposits with banks with original maturity less than 3 months	2,200.00	-
	4,472.55	**2,357.18**

6 Other bank balances

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with banks with original maturity more than 3 months, on lien against term loans and unutilized overdraft limit	7,090.90	2,445.07
Interest accrued but not due on fixed deposits	253.58	57.11
	7,344.48	**2,502.18**

7 Loans

	As at 31 March 2022	As at 31 March 2021
Term loans to customers, net of deferral	70,337.21	50,605.64
Loan to related party	727.94	422.94
Interest accrued on loans to customers	1,900.35	1,227.36
Total	**72,965.50**	**52,255.94**
Less: Impairment on financial instruments	(2,449.50)	(2,352.13)
	70,516.00	**49,903.81**

Notes:

a) The net carrying amount of loans is considered a reasonable approximation of their fair value.
b) Refer note 37 for ECL disclosures.
c) Loans balances as at 31 March 2021 amounting to ₹ 3,167.49 are acquired by way of Business Combination (refer Note 48)
d) The reconciliation of loans is as below:

Secured	10,731.39	13,962.54
Unsecured	59,266.12	36,465.91
	69,997.51	**50,428.45**
Add/(Less): Deferral of net income/expense on origination of loans	339.70	177.19
Loans to customers, net of deferral	**70,337.21**	**50,605.64**

e) Secured exposures are secured wholly or partly by hypothecation of book debts, charge on movable/immovable assets.
f) All loans are held in India. For breakup of industry wise loans, refer Note. 42.
g) There are no loans given to Promotors, Directors or key managerial personnel (KMPs). For loan given to related party:

Type of borrower : Related party	**31 March 2022**	**31 March 2021**
Amount of loan outstanding	727.94	422.94
percentage of total loans & advances	1.02%	0.83%

8 Investments

	As at 31 March 2022	As at 31 March 2021
Northern Arc Money Market Alpha Fund	102.27	-
	102.27	**-**

(All amounts in ₹ lakhs unless otherwise stated)

9 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Collateral security given to lenders	225.53	385.40
Security deposits	121.46	103.23
Loans to employees	20.13	11.24
Receivable for services	3.89	23.94
Receivable from related parties	2,163.64	1,211.62
Other receivables	440.31	160.58
	2,974.96	**1,896.01**

10 Deferred tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax asset arising on account of:		
Impairment loss allowances on loans	618.84	592.03
On carried forward losses	652.36	200.84
Disallowance u/s 43B and other provisions	153.19	63.15
On right-of-use asset	1.95	-
On property, plant and equipment	20.91	13.16
	1,447.25	**869.18**
Deferred tax liability arising on account of:		
On gain on derecognition of assigned receivables	66.35	-
On adjustments for Effective interest rate accounting	181.48	-
	247.83	**-**
	1,199.42	**869.18**

The Company has recognised deferred tax assets on the carried forward tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Total unrecognised deferred tax assets as at 31 March 2021: Nil (March 2021: ₹ 466.16)

(All amounts in ₹ lakhs unless otherwise stated)

11 A. Property, plant and equipment ('PPE')

	Computers	Furniture and fixtures	Office equipment	Total PPE
Gross block				
Balance as at 31 March 2020	**84.34**	**175.50**	**28.11**	**287.95**
Additions	53.6	0.2	2.39	56.19
Additions through business combination	4.87	26.97	1.36	33.20
Disposals	(0.33)	-	-	(0.33)
Balance as at 31 March 2021	**142.48**	**202.67**	**31.86**	**377.01**
Additions	73.03	0.85	2.14	76.02
Disposals	(1.07)	-	-	(1.07)
Balance as at 31 March 2022	**214.44**	**203.52**	**33.99**	**451.96**
Accumulated depreciation				
Balance as at 31 March 2020	**40.26**	**48.01**	**21.00**	**109.27**
Depreciation charge for the year	24.24	19.66	6.28	50.18
Disposals	(0.16)	-	-	(0.16)
Balance as at 31 March 2021	**64.34**	**67.67**	**27.28**	**159.29**
Depreciation charge of the period	44.57	34.81	4.05	83.43
Disposals	(0.35)	-	-	(0.35)
Balance as at 31 March 2022	**108.56**	**102.48**	**31.33**	**242.37**
Net block				
As at 31 March 2021	**78.14**	**135.00**	**4.58**	**217.72**
As at 31 March 2022	**105.89**	**101.04**	**2.66**	**209.59**

Note:

i. **Contractual obligations**
There are no contractual commitments for the acquisition of property, plant and equipment.

ii. **Capitalised borrowing cost**
There is no borrowing costs capitalised during the year ended 31 March 2022 (31 March 2021: Nil).

iii. **Revaluation of Property, Plant & Equipment and Intangible Assets.**
There have been no revaluation during the year ended 31 March 2022 (31 March 2021: Nil).

11 B. Right-of-use asset

	Office premises	Total
Gross block		
Balance as at 31 March 2020	-	-
Additions	360.39	**360.39**
Balance as at 31 March 2021	**360.39**	**360.39**
Additions	182.94	**182.94**
Balance as at 31 March 2022	**543.33**	**543.33**
Accumulated depreciation		
Balance as at 31 March 2020	-	-
Amortization charge of the year	48.56	**48.56**
Balance as at 31 March 2021	**48.56**	**48.56**
Amortization charge of the period	150.33	**150.33**
Balance as at 31 March 2022	**198.89**	**150.33**
Net block		
As at 31 March 2021	**311.83**	**311.83**
As at 31 March 2022	**344.44**	**311.83**

(All amounts in ₹ lakhs unless otherwise stated)

12 Other intangible assets

	Computer	Total
Gross block		
Balance as at 31 March 2020	**146.46**	**146.46**
Additions	71.23	71.23
Additions through business combination	1.17	1.17
Disposals	-	-
Balance as at 31 March 2021	**218.86**	**218.86**
Additions	0.40	0.40
Disposals	-	-
Balance as at 31 March 2022	**219.25**	**219.25**
Amortisation		
Balance as at 31 March 2020	**81.87**	**81.87**
Charge for the year	59.05	59.05
Disposals	-	-
Balance as at 31 March 2021	**140.92**	**140.92**
Charge for the period	38.73	38.73
Adjustments	-	-
Balance as at 31 March 2022	**179.65**	**179.65**
Net block		
As at 31 March 2021	**77.94**	**77.94**
As at 31 March 2022	**39.61**	**39.61**

13 Other non-financial assets

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	175.52	138.41
Balance with government authorities	116.50	62.13
Advances recoverable in cash or in kind or for value to be received	0.60	0.60
Other receivables	2.05	1.90
	294.67	**203.04**

14 Trade payables

	As at 31 March 2022	As at 31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises, undisputed	21.14	-
(ii) total outstanding dues other than micro enterprises and small enterprises		
Dues to related parties	-	-
Others, undisputed	21.00	91.12
	42.14	**91.12**

Notes:

a) All trade payables are outstanding for the period less than 1 year, from respective due dates.

15 Debt securities

	As at 31 March 2022	As at 31 March 2021
Secured		
- Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs)	3,908.82	4,662.79
- Rated, Unlisted, Redeemable, NCDs	15,328.53	5,231.58
Interest accrued but not due on debt securities	179.65	261.87
	19,417.00	**10,156.24**

Terms of repayment and security given are as below:

The Company had allotted 4,000 NCDs of face value of ₹1 lakh each fully paid-up at par on 16 November 2016. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 12.86% per annum. These NCDs have been redeemed during the year.

The Company had allotted 1,330 NCDs of face value of ₹1 lakh each fully paid-up at par on 10 June 2016. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 12.86% per annum. The NCDs are redeemable at par in two equal instalments. These NCDs have been redeemed during the year.

The Company has allotted 150 NCDs of face value of ₹10 lakhs each fully paid-up at par on 29 August 2018. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 10.58% per annum, which are repayable in periodic instalments ranging from ₹8.33 lakhs to ₹41.67 lakhs till August 2021. These NCDs have been redeemed during the year.

The Company has allotted 320 NCDs of face value of ₹10 lakhs each fully paid-up at par on 25 November 2020. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 12.40% per annum, which are redeemable at par in one instalment on 25th November 2023.

The Company has allotted 2,000 NCDs of face value of ₹1 lakh each fully paid-up at par on 1 March 2021. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 13.75% per annum, which are repayable in periodic instalments ranging from ₹133.32 lakhs to ₹133.52 lakhs till June 2022.

The Company has allotted 2,500 Principal Protected Market-linked Debentures (PP MLDs) of face value of ₹1 lakh each fully paid-up at par on 23 June 2021. These instruments are secured by way of hypothecation of specified book debts/ loan receivables and carries coupon linked to the "Reference Index" (BSE) subject to a base monthly coupon rate of 13.79% per annum in a declining scenario of the reference index and ceiling coupon rate of 14.15% per annum in a rising scenario of the reference index, which are redeemable at par together with effective coupon amount in one instalment on 14th October 2022.

The Company has allotted 2,000 Principal Protected Market-linked Debentures (PP MLDs) of face value of ₹1 lakh each fully paid-up at par on 29 June 2021. These instruments are secured by way of hypothecation of specified book debts/ loan receivables and carries coupon linked to the "Reference Index" (BSE) subject to a base monthly coupon rate of 14.41% per annum in a declining scenario of the reference index and ceiling rate of 14.76% per annum in a rising scenario of the reference index, which are redeemable at par together with effective coupon amount in one instalment on 30th September 2022.

The Company has allotted 200 NCDs of face value of ₹10 lakhs each fully paid-up at par on 13 August 2021. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 13.65% per annum, which are repayable in periodic instalments of ₹80.00 lakhs till September 2023.

The Company has allotted 3,000 NCDs of face value of ₹1 lakh each fully paid-up at par on 12 November 2021. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 13.45% per annum, which are repayable in periodic instalments of ₹500.00 lakhs till October 2024.

The Company has allotted 1,700 NCDs of face value of ₹1 lakh each fully paid-up at par on 21 December 2021. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 13.30% per annum, which are repayable in periodic instalments of ₹283.33 lakhs till December 2024.

The Company has allotted 37,000 NCDs of face value of ₹10 thousands each fully paid-up at par on 23 December 2021. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 12.30% per annum, which are redeemable at par in one instalment on 23rd December 2024.

The Company has allotted 210 NCDs of face value of ₹10 lakhs each fully paid-up at par on 30 March 2022 (deemed date of allotment). NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries coupon of 12.75% per annum, which are repayable in periodic instalments ranging from ₹58.33 lakhs to ₹350.00 lakhs till March 2025.

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

Repayment schedule of term loans		
Up to 1 year	5,993.51	6,339.85
2 to 5 years	13,413.33	3,600.16
	19,406.84	**9,940.01**

(All amounts in ₹ lakhs unless otherwise stated)

16 Borrowings

	As at 31 March 2022	As at 31 March 2021
Secured		
Term loans from banks	6,140.43	1,779.86
Term loans from financial institutions	36,039.30	22,114.07
Interest accrued but not due on borrowings	595.24	105.20
	42,774.97	**23,999.13**

Terms of repayment and security given are as below:

Loans from banks and financial institutions are secured by way of hypothecation of book debts created out of the loan amount. Rate of interest on these loans ranges from 6.85% to 14.10% per annum as on 31 March 2022 (For previous year ended 31 March 2021: The Rate of interest ranged from 9.95% to 14.10% per annum).

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

Repayment schedule of term loans		
Up to 1 year	27,840.65	13,757.23
2 to 5 years	14,562.40	10,323.64
	42,403.05	**24,080.87**

17 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Cash collateral from customers	193.79	163.36
Advance from customers	435.06	385.72
Lease liability	352.20	324.76
Dues to the assignees towards collections from assigned receivables	253.35	82.25
Employee payables	337.15	266.51
Other payables	862.10	441.43
	2,433.65	**1,664.03**

18 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	119.19	71.91
	119.19	**71.91**

19 Other non-financial liabilities

	As at 31 March 2022	As at 31 March 2021
Income received in advance	129.38	70.81
Statutory liabilities	153.99	100.23
	283.37	**171.04**

(All amounts in ₹ lakhs unless otherwise stated)

20 A. Equity Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
(i) 7,34,00,000 (31 March 2021: 7,34,00,000) equity shares of ₹ 10 each	7,340.00	7,340.00
	7,340.00	**7,340.00**
Issued, subscribed and paid-up		
(i) 3,36,15,301 (31 March 2021: 3,36,15,301) equity shares of ₹ 10 each	3,361.53	3,361.53
	3,361.53	**3,361.53**

20 B. Preference share capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
(ii) 60,00,000 (31 March 2021: 60,00,000) 0.001% Series C CCPS of ₹ 10 each	600.00	600.00
(iii) 56,00,000 (31 March 2021: 56,00,000) 0.001% Series D CCPS of ₹ 10 each	560.00	560.00
	22,563.00	**22,563.00**
Issued, subscribed and paid-up		
(ii) 58,49,966 (31 March 2021: 58,49,966) 0.001% Series C CCPS of ₹ 10 each	585.00	585.00
(iii) 26,27,724 (31 March 2021: 26,27,724) 0.001% Series D CCPS of ₹ 10 each	262.77	262.77
	847.77	**847.77**

a) The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2021 and 31 March 2020 is set out below

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Reconciliation of share capital				
Balance at the beginning of the year	3,36,15,301	3,361.53	2,21,36,447	2,213.64
Add: Allotted during the year	-	-	1,14,78,854	1,147.89
Balance at the end of the year	**3,36,15,301**	**3,361.53**	**3,36,15,301**	**3,361.53**
Reconciliation of CCPS				
0.001% CCPS - Series C of ₹ 10 each				
Balance at the beginning of the year	58,49,966	585.00	58,49,966	585.00
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**58,49,966**	**585.00**	**58,49,966**	**585.00**
0.001% CCPS - Series D of ₹ 10 each				
Balance at the beginning of the year	26,27,724	262.77	26,27,724	262.77
Add : Issued during the year	-	-	-	-
Balance at the end of the year	**26,27,724**	**262.77**	**26,27,724**	**262.77**

b) Rights and restriction attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, of the proceeds available for distribution to the holders of equity shares, the assets of the Company will be distributed first among the Investors in accordance with the terms of the Agreement, second to the Shareholders (which would include the Promoters and Other Shareholders) and lastly pro-rata amongst all the Shareholders (including Investors) on a fully diluted basis.

If the Liquidity Event Proceeds are insufficient to make payment in full to all holders of the CCPS in accordance with the liquidation preference set forth in this Agreement, then such Liquidity Event Proceeds shall be distributed pro-rata among the Investors.

c) Terms and rights attached to preference shares

Terms and rights attached to Series C CCPS of ₹10 each

The Company had allotted 58,49,996 non-cumulative CCPS of face value ₹10 each fully paid-up at a premium of ₹77.18 per Series C CCPS on 6 May 2016. The Series C CCPS carry dividend of 0.001% per annum. In addition to the fixed dividend, each CCPS shall be entitled to participate along with the equity shares in any dividends declared by the Company on the equity shares, as if such CCPS has been converted into equity shares immediately prior to declaration of dividend by the Company and are entitled to voting rights on a fully diluted basis.

In accordance with the terms of the Shareholders Agreement, 1 (one) Series C CCPS shall be automatically converted into 1(one) equity share of ₹10 each at the end of 8th year from the date of issuance or on occurrence of an initial public offer. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

Terms and rights attached to Series D CCPS of ₹10 each

The Company has allotted 26,27,724 0.001% Series D CCPS of ₹10 each on rights basis, on 9 April 2018, in the ratio of 1 (one) 0.001% Series D CCPS of ₹10 each for every 4 equity shares (on fully diluted basis) of ₹10 each at a premium of ₹77.18 per 0.001% Series D CCPS. In addition to the fixed dividend, each CCPS shall be entitled to participate along with the equity shares in any dividends declared by the Company on the equity shares, as if such CCPS has been converted into equity shares immediately prior to declaration of dividend by the Company and are entitled to voting rights on a fully diluted basis.

In accordance with the terms of the Shareholders Agreement, 1 (one) Series D CCPS shall be automatically converted into 1(one) equity share of ₹10 each at the end of 8th year from the date of issuance or on occurrence of an initial public offer. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

(All amounts in ₹ lakhs unless otherwise stated)

d) The details of shareholder holding more than 5 percent shares

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Percent of shareholding	No. of shares	Percent of shareholding
Equity shares				
Intellectual Capital Advisory Services Private Limited ("Intellectual")	1,18,61,955	35.29%	1,18,61,955	35.29%
Aavishkaar Venture Management Services Private Limited ("AVMS")	1,33,20,638	39.63%	1,33,20,638	39.63%
ON Mauritius	47,84,689	14.23%	47,84,689	14.23%
0.001% Series C CCPS of ₹ 10 each				
On Mauritius	17,20,578	29.41%	17,20,578	29.41%
DWM	20,64,694	35.29%	20,64,694	35.29%
TSTMF	10,32,347	17.65%	10,32,347	17.65%
TCTFSF	10,32,347	17.65%	10,32,347	17.65%
0.001% Series D CCPS of ₹ 10 each				
AVMS	11,47,052	43.65%	11,47,052	43.65%
TCTFSF	3,70,168	14.09%	3,70,168	14.09%
TSTMF	3,70,168	14.09%	3,70,168	14.09%
DWM	7,40,336	28.17%	7,40,336	28.17%

e) The Company has not allotted any bonus shares in the five years immediately preceding 31 March 2022. The Company has not bought back equity shares during five years immediately preceding 31 March 2022, nor has it issued any share for consideration other than cash.

f) For details of equity shares reserved for issuance under the ESOP plan of the Company, refer note 34.

g) There are no changes in equity share capital due to prior period errors. There has been no restatement of balance at the beginning of the current reporting period.

h) Disclosures pertaining to Promotor shareholding:

	31 March 2022	31 March 2021
Promoter name	Aavishkaar Venture Management	
number of shares held	1,33,20,638	1,33,20,638
percentage of total shares	39.63%	39.63%
percentage change during the year	-	-

21 Other equity

	As at 31 March 2022	As at 31 March 2021
Statutory reserve u/s 45(IC) of the RBI Act, 1934	624.39	514.39
Securities premium	21,992.25	21,992.25
Share options outstanding account	234.45	157.07
Deficit in the Statement of Profit and Loss	(1,557.72)	(1,986.18)
	21,293.37	20,677.53

Nature and purpose of reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Share options outstanding account

The reserve is used to recognised the fair value of the options issued to the employees of the Company under its stock option plan.

(All amounts in ₹ lakhs unless otherwise stated)

22 Interest Income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on loans	11,592.36	8,296.99
Interest on fixed deposits	386.88	308.18
Interest on others	20.92	27.42
	12,000.16	**8,632.59**

23 Net gain on fair value changes

	Year ended 31 March 2022	Year ended 31 March 2021
Profit on sale of investments in mutual funds	29.25	-
	29.25	**-**

24 Other operating revenue

	Year ended 31 March 2022	Year ended 31 March 2021
Gain on derecognition of assigned receivables	380.92	116.08
Bad debt recoveries	128.71	226.73
Other charges	260.63	104.41
	770.26	**447.22**

25 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on income tax refund	49.31	88.80
Profit on sale of Asset	0.04	3.66
Other miscellaneous income	3.37	-
	52.72	**92.46**

26 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on debt securities	1,567.83	1,023.24
Interest expense on borrowings	4,245.01	2,347.37
Interest expense on lease liabilities	24.45	51.08
Other borrowing costs	3.03	32.37
	5,840.32	**3,454.06**

27 Impairment on financial instruments

	Year ended 31 March 2022	Year ended 31 March 2021
Impairment on loans	97.37	787.59
Loan assets written off	1,226.92	1,003.09
	1,324.29	**1,790.68**

(All amounts in ₹ lakhs unless otherwise stated)

28 Employee benefits expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	3,169.09	2,238.89
Contributions to provident and other funds	188.18	125.09
Share based compensation	77.38	64.30
Gratuity expenses	46.52	30.82
Staff welfare expenses	174.19	99.40
	3,655.36	**2,558.50**

29 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	103.38	137.04
Electricity and water	16.06	12.68
Repairs and maintenance - others	6.15	2.74
Rates and taxes	231.33	157.37
Travelling and conveyance	120.54	50.29
Printing and stationery	8.06	6.53
Director sitting fees	15.60	17.85
Legal and professional fees	420.76	176.44
Remuneration to auditors	18.19	16.00
Donation	-	9.60
Communication expenses	28.32	22.81
Technology expense	209.91	170.97
Office expenses	113.48	71.32
Advertisement expenses	95.62	21.55
Foreign exchange loss	-	0.59
Miscellaneous	68.57	7.66
	1,455.97	**881.44**

28(a) Payment to auditors (excluding taxes)

	Year ended 31 March 2022	Year ended 31 March 2021
- Audit fees (including Limited Review)	16.69	14.50
- Tax audit fees	1.50	1.50
- Other matters	-	-
- Out of pocket expenses	-	-
	18.19	**16.00**

28(b) Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The Company is not required to spend any amount as per Section 135 of the Companies Act, 2013 in the years ended 31 March 2022 and 31 March 2021.

(All amounts in ₹ lakhs unless otherwise stated)

30 Depreciation and amortisation expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	83.43	50.18
Amortisation on right of use asset	150.33	48.56
Amortisation on intangible assets	38.73	59.05
	272.49	**157.79**

31 Earnings per equity share (EPS)

Net profit attributable to equity shareholders	**546.77**	**796.35**
Weighted average number of shares outstanding during the year	3,36,15,301	3,36,15,301
Add: Effect of potential shares for conversion of CCPS (nos)	84,77,690	84,77,690
Add: Effect of potential shares for conversion of ESOP (nos)	1,10,662	-
Weighted average number of shares used to compute diluted EPS (nos)	4,22,03,653	4,20,92,991
Earning per share :		
Basic	1.63	2.37
Diluted	1.30	1.89
Nominal value - per equity share	10.00	10.00

32 Related party disclosures

a) Description of relationship

Individuals / Companies having significant influence	**Nature of relationship**
Aavishkaar Venture Management Services Private Limited ("AVMS")	Holding Company/Entity which has significant influence on the Company*
Arohan Financial Services Limited ("Arohan")	Associate of AVMS
Intellecap Advisory Services Private Limited ("Intellecap")	Subsidiary of AVMS
Aavishkaar Foundation	Subsidiary of AVMS
Aavishkaar Investment Advisors (IFSC) Private Limited	Subsidiary of AVMS
Aavishkaar Advisors Private Limited	Subsidiary of AVMS
Indradhanush Capital Advisors Private Limited	Subsidiary of Intellecap
N R Management Consultants India Private Limited (from on 5 March 2021)	Subsidiary of AVMS
TribeTech Private Limited ("TribeTech")	Subsidiary of AVMS
Intellectual Capital Advisory Services Private Limited ("Intellectual")	Entity which has significant influence on the Company
Intellecap Inc.	Subsidiary of Intellecap
Sankalp Consultancy Limited	Subsidiary of Intellecap
Aavishkaar Venture Trustees Pvt Ltd ("AVTPL")	Entity under common control
Impact Investors Council ("IIC")	Entity under common control
Aavishkaar Capital Advisors LLP ("ACAL") - Upto 5th Sept 2021	Subsidiary of AVMS

Directors
Mr. Vineet Chandra Rai
Mr. Anurag Agarwal

Key Management Personnel
Mr. Nikesh Kumar Sinha, Managing Director
Ms. Kiran Agarwal Todi, Chief Financial Officer

*Note: AVMS is the Holding Company w.e.f. September 2019.

(All amounts in ₹ lakhs unless otherwise stated)

b) The transactions with related parties during the year :

Nature of transaction	Transactions with	31 March 2022	31 March 2021
Reimbursement of expenses incurred on behalf of the Company	Intellecap	11.98	1.63
Reimbursement of expenses incurred for the Company	Intellecap	1.33	-
Professional services	Intellecap	-	5.00
Reimbursement of expenses incurred on behalf of the Company	Arohan	30.43	51.21
Reimbursement of expenses incurred for the Company	Arohan	0.39	0.13
Purchase of Assets	Arohan	0.01	-
Business purchase consideration paid	Arohan	-	6,225.52
Customer receipts collected on behalf of the Company	Arohan	1,846.87	545.94
Reimbursement of expenses incurred on behalf of the Company	TribeTech	-	6.64
Purchase of assets	TribeTech	-	4.05
Reimbursement of expenses incurred for the Company	TribeTech	0.27	0.25
Sourcing and servicing fees	TribeTech	-	44.47
First loss default guarantee invoked	TribeTech	2,151.87	75.41
Loan given	TribeTech	305.00	422.94
Interest charged	TribeTech	92.89	29.75
Reimbursement of expenses incurred on behalf of the Company	AVMS	8.69	6.54
Reimbursement of expenses incurred for the Company	AVMS	0.22	-
Loan taken	AVMS	-	1,000.00
Loan repaid	AVMS	-	1,000.00
Interest paid	AVMS	-	29.46
Sitting fees	Vineet Chandra Rai	2.30	2.10
Sitting fees	Anurag Agarwal	4.65	4.15
Remuneration	Nikesh Kumar Sinha	192.50	174.00
Remuneration	Kiran Agarwal Todi	91.09	83.12

c) Balances with related parties :

Name of the party	Nature of balances	31 March 2022	31 March 2021
Intellecap	Other (payable)/receivable	(11.37)	1.49
Arohan	Other (payable)/receivable	(8.25)	1,211.62
TribeTech	Other receivable	2,274.51	29.75
TribeTech	Loans given	727.94	422.94

Note:
The managerial remuneration disclosed above does not include the provision for gratuity made on the basis of actuarial valuation is for the whole Company as a whole.

33 Employee benefits

A Defined contribution plan

The Company makes contribution of statutory provident fund as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The contribution amounts have been disclosed under Note 28, Employee benefits expense.

B Defined benefit plan

The Company provides for a gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service upto a limit of ₹ 20 lakhs. Vesting occurs on completion of 5 continuous years of service as per Payment of Gratuity Act, 1972. This plan is unfunded

Description of risk exposures:

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

a) **Salary increases** - Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
b) **Investment risk** - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
c) **Discount rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
d) **Mortality and disability** - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
e) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

The following tables summarises the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet:

	31 March 2022	31 March 2021
1 The amounts recognised in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	119.20	71.91
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in the Balance Sheet	**119.20**	**71.91**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	71.91	23.10
Service cost	42.39	29.30
Interest cost	4.13	1.52
Actuarial losses/(gains)		
- change in financial assumptions	(2.45)	(10.03)
- change in demographic assumptions	-	6.15
- experience variance (i.e. actual experiences assumptions)	10.76	6.22
Transfer in due to business combination	-	16.42
Benefits paid	(7.55)	(0.77)
Defined benefit obligation as at the end of the year	**119.20**	**71.91**
Assumptions used in the actuarial valuation for gratuity and compensated absences are as under:		
Discount rate	5.75%	7.50%
Salary escalation	5.00%	5.00%
Attrition rate	10.00%	10.00%
Retirement age (years)	60	60
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
3 Net gratuity cost for the year ended 31 March 2022 and 31 March 2021 comprises of following components:		
Current service cost	42.39	29.30
Net interest cost on the net defined benefit liability	4.13	1.52
Components of defined benefit costs recognized in Statement of Profit and Loss	46.52	30.82

(All amounts in ₹ lakhs unless otherwise stated)

33 Employee benefits (Contd.)

4 Other comprehensive income

Remeasurements on defined benefit obligations	31 March 2022	31 March 2021
Change in financial assumptions	-	6.15
Change in demographic assumptions	(2.45)	(10.03)
Experience variance (i.e. actual experience vs assumptions)	10.76	6.22
Components of defined benefit costs recognized in other comprehensive income	**8.31**	**2.34**

5 Maturity profile of defined benefit obligation

Particulars		
Within the next 12 months (next annual reporting period)	8.88	3.51
After next 12 months	110.31	68.40

6 Quantitative sensitivity analysis for significant assumptions is as below

Assumption	Change in assumption	31 March 2022	31 March 2021
Discount rate	Increase by 100 basis points	112.63	67.56
	Decrease by 100 basis points	126.42	76.73
Salary escalation rate	Increase by 100 basis points	126.42	76.71
	Decrease by 100 basis points	112.50	67.49
Withdrawal rate	Increase by 100 basis points	117.89	70.66
	Decrease by 100 basis points	120.48	73.17

Notes:

(i) Sensitivity due to mortality is not material, hence the impact of change is not calculated.

(ii) The actuarial valuation of plan assets and the present valuation of defined benefit obligation were computed at year end. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(iii) Discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

(iv) The salary escalation rate is computed after considering the seniority, the promotion and other relevant factors such as, demand and supply in employment market.

34 Share-based payment

Under Employee Stock Option Scheme (ESOP) of the Company, share options of the Company are granted to the employees. The share based compensation plan in existence are as below:

a) Employee Stock Option Plan 2018

The Company in it's Extra-Ordinary General Meeting held on 30 October 2018, has approved to create, grant, issue and allot at any time in one or more tranches to its employees, selected on the basis of criteria decided by the Board or the Nomination and Remuneration Committee of the Board under the Employee Stock Option Scheme - Intellegrow Employees Stock Option Plan - 2018 (ESOP-2018), such number of stock options convertible into Equity Shares of the Company, in one or more tranches, not exceeding 727,068 equity shares of face value of ₹ 10 each, at such price and on such terms and conditions as may be fixed or determined by the Board or Nomination and Remuneration Committee of the Board in accordance with the ESOP-2018, and all applicable provisions of the law and/or guidelines issued by the relevant authority. Under the Plan, these options vest over a period of three years and vested options can be exercised any time during employment. Upon vesting, the employee can acquire 1 (one) equity share for every stock option. The fair value at grant date is determined using the Black Scholes model. Consequent to the above, the Company has granted stock options to employees of the Company, details of which are disclosed in the table below:

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

34 Share-based payment (cont'd)

Option activity during the year is summarised below:

	31 March 2022		31 March 2021	
	No. of options	Weighted average	No. of options	Weighted
Options outstanding at the beginning	6,12,666	71.99	3,42,666	60.01
Granted during the year	4,00,000	87.18	2,95,000	87.18
Lapsed during the year	15,000	87.18	25,000	87.18
Exercised during the year	-	71.99	-	60.01
Options outstanding at the end	9,97,666	77.85	6,12,666	71.99
Options exercisable at year end	3,92,329	77.85	1,91,999	71.99

The options outstanding as at 31 March 2022 and 31 March 2021 were with the exercise price of ₹ 10 to ₹ 87.18. The weighted average of the remaining contractual life is 1.25 year (31 March 2021: 1.5 years).
In the current year, the Holding Company has allotted 1,725 options to the employees of the Company. The Company has recognised an expense amounting to ₹ 9.18 lakhs as employee compensation expenses.

The Employee Stock Option Plan 2018 has been granted over three years with different vesting dates. The following inputs were used to determine the fair value for options granted:

	31 March 2022	31 March 2021
Expected life (in years)	2.50 - 4.50	2.50 - 4.50
Volatility (%)	27.93%	27.93%
Risk free rate (%)	4.38% to 7.31%	4.38% to 7.31%
Exercise price (₹)	₹ 10 to 87.18	₹ 10 to 87.18
Dividend yield	0%	0%
Option fair value	16.85 - 79.98	16.85 - 79.98

35 Income tax expense

	Year ended 31 March 2022	Year ended 31 March 2021
a) Income tax expense recognised in Statement of profit and loss		
Current tax	21.74	75.49
Deferred tax	(330.24)	(579.94)
Taxes of earlier years	(6.97)	(26.44)
	(315.47)	**(530.89)**
b) Income tax recognised in other comprehensive income		
Taxes on re-measurement of defined benefit plans	-	-
c) Reconciliation of income tax expense and the accounting profit for the year		
Profit before tax	231.30	265.46
Enacted tax rates	25.17%	25.17%
Income tax expense calculated on corporate tax rate	58.22	66.82
Expense disallowed under the provisions of Income tax Act, 1961	(34.14)	8.68
Impact on deferred tax on account of change in tax rates	-	2.00
Deferred tax assets recognised		
Impairment loss allowances on loans	(26.81)	(315.92)
On carried forward losses	(451.52)	(200.84)
Disallowance u/s 43B and other provisions	(90.04)	(49.64)
On right of use asset	(1.95)	-
On property, plant and equipment	(7.75)	(15.53)
On gain on derecognition of assigned receivables	66.35	-
On adjustments for effective interest rate accounting	181.48	-
Other adjustments	(2.34)	(0.02)
Income tax in respect of earlier years	(6.97)	(26.44)
At the effective income tax rate of 25.17% (31 March 2021: 25.17%)	(315.47)	(530.89)

(All amounts in ₹ lakhs unless otherwise stated)

36 Capital management

The capital management objectives of the Company are:
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the risk weighted assets as prescribed by the Reserve Bank of India (RBI).

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes have been made to the objectives, policies and processes from the previous years.

Gearing Ratio	**As at 31 March 2022**	**As at 31 March 2021**
Debt securities	19,417.00	10,156.24
Borrowings (other than debt securities)	42,774.97	23,999.13
Total debt	**62,191.97**	**34,155.37**
Total equity	**25,502.67**	**24,886.83**
Net debt to equity ratio	**2.44**	**1.37**

37 Financial instruments and fair value disclosures

The carrying value and fair value of financial assets and liabilities are as follows :-

	Fair value through profit and loss	**Fair value through OCI**	**Amortised cost**	**Total**	**Fair value**
As at 31 March 2022					
Financial Assets					
Cash and cash equivalents	-	-	4,472.55	4,472.55	4,472.55
Bank balances other than above	-	-	7,344.48	7,344.48	7,344.48
Loans	-	-	70,516.00	70,516.00	70,516.00
Investments	-	-	102.27	102.27	102.27
Other financial assets	-	-	2,974.96	2,974.96	2,974.96
Total financial assets	-	-	**85,410.26**	**85,410.26**	**85,410.26**
Trade payables	-	-	42.14	42.14	42.14
Debt securities	-	-	19,417.00	19,417.00	19,417.00
Borrowings (other than debt securities)	-	-	42,774.97	42,774.97	42,774.97
Other financial liabilities	-	-	2,433.65	2,433.65	2,433.65
Total financial liabilities	-	-	**64,667.76**	**64,667.76**	**64,667.76**
As at 31 March 2021					
Financial Assets					
Cash and cash equivalents	-	-	2,357.18	2,357.18	2,357.18
Bank balances other than above	-	-	2,502.18	2,502.18	2,502.18
Loans	-	-	49,903.81	49,903.81	49,903.81
Other financial assets	-	-	1,896.01	1,896.01	1,896.01
Total financial assets	-	-	**56,659.18**	**56,659.18**	**56,659.18**
Trade payables			91.12	91.12	91.12
Debt securities	-	-	10,156.24	10,156.24	10,156.24
Borrowings (other than debt securities)	-	-	23,999.13	23,999.13	23,999.13
Other financial liabilities	-	-	1,664.03	1,664.03	1,664.03
Total financial liabilities	-	-	**35,910.52**	**35,910.52**	**35,910.52**

-Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

38 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising	Measurement	Management
Credit risk	Cash and cash equivalents, loans, financial assets measured at amortised cost	Ageing analysis	Credit risk analysis, diversification of customers/asset base, credit limits, collateral and static pool analysis.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sufficient cash, CC/ OD limits, committed credit lines and borrowing facilities
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Pass on the Interest rate increase/ decrease to customers and borrowings at fixed rate.
Market Risk - Security Price	Investments in securities	Sensitivity analysis	Portfolio diversification, exposure limits/ limits on equity exposure

The Board has the overall responsibility of risk management. There are two committees of the Board which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO).

A) Credit risk

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

a) Credit risk management

Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on geographical regions, product specific, industry and rating are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.

The risk parameters are same for all financial assets for all period presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are overdue. A default on a financial asset is when the counterparty fails to make contractual payments. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.
i) Low credit risk on financial reporting date
ii) Moderate credit risk
iii) High credit risk

The company provides for expected credit loss based on the following:

Asset group	Basis for categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

(All amounts in ₹ lakhs unless otherwise stated)

38 Financial risk management (Contd.)

A) Credit risk (Contd.)

a) Credit risk management (Contd.)

Financial assets that expose the entity to credit risk*

	As at 31 March 2022	As at 31 March 2021
Low credit risk on financial reporting date		
Cash and cash equivalents	4,472.55	2,357.18
Bank balances other than above	7,344.48	2,502.18
Loans and corresponding interest receivables	68,383.20	48,819.61
Other financial assets	2,974.96	1,896.01
Moderate credit risk		
Loans	1,699.39	1,652.96
High credit risk		
Loans	2,882.91	1,783.37

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

The majority of the Company's borrowers are seasoned borrowers with satisfactory credit history. The Company closely monitors the credit-worthiness of the borrower's through internal systems. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

Other financial assets measured at amortized cost

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

b) Expected credit losses for financial assets other than loans

i) Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed further:

	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
31 March 2022				
Cash and cash equivalents	4,472.55	0%	-	4,472.55
Bank balances other than above	7,344.48	0%	-	7,344.48
Other financial assets	2,974.96	0%	-	2,974.96
31 March 2021				
Cash and cash equivalents	2,357.18	0%	-	2,357.18
Bank balances other than above	2,502.18	0%	-	2,502.18
Other financial assets	1,896.01	0%	-	1,896.01

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

b) Expected credit losses for financial assets other than loans (cont'd)

ii) Expected credit loss for loans

Credit risk
Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. It arises principally from the Company's loans and advances to customers, and investment in debt securities. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure, which are as follows:
Credit default risk: The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation.
Concentration risk: The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. It may arise in the form of single geographic or sector concentration.

A1 Credit risk measurement
The Company classifies its risk based on geographies and the type of risk associated with the business of borrowers and accordingly classifies the loan assets as:
a) Low credit risk
b) Moderate credit risk
c) High credit risk
The Company considers qualitative factors that include past recoveries, historical default rates and macro-economic factors affecting a particular region.

A2 Expected credit loss measurement
Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:
- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.
Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A2.1 Significant increase in credit risk
The Company considers a financial instrument to have experienced a significant increase in credit risk when a set of portfolio experiences difficulties due to certain macro-economic factors.

A2.2 Definition of default and credit-impaired assets
The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one of the following criteria:
Quantitative criteria:
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria:
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficult. These are instances where:
- Inability to continue with his business on account of permanent incapacitation.
- Policy changes from the Government including instances such as demonetisation and introduction of new tax legislation such as Goods and Services Tax (GST).

(All amounts in ₹ lakhs unless otherwise stated)

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

ii) Expected credit loss for loans (Cont'd)

A2.3 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

PD or default rate is an estimate of the likelihood of the default event (as defined in the previous step) occurring in future. Accordingly, a lower PD signifies lower credit risk. PD is estimated by using historical data, and is done over a particular time horizon. It is done by performing vintage analysis over the historical data of default to assess how default rates change over time, and compute the risk of default in the next 12 months and the entire lifetime of the loan. For loan portfolio where sufficient historical data is not available, PD is taken from an external default study report of a credit rating agency.

Loss given default (LGD) computation model

LGD is the credit loss that will be incurred if the borrower defaults. For loan portfolio where sufficient historical data is not available, the LGD has been considered based on Foundation Internal Rating Based (IRB) framework given in Circular on Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk.

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. The Company records overlays as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic.

A.3 Credit risk exposure

		ECL Staging	
	Stage 1	**Stage 2**	**Stage 3**
31 March 2022			
Low credit risk	65,415.21		
Moderate credit risk	-	1,699.39	-
High credit risk	-	-	2,882.91
Gross carrying amount	**65,415.21**	**1,699.39**	**2,882.91**
Loss allowance	472.39	185.25	1,791.86
Carrying amount	**64,942.82**	**1,514.14**	**1,091.05**
31 March 2021			
Low credit risk	48,219.48		
Moderate credit risk	-	1,652.96	-
High credit risk	-	-	1,783.37
Gross carrying amount	**48,219.48**	**1,652.96**	**1,783.37**
Loss allowance	1,035.51	353.82	962.80
Carrying amount	**47,183.97**	**1,299.14**	**820.57**

A.4 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period.

- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ lakhs unless otherwise stated)

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

ii) Expected credit loss for loans (Cont'd)

A.4 Loss allowance (cont'd)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans at amortised cost				
Balance as at 31 March 2020	302.86	180.42	652.71	1,136.00
New financial assets originated or purchased*	480.21	43.38	36.76	560.36
Transfer to Stage 1	69.85	(69.85)	-	-
Transfer to Stage 2	(71.46)	71.46	-	-
Transfer to Stage 3	(31.53)	(60.92)	92.45	-
Movement in credit risk on existing loan assets	314.05	238.98	711.01	1,264.04
Financial assets that have been derecognised	(27.95)	(40.58)	-	(68.53)
Write offs	(0.52)	(9.07)	(652.61)	(662.20)
Balance as at 31 March 2021	**1,035.51**	**353.82**	**840.33**	**2,229.66**
New financial assets originated or purchased*	329.20	22.65	51.57	403.42
Transfer to Stage 1	7.19	(7.19)	-	-
Transfer to Stage 2	(13.93)	13.93		-
Transfer to Stage 3	(208.66)	(45.28)	253.94	-22.49
Movement in credit risk on existing loan assets	272.78	138.88	1,276.45	1,751.60
Financial assets that have been derecognised	(950.04)	(282.62)	(408.00)	(1,883.50)
Write offs	(7.89)	(18.60)	(426.93)	(251.57)
Balance as at 31 March 2022	**464.18**	**175.59**	**1,587.36**	**2,227.12**

*New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Loans at amortised cost				
Balance as at 31 March 2020	37,592.87	585.91	921.47	39,100.25
New financial assets originated or purchased*	35,095.78	371.82	72.96	35,540.57
Transfer to Stage 2	(1,228.50)	1,228.50	-	-
Transfer to Stage 3	(1,369.75)	(211.40)	1,581.15	-
Financial assets that have been derecognised/ repaid	(22,878.24)	(303.73)	(27.30)	(23,209.27)
Write offs	(56.70)	(18.14)	(928.25)	(1,003.09)
Balance as at 31 March 2021	**47,155.47**	**1,652.96**	**1,620.03**	**50,428.46**
New financial assets originated or purchased*	49,684.12	398.74	124.03	50,206.88
Transfer to Stage 1	28.04	(28.04)	-	
Transfer to Stage 2	(237.67)	237.67	-	-
Transfer to Stage 3	(11.25)	(151.01)	162.25	-
Financial assets that have been derecognised/ repaid	(31,054.63)	(271.31)	1,915.04	(29,410.90)
Write offs	(148.87)	(139.62)	(938.43)	(1,226.92)
Balance as at 31 March 2022	**65,415.21**	**1,699.39**	**2,882.91**	**69,997.51**

*New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

A.5 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates:

	As at 31 March 2022	As at 31 March 2021
Gross carrying amount of loans	69,997.51	50,428.45
Concentration by industry		
Loans to NBFCs/MFIs	2,365.16	15,043.32
Others	67,632.35	35,385.13
	69,997.51	50,428.45

38 Financial risk management (cont'd)

A) Credit risk (cont'd)

ii) Expected credit loss for loans (Cont'd)

A.6 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

The outstanding contractual amounts of such assets written off during the year ended 31 March 2022 was ₹ 1,226.92 (March 31, 2021 ₹ 1,003.09). The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps. The amount of total borrowing sanctioned but not drawn is Nil (31 March 2021: 1,500 lakhs)

Maturities of financial liabilities

The tables below analyse the financial liabilities of the Company into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

31 March 2022	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	5,993.51	13,413.33	-	-	19,406.84
Borrowings	27,840.65	14,117.96	444.44		42,403.05
Trade payables	42.14	-	-	-	42.14
Other financial liabilities at amortised cost	2,269.36	112.99	25.81	25.50	2,433.65
Total	**36,145.65**	**27,644.28**	**470.25**	**25.50**	**64,285.68**

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	6,519.50	3,600.16	-	-	10,119.66
Borrowings	14,352.47	10,323.64	-	-	24,676.11
Trade payables	91.12	-	-	-	91.12
Other financial liabilities at amortised cost	1,443.63	174.71	30.02	15.67	1,664.03
Total	**22,406.72**	**14,098.51**	**30.02**	**15.67**	**36,550.92**

(All amounts in ₹ lakhs unless otherwise stated)

38 Financial risk management (cont'd)

C) Market Risk

a) Interest rate risk

i) Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. The Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	27,412.02	13,789.93
Fixed rate borrowing	34,005.06	19,998.37
Total borrowings	**61,417.08**	**33,788.30**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

	31 March 2022	31 March 2021
Interest sensitivity*		
Interest rates – increase by 100 basis points	274.12	137.90
Interest rates – decrease by 100 basis points	(274.12)	(137.90)

* Holding all other variables constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. 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.

39 Lease commitment

The Company has entered into non-cancellable/cancellable leasing arrangements in respect of its premises/branches for leases where term of agreement is of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments amounted to ₹ 103.38 lakhs (31 March 2021: ₹ 137.04 lakhs) as an operating expense in the current year.

Future minimum lease payments with respect to non-cancellable operating leases which are not accounted as Right of Use assets are as follows (undiscounted basis):

	31 March 2022	31 March 2021
Within one year	34.05	54.00
Later than one year but not later than 5 years	8.52	52.48
Later than 5 years	-	-

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings	Total
As at 31 March 2020	-	-
Additions	360.39	360.39
Depreciation expenses	48.56	48.56
As at 31 March 2021	311.83	311.83
Additions	182.94	182.94
Depreciation expenses	150.33	150.33
As at 31 March 2022	**344.44**	**344.44**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Buildings	Total
As at 31 March 2020	-	-
Additions	360.39	360.39
Accretion of interest	22.63	22.63
Payment	(58.27)	(58.27)
As at 31 March 2021	**324.76**	**324.76**
Additions	182.94	182.94
Accretion of interest	51.08	51.08
Payment	(206.57)	(206.57)
As at 31 March 2022	**352.20**	**352.20**

Lease payments in future periods where right-of-use assets is recognised (undiscounted basis):

	As at 31 March 2022	As at 31 March 2021
Not later than one year	221.58	153.31
Later than one year and not later than five years	192.90	226.79
Later than five years	-	17.87
	414.48	**397.97**

Amount recognised in Statement of profit and loss account and statement of cashflow on right of use assets

	For the year ended 31 March 2022	31 March 2021
Amount recognised in Statement of profit and loss account		
Depreciation on right of use assets	150.33	48.56
Interest on lease liabilities	51.08	22.63
Expenses relating to short term leases and low value assets	103.38	137.04
Amount recognised in Statement of Cashflow		
Total cash outflow for leases	206.57	58.27

40 Segment information

The Company is engaged in lending which is considered to be the only reportable business segment as per Ind AS 108, Operating Segments. The Company operates primarily in India and there is no other geographical segment.

41 Contingent liabilities and commitment

There are no contingent liabilities and outstanding commitments as at reporting dates. The amount of loans sanctioned but not disbursed amounts to ₹ 1,427.85 lakhs (31 March 2021: ₹ 262.90 lakhs).

42 Classification and provisions for loan portfolio owned

	31 March 2022	31 March 2021
Asset classification		
Loan outstanding		
Standard assets	67,114.60	49,872.44
Substandard assets	2,882.91	1,783.37
Doubtful assets	-	-
Less: Provision		
Standard assets	657.64	1,389.33
Substandard assets	1,791.86	962.80
Doubtful assets	-	-
Loan outstanding (net)		
Standard assets	66,456.96	48,483.11
Substandard assets	1,091.05	820.57
Doubtful assets	-	-

43 Additional disclosure pursuant to the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, RBI/DNBR/2016-17/45, Master Direction DNBR. PD. 008/03.10.119/2016-17, dated September 01, 2016, (Updated as on February 23, 2018) issued by the RBI.

Liabilities side:	31 March 2022		31 March 2021	
	Amount	Amount	Amount	Amount
a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures (Secured)				
Secured	19,417.00	-	10,156.24	-
Unsecured	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans (secured)	42,774.97	-	23,999.13	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Other loans from financial institutions (Secured)	-	-	-	-
	62,191.97	**-**	**34,155.37**	**-**

Assets side:	31 March 2022	31 March 2021
b. Break-up of loans and advances:		
(a) Secured	10,731.39	13,962.54
(b) Unsecured	59,266.12	36,465.91
	69,997.51	**50,428.45**
c. Break up of leased assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure pursuant to the Master Direction (Contd.)

Assets side:	31 March 2022	31 March 2021
c. Break up of leased assets and stock on hire and other assets counting towards AFC activities		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
d. Break-up of investments :		
Current investments		
1. Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	102.27	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long term investments		
1. Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Investment in PTCs)	-	-

e. Borrower group-wise classification of assets financed as in (b) and (c)

Category	Amount (standard assets net of provisions)		
For 31 March 2022	**Secured**	**Unsecured**	**Total**
1 Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	727.94	727.94
(c) Other related parties	-	-	-
2 Other than related parties	10,731.39	59,266.12	69,997.51
	10,731.39	**59,994.06**	**70,725.45**

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure pursuant to the Master Direction (Contd.)

e. Borrower group-wise classification of assets financed as in (b) and (c) (Contd.)

For 31 March 2021	Secured	Unsecured	Total
1 Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group		422.94	-
(c) Other related parties	-	-	-
2 Other than related parties	13,962.54	36,465.91	50,428.45
	13,962.54	**36,888.85**	**50,428.45**

f. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Category	Market value / Breakup or fair value or NAV		Book value (net of provisions)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	102.27	-	102.27	-

g. Other information

Particulars	31 March 2022	31 March 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	2,882.91	1,783.37
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	1,091.05	820.57
iii) Assets acquired in satisfaction of debt	-	-

(i) Capital Risk Asset Ratio

Sl.No.	Items	As at 31 March 2022	As at 31 March 2021
(a)	Capital risk Asset Ratio (%)	28.58%	40.89%
(b)	Capital risk Asset Ratio (%) - Tier I Capital (%)	27.71%	39.64%
(c)	Capital risk Asset Ratio (%) - Tier II Capital (%)	0.87%	1.25%

(ii) Derivatives:

The Company has no transaction/exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on 31 March 2022 (31 March 2021: Nil)

(iii) Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous years.

(iv) Maturity pattern of certain items of assets and liabilities

Maturity pattern of certain Assets and Liabilities as on 31 March 2022

	Assets		Liabilities
	Advances	Investments	Borrowings
1 day to 7 days	1,980.91	102.27	351.34
7 days to 14 days	270.10	-	622.76
15 days to 30/31 days (one month)	290.79	-	1,391.12
Over one month to 2 months	2,569.86	-	2,983.00
Over 2 months upto 3 months	2,606.92	-	3,591.28
Over 3 months to 6 months	7,155.05	-	9,061.71
Over 6 months to 1 year	14,111.41	-	15,832.95
Over 1 year to 3 years	36,857.09	-	27,531.29
Over 3 years to 5 years	3,692.26	-	444.44
Over 5 years	463.12	-	-
Total	69,997.51	102.27	61,809.89

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure pursuant to the Master Direction (Contd.)

(iv) Maturity pattern of certain items of assets and liabilities (Contd.)

Maturity pattern of certain Assets and Liabilities as on 31 March 2021

	Assets		Liabilities
	Advances	**Investments**	**Borrowings**
1 day to 7 days	873.95	-	108.87
7 days to 14 days	1,103.68	-	69.17
15 days to 30/31 days (one month)	1,009.07	-	713.50
Over one month to 2 months	3,387.67	-	3,191.47
Over 2 months upto 3 months	2,321.02	-	2,304.68
Over 3 months to 6 months	6,175.65	-	4,019.41
Over 6 months to 1 year	10,242.35	-	9,689.98
Over 1 year to 3 years	22,314.94	-	13,923.80
Over 3 years to 5 years	2,913.34	-	-
Over 5 years	86.78	-	-
Total	**50,428.45**	**-**	**34,020.88**

(v) Disclosures relating to securitization:

The Company has not undertaken any securitization transactions during the current year and the previous year.

(vi) For Assignment transaction

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
	No./Amount	No./Amount
1. No. of SPVs sponsored by the NBFC for assignment transactions	11	1
2. Total amount of assigned assets as per books of the SPVs sponsored by the NBFC*	11,278.48	1,187
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet*	1,104.80	118.69
Off-balance sheet exposures		
* First loss		-
* Others		-
b) On-balance sheet exposures		
* First loss		-
* Others	1,104.80	118.69
4. Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own assignment		
* First loss	-	-
* Others	-	-
ii) Exposure to third party assignment		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own assignment		
* First loss	-	-
* Others	-	-
ii) Exposure to third party assignment		
* First loss	-	-
* Others	-	-

*During the current year, the Company has entered into a PTC transaction which meets the conditions of derecognition of financial assets as per Ind AS 109. Accordingly, the Company has derecognised the PTC loans from its Loan balances.

(vii) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:

The Company has not sold financial assets to securitisation/reconstruction companies for asset reconstruction in the current and previous year.

(viii) Details of non-performing financial assets purchased / sold:

The Company has not purchased / sold non-performing financial assets in the current and previous year.

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure pursuant to the Master Direction (Contd.)

(ix) Details of financing of parent company products:

This disclosure is not applicable as the Company has not entered into any such type of transaction.

(x) Unsecured advances

Refer note 7 for unsecured advances. The Company has not given any advances against the rights, licenses, authorisations, etc.

(xi) Registration obtained from other financial regulators

The Company has not obtained registration from other financial regulators.

(xii) Disclosure of penalties imposed by RBI and other regulators

There were no penalties imposed on the Company by RBI or any other regulator in the current or previous financial year.

(xiii) Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument	Amount	Rating Company	Ratings as at 31 March 2022	Ratings as at 31 March 2021
Proposed Long Term Bank Facilities	2,000.00	CARE Ratings	BBB (Triple B) with a stable outlook	BBB -' (Triple B Minus) with a Positive Outlook
	5,000.00	Acuite Ratings & Research	BBB+ (Triple B Plus) with a stable outlook	Not applicable
Non-Convertible Debentures	8,000.00	CARE Ratings	BBB (Triple B) with a stable outlook	BBB -' (Triple B Minus) with a Positive Outlook
	10,000.00	Acuite Ratings & Research	BBB+ (Triple B Plus) with a stable outlook	Not applicable

(xiv) Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2022 (31 March 2021: Nil).

(xv) Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)

	31 March 2022	31 March 2021
Impairment on loans	97.37	787.59
Provision for current tax	21.74	75.49
Provision for gratuity	46.52	30.82

(xvi) Concentration of Deposits, Advances, Exposures and NPAs

	As at 31 March 2022	As at 31 March 2021
Concentration of Advances		
Total advances to twenty largest borrowers	4,032.54	5,114.86
Percentage of advances to twenty largest borrowers to total advances of the Company	5.76%	10.14%
Concentration of Exposures		
Total exposures to twenty largest borrowers/customers	4,032.54	5,114.86
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/ customers	5.76%	10.14%
Concentration of Exposures		
Total exposures to top four NPA accounts	683.62	583.58

(xvii) Sector-wise NPAs

Percentage of gross NPAs to total advances in that sector

Sector	As at 31 March 2022	As at 31 March 2021
Agriculture & allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	4.12%	3.54%
Services	0.00%	0.00%
Auto loans	0.00%	0.00%
Other personal loans	0.00%	0.00%

(xviii) Customer complaints

	31 March 2022	31 March 2021
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	23	2
No. of complaints redressed during the year	22	2
No. of complaints pending at the end of the year	1	-

43 Additional disclosure pursuant to the Master Direction (Contd.)

(xix) Details of investments

This disclosure is not applicable as the Company does not have any investments.

(xx) Movement of NPAs

Sl No		Particulars	31 March 2022	31 March 2021
i		Net NPAs to Net Advances (%)	1.56%	1.55%
ii		Movement of NPAs (Gross)		
	i)	Opening balance	1,620.03	921.47
	ii)	Additions during the year	2,882.91	1,620.03
	iii)	Reductions during the year	(1,620.03)	(921.47)
	iv)	**Closing balance**	**2,882.91**	**1,620.03**
iii		Movement of Net NPAs		
	i)	Opening balance	779.70	268.76
	ii)	Additions during the year	1,091.05	779.70
	iii)	Reductions during the year	(779.70)	(268.76)
	iv)	**Closing balance**	**1,091.05**	**779.70**
iv		Movement of provisions for NPAs (excluding provision on standard assets)		
	i)	Opening balance	840.33	652.82
	ii)	Provisions made during the year	1,791.86	840.33
	iii)	Write-back of excess provisions	(840.33)	(652.82)
	iv)	**Closing balance**	**1,791.86**	**840.33**

(xxi) Disclosure of restructured accounts

Type of Restructuring		**Others**				
		For Year ended 31 March 2021				
Asset Classification		**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
Details						
Restructured Accounts as on 1 April (opening figures)	No. of borrowers	155.00	19.00	-	-	174
	Amount outstanding	1,899.67	2,211.57	-	-	4,111.24
	Provision thereon	438.40	199.20	-	-	637.60
Fresh restructuring during the year under COVID Circulars	No. of borrowers	79	11	-	-	90
	Amount outstanding	852.83	118.32	-	-	971.15
	Provision thereon	22.09	69.34	-	-	91.43
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Down gradations of restructured accounts during the FY	No. of borrowers	-	27.00	-	-	27.00
	Amount outstanding	-	1,020.07	-	-	1,020.07
	Provision thereon	-	581.73	-	-	581.73
Write-offs/Closure of restructured accounts during the FY	No. of borrowers	89.00	2.00	-	-	91.00
	Amount outstanding	1,434.45	358.72	-	-	1,793.17
	Provision thereon	212.89	201.16	-	-	414.05
Restructured Accounts as on 31 March (closing balance)	No. of borrowers	140	39	-	-	179
	Amount outstanding	2,159.12	1,164.21	-	-	3,323.33
	Provision thereon	106.06	741.28	-	-	847.34

(All amounts in ₹ lakhs unless otherwise stated)

43 Additional disclosure required by RBI (cont'd)

(xxi) Disclosure of restructured accounts (cont'd)

Type of Restructuring		Others				
		For Year ended 31 March 2021				
Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	349.82	-	-	349.82
	Provision thereon	-	4.13	-	-	4.13
Fresh restructuring during the year	No. of borrowers	-	15	-	-	15
	Amount outstanding	-	1,836.87	-	-	1,836.87
	Provision thereon	-	241.20	-	-	241.20
Fresh restructuring during the year under COVID Circulars	No. of borrowers	155	3	-	-	158
	Amount outstanding	1,899.67	24.88	-	-	1,924.55
	Provision thereon	196.47	13.28	-	-	209.75
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Down gradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured Accounts as on 31 March (closing balance)	No. of borrowers	155	19	-	-	174
	Amount outstanding	1,899.67	2,211.57	-	-	4,111.24
	Provision thereon	438.40	199.20	-	-	637.60

44 Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016

Instances of fraud for the year ended 31 March 2022
There were no instances of fraud reported for the year ended 31 March 2022.

Instances of fraud for the year ended 31 March 2021
There were no instances of fraud reported for the year ended 31 March 2021.

45 Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either "nil" or "not applicable" has not been furnished.

46 Expenditure in foreign currency

	31 March 2022	31 March 2021
Income in foreign currency		
Miscellaneous income (service fees)	-	-
Expenditure in foreign currency		
Software license fees	6.98	5.89
Travel and conveyance	0.54	3.42

47 Value of import in foreign currency on CIF basis
There are no import of capital goods during the current and previous year.

(All amounts in ₹ lakhs unless otherwise stated)

48 Other RBI disclosures

a) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109

For 31 March 2022

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
Performing Assets						
Standard	Stage 1	65,355.54	460.93	64,894.61	372.80	88.13
	Stage 2	1,372.19	111.22	1,260.97	30.56	80.66
Standard assets classified as substandard as per Restructuring guidelines	Stage 1	388.20	3.24	384.96	38.82	-35.58
	Stage 2	331.29	64.37	266.92	33.13	31.24
Subtotal		**67,447.22**	**639.76**	**66,807.46**	**475.31**	**164.45**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	**2,889.99**	**1,587.36**	**1,302.63**	**288.29**	**1,299.07**
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
	Stage 1	65,743.74	464.17	65,279.57	411.62	52.55
Total	**Stage 2**	1,703.48	175.59	1,527.89	63.69	111.90
	Stage 3	2,889.99	1,587.36	1,302.63	288.29	1,299.07

(All amounts in ₹ lakhs unless otherwise stated)

48 Other RBI disclosures (Contd.)

b) Disclosures as per RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. 13 March 2020 for comparison between Income Recognition, Asset Classification and Provisioning (IRACP) norms and Ind AS 109: (Contd.)

For 31 March 2021

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
Performing Assets						
Standard	Stage 1	45,653.50	869.21	44,784.29	265.04	604.17
	Stage 2	1,318.05	230.62	1,087.43	17.83	212.79
Standard assets classified as substandard as per Restructuring guidelines	Stage 1	1501.95	166.3	1335.65	150.2	16.1
	Stage 2	334.92	123.2	211.72	33.49	89.71
		48,808.42	**1,389.33**	**47,419.09**	**466.56**	**922.77**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	**1,620.03**	**840.33**	**779.70**	**163.25**	**677.08**
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	47,155.45	1,035.51	46,119.94	415.24	620.27
	Stage 2	1,652.97	353.82	1,299.15	51.32	302.50
	Stage 3	1,620.03	840.33	779.70	163.25	677.08

c) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019 have been given below:

(i) Funding Concentration based on significant counterparty on borrowings

	As at 31 March 2022	As at 31 March 2021
Number of significant counterparties	21	11
Amount of borrowed funds from significant counterparties	59,543.45	25,185.49
Percentage of total deposits	Not applicable	Not applicable
Percentage of total liabilities	91.5%	69.7%

Notes:

i) 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.

ii) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

48 Other RBI disclosures (Contd.)

c) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019: Contd.

(ii) Top 20 large deposits (amount in ₹ lakhs and % of total deposits) - Not applicable

(iii) Top 10 borrowings

	As at 31 March 2022	As at 31 March 2021
Amount of borrowed funds from top ten significant counterparties*	43,174.52	30,877.65
% of total borrowings#	69.9%	90.8%

Note:

*Accrued interest on borrowings have not been considered in above calculation.

#Total borrowing has been computed as gross total debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument / product

Name of the instrument/product	As at 31 March 2022		As at 31 March 2021	
	Amount*	% of total liabilities	Amount*	% of total liabilities
Debt securities	19,406.84	29.8%	9,940.01	27.5%
Borrowings (other than debt securities)	42,403.05	65.2%	24,080.87	66.6%

Note:

(i) 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.

(ii) Total liabilities has been computed as total assets less equity share capital less reserve & surplus and computed basis extant regulatory ALM guidelines.

* Figures are based on gross borrowing outstanding and does not includes accrued interest and other Ind AS adjustments.

(V) Stock ratios in percentage

	As at 31 March 2022	As at 31 March 2021
1. Commercial papers as a % of total liabilities	Not Applicable	Not Applicable
2. Commercial papers as a % of total assets	Not Applicable	Not Applicable
3. Commercial papers as a % of public fund	Not Applicable	Not Applicable
4. Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	9.2%	18.3%
5. Non-convertible debentures (original maturity of less than one year) as a % of total assets	6.6%	10.8%
6. Non-convertible debentures (original maturity of less than one year) as a % of public fund*	9.7%	19.2%
7. Other short-term liabilities as a % of total liabilities	55.5%	60.8%
8. Other short-term liabilities as a % of total assets	39.9%	36.0%
9. Other short-term liabilities as a % of public fund*	58.48%	63.97%

*Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

(vi) Institutional set-up for Liquidity Risk Management

Refer note 37.

49 Relationship with struck off companies

The Company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

50 Undisclosed income

There are no transactions which are not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51 Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(All amounts in ₹ lakhs unless otherwise stated)

52 Business combination

The Company has acquired 'IntelleCash' business from Arohan on 1 January 2021 as a going concern on slump sale basis. The business acquired consists of loan products and services same as offered by the Company.

a) Quantitative details of shares acquired and purchase consideration

Purchase consideration - Cash consideration	6,305.16

b) Disclosure related to net assets acquired in business combination:

Particulars	1 January 2021
Non-financial assets	
(a) Property, Plant and Equipment	33.20
(b) Other Intangible assets	1.17
	34.37
Financial assets	
(c) Loans (refer note 1 below)	4,273.27
(d) Other financial assets	45.27
	4,318.54
Total assets	**4,352.91**
Financial liabilities	
(a) Other financial liabilities	56.85
Total liabilities	**56.85**
Total identifiable net assets as on date of acquisition	**4,296.06**
Goodwill arising on acquisition	**2,009.10**
Purchase Consideration transferred	**6,305.16**

Notes

1. Loans is net of credit impairment recorded and it is expected that the amounts recorded are fully collectible
2. No contingent liabilities as on the acquisition date
3. The goodwill comprises the value of expected synergies arising from the acquisitions and a workforce list, which is not separately recognised. It does not meet the criteria for recognition as an intangible asset under Ind AS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

c) Details pertaining to identifiable intangible assets as on the date of acquisition

Identifiable intangible assets	
Software	1.17

d) Details pertaining to acquired receivables as on the date of acquisition

i. the fair value of the receivables	4,697.21
ii. the gross contractual amounts receivable	4,660.52

e) Disclosure related to combined entity's revenue and profits as if the acquisition had been done at beginning of the period

Particulars	Revenue for the year ended 31 March 2021	Pre-acquisition period revenue	Consolidated Revenue as if the acquisition had been done at the beginning of the year
Revenue			
Interest income	12,000.16	1,502.98	13,503.14
Profit for the year ended 31 March 2021	546.77	609.52	1,156.29

53 Note on De-merger

The Board of Directors in the meeting held on 22 July 2020 approved the scheme of de-merger of demerged undertaking of TribeTech Private Limited into and with the Company with an appointed date of 1 April 2021. The scheme has been filed with Honourable National Company Law Tribunal ('NCLT') on 15 September 2020. The Board of Directors have approved a revised appointed date of 1 April 2022 for the scheme and application has been filed with the NCLT. As on date of these results, the scheme is yet to be approved by the NCLT.

54 Events after balance sheet date

There are no significant events that have occurred after balance sheet date but before the date of signing of these financial statements.

55 The Covid 19 pandemic has impacted most economies globally, including India. The second wave of COVID-19 pandemic, where the number of new cases had increased significantly in India, had resulted in re-imposition of regional lockdown measures in various parts of the country in April and May 2021. The second wave started to subside from June 2021 onwards and there has been a lifting of lockdowns, thereby resulting in gradual increase in economic activity.

The impact, including credit quality and provision, of the Covid-19 pandemic, on the Company, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the government and the RBI to mitigate the economic impact, and the time it takes for economic activities to return to pre-pandemic levels. The Company has been duly servicing its debt obligations, has not taken the benefit of moratorium on any of its borrowings, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business.

The management will continue to monitor any material changes in the macro-economic factors impacting the Company. The provision held by the Company are in excess of RBI prescribed norms.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

For **Batliboi and Purohit**
Chartered Accountants
Firm registration number: 101048W

Janak Mehta
Partner
Membership No: 116976

Place: Mumbai
Date: 5 May 2022

For and on behalf of the Board of Directors
Ashv Finance Limited (Formerly known as Jain Sons Finlease Limited)

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer

Monika Variava
Company Secretary

Place: Mumbai
Date: 5 May 2022

BOARD'S REPORT

Dear Members,

Your Board of Directors (the "Board") takes pleasure in presenting Twenty Forth (24th) Annual Report of the Ashv Finance Limited (Erstwhile known as Jain Sons Finlease Limited) (the "Company") together with the Audited Financial Statements for the year ended 31-Mar-2022:

FINANCIAL RESULTS:

The financial performance of the Company is summarised below:

(All amounts in ₹ unless otherwise stated)

Particulars	31-Mar-2022 (Rupees in Lakhs)	31-Mar-2021 (Rupees in Lakhs)	Change (%)
Revenue from Business Operations	12,799.67	9,079.81	29%
Other Income	52.72	92.46	-75%
Total Revenues	**12,852.39**	**9,172.27**	**29%**
Less: Expenses	6,508.28	5,294.96	19%
Profit before Interest and Depreciation	**6,344.11**	**3,877.31**	**39%**
Less: Interest	5,840.32	3,454.06	41%
Profit before Depreciation	**503.79**	**423.25**	**16%**
Less: Depreciation	272.49	157.79	42%
Profit after Depreciation and Interest	**231.30**	**265.46**	**-15%**
Less: Current Income Tax	21.74	75.49	-247%
Less: Deferred tax benefits	-330.24	-579.94	-76%
Less: Taxes of earlier years	-6.97	-26.44	-279%
Profit after Tax	**546.77**	**796.35**	**-46%**
Other comprehensive income, Net of tax	8.31	2.34	72%
Comprehensive income for the year	**538.46**	**794.01**	**-47%**
Amount transferred to Statutory Reserve pursuant to Section 45-IC of Reserve Bank of India (RBI) Act, 1934	110.00	160.00	-45%
Balance carried to Balance Sheet	**428.46**	**634.01**	**-48%**
Earnings per share (Basic)	1.63	2.37	-46%
Earnings per share (Diluted)	1.30	1.89	-46%

The above figures are extracted from the Financial Statements prepared in accordance with Indian Accounting Standards ("IND AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

REVIEW OF BUSINESS OPERATIONS AND COMPANY'S STATE OF AFFAIRS:

During the year under review, the total revenue of the Company was ₹12,799.67 lakhs and Net Profit was ₹546.77 lakhs.

The Company has disbursed ₹59,714.08 Lakhs of fresh loans as compared to ₹ 44,292.37 Lakhs. fresh loans in the previous financial year FY21. Accordingly, the revenue of the Company has also grown up by 29%

During the year under review, we have opened up branches in Ahmednagar, Chandigarh, Vijayawada, Vishakhapatnam, Vasai, Kalyan, Dehradun, Raipur, Jaipur, etc. As of today, a total of 31 branches excluding a registered office situated in Mumbai have been opened up and have built up a distribution team accordingly.

A detailed overview of the state of affairs of the Company, Industry Overview, future outlook etc. is provided in the Management Discussion and Analysis section, enclosed with this report.

SCHEME OF ARRANGEMENT WITH TRIBETECH PRIVATE LIMITED:
The Company had in its meeting of the Audit and Compliance Committee and Board of Directors of the Company held on 22-Jul-2020 approved the Scheme of Arrangement (the "Scheme") between TribeTech Private Limited (the "Transferor Company") and Ashv Finance Limited (erstwhile known as Jain Sons Finlease Limited) (the "Transferee Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 ("the Act") and other applicable provision of the Act and rules framed thereunder to rationalize the business operations and activities of both, the Transferor Company and the Transferee Company, by bringing together the synergy between the technology platform and the distribution capabilities of the two companies.

During the year under review, due to continuing the impact of the Covid-19 pandemic on account of wave 2, multiple restrictions were placed by the Government of India by way of announcing lockdowns at various intervals in the year 2021. Due to this, there has been a significant impact on the regular working of courts, offices, and regulatory authorities' offices again. In view of the same, the Company has passed the resolution for changing the appointed date from 01-Apr-2021 to 01-Apr-2022 by way of taking requisite approvals in its meeting of the Audit and Compliance Committee and Board of Directors of the Company held on 09-Feb-2022. Currently, a joint application has been filed by the Company before the Hon'ble National Company Law Tribunal, Mumbai Bench to take on record the aforesaid fact regarding the change in the 'appointed date'; the application is pending for hearing.

CHANGE IN THE NATURE OF BUSINESS:
There has been no change in the nature of business of the Company during the year under review.

RESOURCE MOBILIZATION:
During the year under review, the Company has raised funds from Banks and Financial Institutions through various channels including Term Loans, Non-Convertible Debentures (NCDs) on a private placement basis and securitization of loan assets of the Company in line with the Company's Resource Planning Policy.

a. Non-Convertible Debentures:
During the year under review, the Company has raised funds by way of issuance of Non-Convertible Debentures (NCDs) on a Private Placement basis as mentioned below:

(Rupees In Lakhs)

Date of Allotment	Description of NCDs	No. of NCDs	Face Value (FV) (in ₹)	Nominal Value (in ₹)	Principal Outstanding (in ₹)	Maturity Date
23-Jun-2021	Secured Rated Listed Redeemable Transferable Principal Protected Market Linked Non-Convertible Debentures	2500	1,00,000	2,500	2,500	14-Oct-2022
29-Jun-2021	Unlisted, Rated, Unsubordinated, Secured, Transferable, Redeemable, Principal Protected Market Linked Debentures	2000	1,00,000	2,000	2,000	30-Sep-2024
13-Aug-2021	Rated, Senior, Secured, Listed, Redeemable, Transferable Non-Convertible Debentures ("NCDs" or "Debentures")	200	10,00,000	2,000	1,440	13-Sep-2023
12-Nov-2021	Rated, Unlisted, Senior, Redeemable, Transferable, Non-Convertible Debentures ("NCDs" or "Debentures")	3000	1,00,000	3,000	2,500	25-Oct-2024
21-Dec-2021	Rated, Unlisted, Senior, Redeemable, Transferable, Non-Convertible Debentures ("NCDs" or "Debentures")	1700	1,00,000	1,700	1,700	20-Dec-2024
23-Dec-2021	Secured, Rated, Unlisted, Redeemable, Transferable, Taxable, INR denominated ("NCDs" or "Debentures")	37000	10,000	3,700	3,700	23-Dec-2024
31-Mar-2022	Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")	210	10,00,000	2,100	2,100	07-Mar-2025

Funds raised through private placement of debentures were utilized for the purpose as mentioned in the offer documents.

b. **Bank & Financial Institution:**

During the year under review, Banks & Financial Institutions remains an important source of funding for your Company. Financial Institution continued their support to your Company during the Financial Year. Borrowing outstanding as of 31-Mar-2022 from Bank and Financial Institutions were ₹ 51,310.71 Lakhs as against ₹ 33,795.18 Lakhs in the previous year. Also, during the year, the Company's Borrowing from Bank & Financial Institutions were Rs. 42,900.00 Lakhs as against Rs. 23,500.00 Lakhs in the previous years.

c. **Securitization:**

Borrowing outstanding as of 31-Mar-2022 by way of Securitization of loan assets of the company were ₹ 10,106.37 Lakhs. During the year under review, the Company has raised funds of ₹15,003.25 Lakhs.

No interest payment or principal repayment of the Term Loans and on Debentures was due and unpaid as of 31-Mar-2022. The assets of the Company which are available by way of security are sufficient to discharge the claims of the banks, financial institutions and debt security holders as and when they become due.

SHARE CAPITAL:

a. **Authorized Share Capital:**

During the year under review, there is no change in the Authorised Share Capital of the Company. Authorized Share Capital of the Company as of 31-Mar-2022 is as below:

Particulars	No. of Shares	Nominal Amount (In ₹)
Equity Shares (FV of ₹10/- each)	7,34,00,000	73,40,00,000
Series C Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	60,00,000	6,00,00,000
Series D Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	56,00,000	5,60,00,000
Total	**8,50,00,000**	**85,00,00,000**

b. **Issued, Subscribed and Paid-up Share Capital:**

During the year under review, the Company has not issued any shares either through private placement basis, through differential rights, public issue, bonus issue, sweat equity issue, or bought back any securities. The issued, subscribed, and paid-up share capital of the Company as of 31-Mar-2022 are as below:

Particulars	No. of Shares	Nominal Amount (In ₹)
Equity Shares (FV of ₹10/- each)	3,36,15,301	33,61,53,010
Series C Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	58,49,966	5,84,99,660
Series D Compulsorily Convertible Preference Shares (CCPS) (FV of ₹10/- each)	26,27,724	2,62,77,240
Total	**4,20,92,991**	**42,09,29,910**

EMPLOYEES STOCK OPTION PLAN:

With a view to reward the key employees for their association, dedication, and contribution to the goals of the Company, your Company had formulated and implemented the "IntelleGrow Employee Stock Option Plan 2018" (IntelleGrow ESOP 2018), ESOP Scheme 1, and formulated "Ashv Finance – Employee Stock Option 2021, ESOP Scheme 2, which shall be effective upon the receipt of NCLT order pertaining to the Scheme of Arrangement (the "Scheme") between TribeTech Private Limited (the "Transferor Company") and Ashv Finance Limited (erstwhile known as Jain Sons Finlease Limited) (the "Transferee Company"). The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Scheme in accordance with applicable regulations. The details of the Employee Stock Option Plan as required to be provided under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are annexed to this Report as an **Annexure-A** and forms an integral part of the Report.

CHANGE IN CONSTITUTIONAL DOCUMENTS:

During the year under review, there is no change in Memorandum of Association and Articles of Association of the Company.

TRANSFER TO RESERVES:
During the year under review, the Company has transferred ₹ 110 Lakhs to the Statutory Reserve maintained under Section 45IC of the RBI Act, 1934.

DIVIDEND:
Considering your Company's rapid growth and future strategy and plans and with a view to conserve capital, your Directors consider it prudent to conserve the resources of the Company and do not recommend any dividend to any of its shareholders for the financial year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Retirement by Rotation:
In accordance with the provisions of Section 152 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Ms. Anuradha Ramachandran (DIN: 01983108), Nominee Director of the Company, being longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment and your Directors recommends her re-appointment. Declaration from the Director under Section 164(2) of the Act had been received.

b. Appointment of Directors:
During the year under review, upon recommendation of the Members of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 08-Feb-2022 and 09-Feb-2022 respectively had appointed Mr. Sagar Shyamkant Thakar (DIN: 09481269) as an Additional Director (Nominee of Legal Owner Triodos Funds B.V., in its capacity as legal owner of Triodos Fair Share Fund and Triodos SICAV II – Triodos Microfinance Fund) of the Company subject to approval of the Shareholders in the ensuing Annual General Meeting. The Company has received notice under section 160 of the Act proposing his candidature for the office of Director of the Company. Your Directors recommends his appointment.

c. Composition of Board:
As on date, the Board comprises of 8 (Eight) Directors viz:

1. Mr. Vineet Chandra Rai - Chairman & Director
2. Mr. Rakesh Rewari - Independent Director
3. Ms. Matangi Gowrishankar - Independent Director
4. Ms. Anuradha Ramachandran - Nominee Director
5. Ms. Suma Swaminathan - Nominee Director
6. Mr. Anurag Agrawal - Director
7. Mr. Nikesh Kumar Sinha - Managing Director
8. Mr. Sagar Thakar - Additional Director

d. Declaration from Independent Directors:
The Company has received declarations from Mr. Rakesh Rewari and Ms. Matangi Gowrishankar, Independent Directors of the Company, confirming that they met the criteria of independence as stipulated in Section 149(6) of the Act read with rules framed thereunder.

e. Disqualification of Directors:

The Company has received declarations from all the Directors including Independent Directors of the Company confirming that they are not disqualified on account of non-compliance with any of the provisions of the Act and as stipulated in Section 164 of the Act.

f. Declaration of Fit & Proper Criteria:
All the Directors of the Company have given the declaration to the effect that they are Fit & Proper, to be appointed as Director, as per the Criteria prescribed by RBI.

g. Annual Performance Evaluation of the Board:
Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the Directors individually (including Chairman). The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company was made based on the questionnaire to evaluate the performances of Executive, Non-Executive Directors. Accordingly, Directors other than Independent Directors evaluated the performance of Independent Directors and the Board as a whole based on the questionnaire to evaluate the performances of Independent Directors. The evaluation framework for assessing the performance of Directors comprised of the following key areas:
i. Structure and Composition of Board;
ii. Corporate Culture;
iii. Board Effectiveness;
iv. Board Information;
v. Board Functioning;
vi. Performance Evaluation

h. Key Managerial Personnel (KMP):
During the year under review, Mr. Nikesh Kumar Sinha, Managing Director, Ms. Kiran Agarwal Todi, Chief Financial Officer, and Ms. Monika Thadeshwar (Variava), Company Secretary are the Key Managerial Personnel (KMP) of the Company. There were no changes that occurred in the KMP of the Company.

MANAGERIAL REMUNERATION AND OTHER DETAILS:
The necessary details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration and other details pursuant to the Section 197(12) of the Act and as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as an **Annexure-B** with this report.

The statement containing particulars of employees as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of the Board's Report. In terms of Section 136 of the Act, the Board's Report and the Accounts are being sent to the Members excluding the aforesaid annexure and the same is open for inspection at the Registered Office of the Company. A copy of the statement may be obtained by the Members, by writing to the Company Secretary of the Company.

POLICY ON DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:
The Company's policy relating to the appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Act and the 'fit and proper' criteria to be adopted at the time of appointment of Directors and continuingly, pursuant to the Non- Banking Financial Companies (NBFC)

– Corporate Governance (Reserve Bank) Directions 2015 issued by the RBI and adopted by the Company is annexed as an **Annexure-C** with this report. The Nomination and Remuneration Policy consisting of salient features are available on the Company's website at https://www.ashvfinance.com/investor-relations/.

CORPORATE GOVERNANCE:
The Company recognizes its role as a corporate citizen and endeavors to adopt good practices, and standards of corporate governance through transparency in business ethics, accountability to its customers, government and various stakeholders for building the strong foundation of the Company.

Thus, with constant aim to safeguard the interest of all stakeholders and in accordance with terms of the RBI Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company had framed and adopted the Corporate Governance Policy duly approved by the Board of Directors of the Company. The report on the Corporate Governance of the Company as of 31-Mar-2022 be and is hereby annexed as an **Annexure-D** to this report. The said policy is available on the website of the Company at https://www.ashvfinance.com/investor-relations/.

BOARD AND COMMITTEE MEETINGS:
During the year under review, the Board of Directors of the Company met 5 times. The details of meetings of the Board and its Committees held during the year are specified in the Corporate Governance Report of the Directors which forms parts of this report. The intervening gap between the two Board meetings was within the period prescribed under the Act.

CORPORATE SOCIAL RESPONSIBILITY:
As per Section 135 of the Act, your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board to support the Company in achieving the CSR objectives of the Company. Details of the constitution of the CSR Committee are provided in the Corporate Governance Report which forms parts of this report.

CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy in line with CSR activities as defined in Schedule VII of the Act, which has been approved by the Board. During the year under review, there were no changes in the said policy recommended by CSR Committee and approved by the Board. Corporate Social Responsibility Policy is available on the Company's website at https://www.ashvfinance.com/investor-relations/.

The average net profit for immediate previous financial year is below the threshold limit, as specified in section 135 of the Act, your Company was not required to spend any amount towards CSR during the financial year under review.

Further, the Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, forming part of this Annual Report is hereby annexed as an **Annexure -E.**

RISKS MANAGEMENT AND AREAS OF CONCERN:
The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, technology risk, operational risk etc. The Company has in place a Board-approved Credit Risk Policy, Asset Liability Management Policy, Environment, Social and Governance Risk Policy, Liquidity Risk Management Policy for addressing the various risks associated with the Company's lending business and treasury operations.

The Risk Committee of the Board constituted in accordance with the RBI guidelines has overall responsibility for overseeing the Risk management activities of the Company. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. The details of the Risk Committee have been provided in the Corporate Governance Report forming part of this report.

DIRECTORS RESPONSIBILITY STATEMENT:
Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Act state that:
(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;
(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) the Directors had prepared the annual accounts on a going concern basis;
(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MAINTENANCE OF COST RECORDS:
The Company being Non-Banking Finance Company, maintenance of cost records as prescribed under Section 148 of the Act is not applicable.

SECRETARIAL AUDIT REPORT:
According to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31-Mar-2022. The Secretarial Audit Report is annexed and forming part of this report as an **Annexure-F.**

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:
No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates on the date of this report other than the Covid pandemic that has impacted the whole industry.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM:
The Company has a Vigil Mechanism in place to deal with instances of fraud and mismanagement if any. The mechanism also provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Compliance Committee of the Board in exceptional cases. The Company also provides direct access to the Chairman of the Audit and Compliance Committee on reporting issues concerning the interests of employees and the Company.

We affirm that during the financial year 2021-22, no Employees or Directors were denied access to the Audit and Compliance Committee. The Whistle Blower Policy and Vigil Mechanism is available on the Company's website at www.ashvfinance.com.

FAIR PRACTICE CODE:
Your Company has in place a Fair Practice Code (FPC), which includes guidelines on the terms and conditions relating to the receipt of loan applications from prospective borrowers and processing thereof, sanction, monitoring and recovery of loans and other financial products being offered by it etc., FPC is available on the Company's website at https://www.ashvfinance.com/investor-relations/.

KNOW YOUR CUSTOMER (KYC) GUIDELINES & ANTI-MONEY LAUNDERING (AML) POLICY:
In terms of the circular(s) and direction(s) on KYC Norms and AML Measures issued by the RBI including Know Your Customer (KYC) Direction, 2016, the Prevention of Money Laundering Act, 2002 and rules made thereunder and as amended from time to time, the Board of Directors has adopted KYC & AML Policy with an objective to prevent NBFCs being used, intentionally or unintentionally by criminal elements for money laundering activities by way of making reasonable efforts to determine the identity and beneficial ownership of accounts, source of funds, the nature of customer's business, the reasonableness of operations in the account in relation to the customer's business, etc. which in turn helps the Company to manage its risk prudently.

During the year under review, the Board of Directors of the Company in its meeting held on 22-Jun-2021 revised its Know Your Customer (KYC) Guidelines & Anti-Money Laundering (AML) Policy to align it with circulars and master direction issued by RBI. The KYC & AML Policy is available on the Company's website at https://www.ashvfinance.com/investor-relations/.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the Audit and Compliance Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2021-22.

STATUTORY AUDITORS:

The financial statements of the Company for the financial year ended 31-Mar-2022 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act. The notes to the accounts referred to in Auditors Report are self-explanatory. The Statutory Auditors' Report on the financial statements for the financial year 2021-22 does not contain any qualification, reservation, or adverse remark.

In terms of Section 139 of the Act read with rules made thereunder, upon the recommendation of the Members of the Audit and Compliance Committee of the Board, the Board of Directors in its meeting held on 22-Jun-2021 and the shareholders in its meeting held on 28-Jul-2021 appointed Batliboi & Purohit, Chartered Accountants, having ICAI Firm Registration No. 101048W as a Statutory Auditors of the Company to hold office for a tenure of 5 years starting from the conclusion of 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company.

FRAUD REPORTED BY AUDITORS:

During the year under review, neither the Statutory Auditor nor Secretarial Auditor have reported any instances of frauds committed in the Company by its officers or employees to the Audit and Compliance Committee of the Board and the Board of Directors under Section 143 of the Act, details of which need to be mentioned in this report.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has devised a proper system of internal financial control which is commensurate with the size and nature of the Business. Our Co-sourced Internal Auditor i.e., Protiviti India Member Private Limited (Protiviti), Chartered Accountants, monitors and evaluates internal audit function, corrective action in their respective areas and thereby strengthens the controls and reports the same on half yearly basis to the Audit and Compliance Committee of the Board.

Also, they have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on 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.

INTERNAL CONTROL SYSTEMS:

The Company has an internal control system that is commensurate with the size, scale and complexity of its operations. The Co-Sourced Internal Auditor monitors the efficiency of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit and Compliance Committee of the Board.

COMPLIANCE WITH SECRETARIAL STANDARDS:
The Board of Directors of the Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretary of India and that such systems are adequate and operating effectively.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):
During the year under review, no applications were filed against the Company by any financial or operational creditors.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE:
During the year under review, there were no significant or material orders passed by any regulator or court or tribunal, which impacts the going concern status of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:
The information as required under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding the conversation of energy, technology absorption is not applicable as the Company is not carrying on any manufacturing activity during the year.

The particulars regarding foreign exchange earnings and outgo during the year under review are as under:

Particulars	(Rs. in lakhs) 2020-22	2020-21
Total Expenditure in Foreign Currency	7.52	9.31
Total Earnings in Foreign Currency	-	-

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:
According to Section 186(11)(a) of the Act read with the Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment thereto from time to time, the loans made, guarantee given or security provided in the ordinary course of business by an NBFC registered with RBI are exempt from the applicability of provisions of Section 186 of the Act. Hence, particulars of the loans and guarantees have not to be disclosed in this report. The details of the loan made and particulars of current investments and non-current investments are furnished under Notes to Accounts of financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:
During the year under review, all related party contracts/arrangements/transactions were placed before the Audit and Compliance Committee of the Board for its approval and statement of all related party transactions carried out was placed before the Audit and Compliance Committee and the Board of Directors on periodic basis. The Company has entered into certain transactions/contracts with the related parties falling within the provisions of Section 188 of the Act and rules made thereunder. The Company also has obtained Omnibus approval for the same, accordingly, the particulars of material Contracts or Arrangements made with related parties pursuant to Section 188 of the Act, in Form AOC-2 as prescribed under Companies (Accounts) Rules, 2014 relating to Accounts of Companies under the Act as on 31-Mar-2021, is annexed as an **Annexure-G** with this report.

The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements. The shareholders may kindly refer to the same.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the website of the Company. The same is available on the company's website at https://www.ashvfinance.com/investor-relations/.

EXTRACT OF ANNUAL RETURN:
According to the provisions of Section 134(3)(a) and Section 92(3) of the Act, the Annual Return of the Company in the prescribed Form MGT-7 is available on the Company's website at https://www.ashvfinance.com/investor-relations/.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:
During the year under review, the Company does not have any Subsidiary, Joint venture or Associate Company.

PUBLIC DEPOSITS:
Your Company is a non-deposit taking Company (NBFC-ND-SI). During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. The Company has passed a resolution for the non-acceptance of deposits from the public. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:
The detailed report on Management Discussion and Analysis is hereby annexed as an **Annexure-H** with this report.

REPORTING UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:
Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination and to boost their confidence, morale and performance. The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment from all offices of the Company. The Company has also adopted the Policy on Anti-Sexual Harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy. To build awareness in this area, the Company is continuously providing training to employees of the Company and has placed extract of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at the entrance of all offices of the Company along with contact details of the Members of Internal Complaints Committee.

During the financial year 2021-22, the Company had received 1 complaint on sexual harassment, which has been resolved immediately with corrective actions.

CREDIT RATING:
Your Company's financial discipline and prudence is reflected in the strong credit rating ascribed by Credit Rating Agencies as under:

Instrument	Date of Rating Obtained	Rating Agency	Rating	Amount (Rs. In Lakhs.)
Proposed Principal Protected Market Linked Debenture (PP-MLD)	25-Jun-2021	India Rating & Research	IND PP-MLD BBB emr/ Stable	4,500.00
Bank Loan	25-Jun-2021	India Rating & Research	BBB, Stable	5,000.00
Long Term Bank Facilities	29-Oct-2021	CARE	CARE BBB; Stable	2,000.00
Bank Facility	20-Dec-2021	Acuite	Acuite BBB+/Stable	5,000.00
Non-Convertible Debenture	13-Apr-22	Acuite	Acuite BBB+/Stable	10,000.00
Non-Convertible Debenture	14-Apr-2022	CARE	CARE BBB; Stable	8,000.00

CAPITAL ADEQUACY RATIO:
Your Company is well capitalized and has a capital adequacy ratio of 28% as of 31-Mar-2022 as against the minimum regulatory requirement of 15.00 % for non-deposit accepting NBFCs.

LISTING OF SECURITIES:
Non-convertible Debentures of the Company are listed on BSE Limited and your Company has paid required listing fees to BSE Limited.

RBI GUIDELINES:
Your Company is a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI) and has complied with and continues to comply with all applicable regulations and directions issued by RBI from time to time.

ACKNOWLEDGEMENTS:
Your Board of Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities including RBI for the continued support extended to your Company during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence in the Company, its team, and customers.

For and on behalf of the Board of Directors

SD/-
Vineet Chandra Rai
Chairman
(DIN: 00606290)

SD/-
Nikesh Kumar Sinha
Managing Director
(DIN: 08268336)

Place: Mumbai
Date: 05-May-2022

EMPLOYEE STOCK OPTION PLAN (ESOP)

Presently IntelleGrow Employee Stock Option, 2018 (IntelleGrow ESOP 2018) is in force. The Nomination and Remuneration Committee of the Board of the Company administer and monitor the Employee Stock Option Scheme of the Company in accordance with applicable law.

The details of the Employee Stock Option Scheme as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as follows:

	Particulars	31-Mar-2021
a.	Options granted	
	- Outstanding at the beginning	6,12,666
	- Granted during the year	4,00,000
b.	Total Options granted	10,12,666
c.	Options vested	3,92,329
d.	Options exercised	0
e.	Total number of shares arising as a result of exercise of options	0
f.	Options lapsed	15,000
g.	Exercise price	Rs.10/- & Rs.87.18/-
h.	Variation in terms of options, if any	IntelleGrow Employee Stock Option, 2018 was amended pursuant to the resolution passed in the Nomination and Remuneration Committee Meeting and Board of Directors Meeting held on 22-Jun-2021 and Shareholders of the Company in its meeting held on 28-Jul-2021 by increasing ESOP Pool size by 6,00,000 ESOPs with same terms and conditions as mentioned in the scheme.
i.	Money realised by exercise of options	0
j.	Total number of options in force	9,97,666
k.	Employee wise details of options granted to	
a)	Key Managerial Personnel	2,06,000
b)	Any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year	Name of Employee: Ranjan Lahiri; Options Granted: 80,000
c)	Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

Disclosure on Managerial Remuneration and other details

Remuneration details under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended for the financial year ended 31-Mar-2022:

Name of Director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% Increase in remuneration in the financial year
A. Non-Executive Directors		
Mr. Vineet Chandra Rai - Chairman	-	-
Mr. Rakesh Rewari - Independent Director	-	-
Ms. Matangi Gowrishankar - Independent Director	-	-
Ms. Anuradha Ramachandran - Nominee Director	-	-
Ms. Suma Swaminathan – Nominee Director	-	-
Mr. Sagar Shyamkant Thakar – Nominee Director		
Mr. Anurag Agrawal – Director	-	-
	-	-
B. Executive Director		
Mr. Nikesh Kumar Sinha – Managing Director	27	25%
C. Key Managerial Personnel		
Ms. Kiran Agarwal Todi - Chief Financial Officer		22%
Ms. Monika Thadeshwar (Variava) – Company Secretary		12%
D. The percentage increase in the median remuneration of employees in the financial year other than Managing Director		10%
E. Number of permanent employees on the rolls of the Company as on 31-Mar-2022		401

F. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increases in the salaries of employees other than the managerial personnel in the last financial year is 11%.

Average percentile increase in the managerial remuneration is 20%.

Annual increments, are decided by the Nomination and Remuneration Committee with the salary scale approved by the members.

G. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Disclosure on Managerial Remuneration and other details

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.1,02,00,000/-

Mr. Nikesh Kumar Sinha – Managing Director

Sl. No.	Particulars	Details
1	Designation of the employee	Managing Director
2	Remuneration received	Rs.1,92,50,000/- (inclusive of perquisites)
3	Nature of employment, whether contractual or otherwise	Permanent
4	Qualification and Experience	Post Graduate diploma in Forestry Management from Indian Institute of Forest Management, Bhopal and Bachelor of Science in Mathematics from St. Xavier's, Kolkata. Nikesh brings rich experience in banking and finance and as the Head of Medium Enterprise Group at Axis Bank managed assets worth INR 28,000 Crore (US $ 4 Billion). Nikesh was one of the early joiners at Axis Bank and completed over 20 years of service with the bank. Some of his roles at Axis Bank include a stint as Deputy CEO of the Singapore Operation.
5	Date of commencement of Employment	16-Oct-2018 as a CEO and 30-Oct-2018 as a Managing Director
6	Age	53
7	The last employment held	Senior Vice President & Head of Medium Enterprises Group at Axis Bank
8	% of equity shares held	0.01%

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs.8,50,000/- per month - **Nil**

c. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. -**Nil**

Ashv
AAVISHKAAR GROUP

ASHV FINANCE LIMITED

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP)and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

Composition of Committee:

1. The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors.

2. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

Objective:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.

1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.

1.3. Formulation of criteria for evaluation of Independent Director and the Board.

1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.5. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.

1.6. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.8. To develop a succession plan for the Board and to regularly review the plan.

1.9. To assist the Board in fulfilling responsibilities.

1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

Applicability:

a) Directors (Executive and Non-Executive)
b) KMP
c) Senior Management Personnel

Definitions:

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
ii. Chief Financial Officer;
iii. Company Secretary; and
iv. such other officer as may be prescribed.

"Senior Management" means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Policy for Appointment and Removal of Director, KMP and Senior Management:

1. Appointment Criteria and Qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the

Board his / her appointment.

b) The Committee shall undertake a process of due diligence to determine the suitability of the person for appointment/continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.

c) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

e) The Company shall appoint Independent/Non-Executive Directors nominated to the Board should be between 35 to 70 years of age.

f) The Company shall obtain necessary information and declaration from the proposed/existing directors as per the format provided under the Companies Act, 2013 and Guidelines issued by Reserve Bank of India from time to time.

g) The Company shall obtained annually as on 31st March a simple declaration from the Directors the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.

h) The Company shall ensure in public interest that the nominated/elected directors execute the deeds of covenants in the Format provided under the Guidelines issued by Reserve Bank of India from time to time.

2. Term / Tenure:

a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto maximum of

5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. 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 said Act, rules and regulations.

5. 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.

Policy for Remuneration to Directors/KMP/Senior Management Personnel:-

1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Duties in Relation to Nomination Matters:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- Scrutinize the declarations received from directors and based on the information provided in the signed declaration, the Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary;
- Considering any other matters, as may be requested by the Board.

Duties In Relation To Remuneration Matters:

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

- Delegating any of its powers to one or more of its members or the Secretary of the Committee.

- Considering any other matters as may be requested by the Board.

Review and Amendment:

i. The NRC or the Board may review the Policy as and when it deems necessary.

ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

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COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Ashv is committed to the adoption of best practices of Corporate Governance and its adherence in true spirit, at all times. The Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. The Corporate Governance framework of the Company is based on an effective and independent Board, separation of the Board's supervisory role from the Executive Management team and constitution of the Board Committees, as required under applicable laws. The Board functions either as a full Board or through various Committees constituted to oversee specific functions.

The Executive Management provides the Board detailed reports on the Company's performance on monthly basis. During the year under review, your Company has adopted a Board approved Corporate Governance Policy. The details of compliance with Corporate Governance requirements during the financial year ended 31-Mar-2022 ("financial year under review") are as follows:

1. BOARD OF DIRECTORS:

The Board of your Company comprises of combination of Executive, Non-Executive, Nominee and Independent Directors. The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long term and short-term interest of all our stakeholders. The Board has formulated various committees for handling specific responsibilities under the applicable laws i.e., Audit and Compliance Committee, Nomination and Remuneration Committee, Risk Committee, Asset Liability Management Committee, Corporate Governance & Executive Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Product, Process, Credit Policy and Grievance Redressal Committee.

1.a. Composition: As of 31-Mar-2022, the Board of Directors of the Company ("the Board") comprises of 8 (Eight) Directors, which includes 2 (Two) Independent Directors, 5 (Five) Non-Executive Directors and 1 (One) Managing Director. The Chairman of the Board is a Non-Executive Director. Out of 8 (Eight) Directors, 3 (Three) Directors on the Board are Women Directors.

In terms of the provisions of the Companies Act, 2013 (Act), the Directors submit necessary disclosures regarding the positions held by them on the Board of other public and/or private Companies, from time to time. All Independent Directors on the Board are Non-Executive Directors. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act. As per the declarations received, none of the Directors serve as an Independent Director in more than seven listed Companies. The brief profile of the present Directors on the Board is available on the Company's website at https://www.ashvfinance.com/about-us/.

The details of the Directors of the Company with regard to outside Directorship held as of 31-Mar-2022 are as follow:

Name of the Director	DIN	Category	No. of Outside Directorship(s) held
Mr. Vineet Chandra Rai	00606290	Non-Executive	11
Mr. Rakesh Rewari	00286853	Independent	6

Ms. Matangi Gowrishankar	01518137	Independent Director	10
Ms. Anuradha Ramachandran	01983108	Non-Executive Nominee	5
Ms. Suma Swaminathan	08735282	Non-Executive Nominee	0
Mr. Anurag Agrawal	02385780	Non-Executive	6
Mr. Nikesh Kumar Sinha	08268336	Executive	0
Mr. Sagar Thakar	09481269	Additional Director	0

1.b. Non-Executive Directors Compensation and Disclosures: Sitting fees paid to Independent Directors and Non-Executive Directors for attending Meetings of the Board / Committees has been approved by the Board. No sitting fees were paid to Non-Executive Nominee Directors of the Company during the financial year under review. No commission was recommended/ paid to any of Directors during the financial year under review.

1.c. Board's Functioning and Procedure: The Company's Board plays a pivotal role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibilities and accountabilities are well defined. All relevant information is regularly placed before the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional Meetings are held to address specific needs and business requirements of the Company.

5 (Five) Board Meetings were held during the financial year under review. The gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The details of the Board Meetings held during the financial year under review, dates on which held and number of Directors present are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
22-Jun-2021	7	5
26-Aug-2021	7	6
29-Oct-2021	7	6
17-Jan-2022	7	6
09-Feb-2022	8	7

The Directors on the Board are professionals, having expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson. The Board periodically reviews all the relevant information, which is required to be placed before it and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure, etc. The Board provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

The details of attendance of each Director at the Board Meetings held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Members of the Company held on 28-Jul-2021, through video conferencing are as follows:

Name of the Director	No. of Board Meetings held during the tenure	Attended Board Meetings	Attended Last AGM	No. of Equity Shares held
Mr. Vineet Chandra Rai	5	2	No	Nil
Mr. Rakesh Rewari	5	4	No	Nil
Ms. Matangi Gowrishankar	5	5	Yes	Nil
Ms. Anuradha Ramachandran	5	4	No	Nil
Ms. Suma Swaminathan	5	4	Yes	Nil
*Mr. Sagar Thakkar	1	1	NA	Nil
Mr. Anurag Agrawal	5	5	Yes	Nil
Mr. Nikesh Kumar Sinha	5	5	Yes	3100

*Appointed w.e.f. 09-Feb-2022

1.d. Code of Conduct: The Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review.

1.e. Performance Evaluation of the Board: A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

1.f. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Rules made thereunder as amended from time to time, one Meeting of Independent Directors was held during the year on 30-Mar-2022. The Meeting was conducted to enable Independent Directors, discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

In this Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. They have also reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for the Board to effectively and reasonably perform and discharge their duties.

2. COMMITTEE OF THE BOARD:

During the year under review, no Committees were constituted/re-constituted.

The composition and number of meetings held during the year under review of the above said committees are as under:

Sl. No.	Name of the Committees Meetings	Composition of Committees during the FY 2022	Number of Meetings held during the FY 2022	Date of Meetings held during the FY 2022
1.	Audit and Compliance Committee	Mr. Rakesh Rewari Ms. Suma Swaminathan Ms. Matangi Gowrishankar	4	22-Jun-2021 29-Oct-2021 17-Jan-2022 09-Feb-2022
2.	Nomination and Remuneration Committee	Mr. Rakesh Rewari Ms. Suma Swaminathan Mr. Anurag Agrawal Ms. Matangi Gowrishankar	4	22-Jun-2021 26-Aug-2021 28-Oct-2021 08-Feb-2022
3.	Asset Liability Management Committee	Ms. Anuradha Ramachandran Mr. Nikesh Kumar Sinha Mr. Rakesh Rewari Ms. Suma Swaminathan	4	13-May-2021 26-Aug-2021 28-Oct-2021 08-Feb-2022
4.	Risk Committee	Mr. Rakesh Rewari Ms. Anuradha Ramachandran Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	4	13-May-2021 26-Aug-2021 28-Oct-2021 08-Feb-2022
5.	Corporate Social Responsibility Committee	Ms. Anuradha Ramachandran Mr. Nikesh Kumar Sinha Ms. Matangi Gowrishankar Ms. Suma Swaminathan	2	13-May-2021 26-Aug-2021
6.	IT Strategy Committee	Mr. Rakesh Rewari Ms. Anuradha Ramachandran Mr. Nikesh Kumar Sinha	2	26-Aug-2021 08-Feb-2022
7.	Product, Process, Credit Policy & Grievance Redressal Committee	Mr. Rakesh Rewari Ms. Anuradha Ramachandra Ms. Suma Swaminathan Mr. Nikesh Kumar Sinha	0	-
8	Corporate Governance and Executive Committee	Mr. Vineet Chandra Rai Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	11	28-May-2021 30-Jul-2021 30-Sep-2021 26-Oct-2021 11-Nov-2021 08-Dec-2021 16-Dec-2021 24-Jan-2022 10-Feb-2022 17-Mar-2022 28-Mar-2022

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

1. **Audit and Compliance Committee and its Composition:**
   Audit and Compliance Committee's composition, quorum, powers, role and scope are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Reserve Bank of India Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

   As of 31-Mar-2022, Audit and Compliance Committee of the Board comprises of following members:

   a. Mr. Rakesh Rewari, Independent Director;
   b. Ms. Matangi Gowrishankar, Independent Director;
   c. Ms. Suma Swaminathan, Nominee Director

   Mr. Rakesh Rewari is the Chairman of Audit and Compliance Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the Audit and Compliance Committee.

   The Audit and Compliance Committee of the Board reviews the reports, which are to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process. Further, all the recommendations made by the Audit and Compliance Committee of the Board have been taken up by the Board.

2. **Nomination and Remuneration Committee:**
   The Nomination and Remuneration Committee (NRC) is formed in compliance with the provisions of the Section 178 of the Companies Act, 2013 and Reserve Bank of India Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

   As of 31-Mar-2022, Nomination and Remuneration Committee of the Board comprises of following members:

   a. Mr. Rakesh Rewari, Independent Director;
   b. Ms. Suma Swaminathan, Nominee Director;
   c. Mr. Anurag Agrawal, Director;
   d. Ms. Matangi Gowrishankar, Independent Director

   Ms. Matangi Gowrishankar is the Chairman of Nomination and Remuneration Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the Nomination and Remuneration Committee.

   The terms of reference of this Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and Rules made thereunder as amended from time to time. The scope of the Committee includes an annual review of the Nomination &

Remuneration Policy, recommend to the Board appointment & removal of the Directors, approve performance evaluation framework, formulate the criteria for determining qualifications, positive attributes and independence of a director, to review remuneration paid to the employees & directors is as per the Nomination & Remuneration Policy and consider giving stock options to the employees in the form of equity shares of the Company.

3. Asset Liability Management Committee:

This Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on NBFC-SI Non-Deposit taking Company and Deposit taking Company Directions, 2016. The Company has a Board approved Asset Liability Management Policy in place and required disclosures to the effect are made from time to time. The Asset Liability Management Committee shall monitor the asset liability gap and strategies action to mitigate the risks associated with the business of the Company.

As of 31-Mar-2022, Asset Liability Management Committee of the Board comprises of following members:

a. Ms. Anuradha Ramachandran, Nominee Director;
b. Mr. Nikesh Kumar Sinha, Managing Director;
c. Mr. Rakesh Rewari, Independent Director
d. Ms. Suma Swaminathan, Nominee Director

Members select among themselves as a Chairman of the Asset Liability Management Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the Asset Liability Management Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the Committee include review & management of liquidity gaps and structural liquidity of the Company, review & management of interest rate sensitivity of the Company and develop a view on future direction on interest rate movements & decide on funding mixes.

4. Risks Management and Areas of Concern:

Risk Committee is constituted in compliance with the provisions of RBI Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on NBFC-SI Non-Deposit taking Company and Deposit taking Company Directions, 2016 which monitors the risk management strategy of the Company. In order to ensure best governance practices, the Company has established risk management process for each line of its business and operations. These processes have been implemented through the specific policies adopted by the Board of Directors of the Company from time to time. Nevertheless, entire processes are subjected to robust independent internal audit review to arrest any potential risks and take corrective actions.

As of 31-Mar-2022, the Risk Committee of the Board comprises of following members:

a. Mr. Rakesh Rewari, Independent Director;
b. Ms. Anuradha Ramachandran, Nominee Director;
c. Mr. Anurag Agrawal, Director;
d. Mr. Nikesh Kumar Sinha, Managing Director

Members select among themselves as a Chairman of the Risk Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the Risk Committee.

The Risk Committee shall ensure that the risks associated with the business/functioning of the Company are identified, controlled and mitigated and shall also lay down procedures regarding managing and mitigating the risks through integrated risk management systems, strategies and mechanisms.

5. Corporate Social Responsibility Committee:

As per Section 135 of the Act, your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board to support the Company in achieving the CSR objectives of the Company.

As of 31-Mar-2022, the CSR Committee of the Board is made up of the following members:

a. Ms. Matangi Gowrishankar, Independent Director;
b. Ms. Anuradha Ramachandran, Nominee Director;
c. Ms. Suma Swaminathan, Nominee Director;
d. Mr. Nikesh Kumar Sinha, Managing Director

Members select among themselves as a Chairman of the Corporate Social Responsibility Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the Corporate Social Responsibility Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The terms of reference of the Committee includes to formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the CSR activities and to institute a transparent monitoring mechanism for implementation of the CSR activities.

6. Information Technology Strategy Committee:

Information Technology (IT) Strategy Committee was formed as per the provisions of RBI Master Direction No. RBI/DNBS/2016-17/53 DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 pertaining to "Information Technology Framework for the NBFC Sector".

As of 31-Mar-2022, the IT Strategy Committee of the Board is made up of the following members:

a. Mr. Rakesh Rewari, Independent Director
b. Ms. Anuradha Ramachandran, Nominee Director, Chief Technology Officer
c. Mr. Nikesh Kumar Sinha, Managing Director, Chief Information Officer

Mr. Rakesh Rewari is the Chairman of IT Strategy Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the IT Strategy Committee.

The terms of reference of this Committee are in line with the regulatory requirements. The key responsibilities of the IT Strategy Committee include approving IT strategy & policy documents & ensuring that the management has put an effective strategic planning process in place, ascertaining that management has implemented processes & practices that ensure that the IT delivers value to the business, ensuring IT investments represent a balance of risks & benefits & their budgets are acceptable, monitoring the method that management uses to determine the IT resources needed to achieve strategic goals & provide high-level direction for sourcing & use of IT resources and ensuring proper balance of IT investments for sustaining Company's growth & becoming aware about exposure towards IT risks and controls.

During the year under review, Aneja Management Consultant Private Limited, Chartered Accountants have done Information System Audit in accordance with RBI Master Direction on Information Technology Framework for NBFCS and the same was placed before the Audit and Compliance Committee of the Board and the Board of Directors for their review and noting.

7. **Product, Process, Credit Policy & Grievance Redressal Committee:**
This Committee was constituted with an objective of review from time to time the suite of products run by the company covering its fulfillment process within the regulatory compliance norms, customer service quality, viability and profitability within the objectives of the Company and approve new products and rolling out business in new geographies in which products can be rolled out, review and recommend credit policy framework in line with stipulated guidelines of the Board, customer service initiatives, overseeing the functioning of the customer service council and evolving innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers etc.

As of 31-Mar-2022, the Committee of the Board is made up of the following members:

a. Mr. Rakesh Rewari, Independent Director;
b. Ms. Anuradha Ramachandra, Nominee Director;
c. Ms. Suma Swaminathan, Nominee Director ;
d. Mr. Nikesh Kumar Sinha, Managing Director

Members select among themselves as a Chairman of the Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the said Committee.

8. **Corporate Governance and Executive Committee:**
The Corporate Governance and Executive Committee serves as an administrative committee of the Board to facilitate approval of certain operational corporate actions that do not require consideration by the full Board.

As of 31-Mar-2022, the Corporate Governance and Executive Committee of the Board is made up of the following members:

a. Mr. Vineet Chandra Rai, Chairman & Director;
b. Mr. Nikesh Kumar Sinha, Managing Director;
c. Mr. Anurag Agrawal, Director

Mr. Vineet Chandra Rai is Chairman of the Committee of the Board of the Company. Ms. Monika Thadeshwar (Variava), Company Secretary of the Company, acts as Secretary of the said Committee.

In addition to the aforesaid committees, the Company has constituted the Credit Committee, Internal Recommendation Committee, Asset Liability Management Committee of the Management, Banking Operations Committee, Complaints Committee, Whistle Blower Committee within the powers of the Board of Directors and/or CXOs in accordance with the Shareholders Agreement for smooth operations of the functioning of the Company.

3. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit and Compliance Committee of the Board in the exceptional cases. The Company also provides direct access to the Chairman of the Audit and Compliance Committee on reporting issues concerning the interests of employees and the Company.

We affirm that during the financial year 2021-22, no Employee or Directors was denied access to the Audit and Compliance Committee. The Whistle Blower Policy and Vigil Mechanism is available on the Company's website at https://www.ashvfinance.com/investor-relations/.

4. GENERAL MEETINGS:

During the year under review, 4 (Four) General Meetings were held to transact the following business as mentioned in the below table:

Annual General Meeting:

Date	Time	Venue	Business Transacted
28-Jul-2021	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	**Special Business:** • Approval to contribute to bona fide and charitable funds in terms of section 181 of the Companies Act, 2013 • Approval for revision in remuneration payable to Mr. Nikesh Kumar Sinha, Managing Director of the Company • Approval for the increase in the limit of the ESOP Pool Size of IntelleGrow Employee Stock Option Plan 2018 ("ESOP Scheme 1") • Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company under section 180(1)(a) of the Companies Act, 2013 • Increase in the Borrowing Limits under section 180(1)(c) of the Companies Act, 2013 • Offer and Issue of Non-Convertible Debentures of the Company on a Private Placement basis

The Company has conducted the said meeting in compliance with applicable provisions, rules and regulations of the Companies Act, 2013 and in accordance with circular No. 20/2020 and 02/2021 issued by the Ministry of Corporate Affairs on 05-May-2020 and 13-Jan-2021 respectively.

Extra-Ordinary General Meeting:

Date	Time	Venue	Business Transacted
23-Nov-2021	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	• Approval for re-appointment of Mr. Nikesh Kumar Sinha, as Managing Director of the Company
21-Jan-2022	5:00 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	• Approval for Addendum No.5 to the Sourcing and Servicing Agreement dated 08-May-2018 entered with Tribetech Private Limited
17-Feb-2022	5:30 pm	Held through Video-Conferencing (VC)/other Audio-Visual Means (OAVM)	• Approval for granting of top up loan to TribeTech Privat Limited

The Company has conducted the said meetings in compliance with applicable provisions, rules and regulations of the Companies Act, 2013 and in accordance to circulars issued by Ministry of Corporate Affairs on time to time.

5. Other Disclosures:

5.a. Related Party Transactions:

During the financial year, the Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. All related party transactions have been approved by the Audit and Compliance Committee of the Company.

The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements. The shareholders may kindly refer to the same.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the website of the Company. The same is available on the company's website at https://www.ashvfinance.com/investor-relations/.

5.b. Performance Evaluation criteria for Independent Directors: The Directors other than Independent Directors of the Company evaluate the performance of Independent Directors on following criteria as to how an Independent Director:

1. Invests time in understanding the Company and its unique requirements;
2. Brings in external knowledge and perspective to the table for discussions at the Meetings;
3. Expresses his/ her views on the issues discussed at the Board; and
4. Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level

5.c. Investor Grievance:

The Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company is guiding document to suitably allocate, manage and supervise prescribed CSR funds of the Company. It includes CSR activities towards social and economic development of the Company, Budget, Project identification, monitoring, review etc. The CSR Policy of the Company is line with Section 135 of the Companies Act, 2013, CSR Rules and Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee as on 31-Mar-2022:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of one Independent Director, two Nominee Directors and Managing Director as on 31-Mar-2022.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Matangi Gowrishankar	Independent Director	2	2
2	Ms. Anuradha Ramachandran	Nominee Director	2	1
3	Ms. Suma Swaminathan	Nominee Director	2	2
4	Mr. Nikesh Kumar Sinha	Managing Director	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company**: Composition of CSR Committee and CSR Policy is uploaded on the link here https://www.ashvfinance.com/investor-relations/

   Since, the average net profit for immediate previous financial year is below the threshold limit, as specified in section 135 of the Act, your Company was not required to spend any amount towards CSR during the financial year under review. Thus, No CSR projects recommended by the CSR Committee of the Board and the Board of Directors of the Company.

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:** Not Applicable

6. **Average net profit of the Company as per section 135(5) (2018-19, 2019-20 and 2020-21):** Rs. 1,99,47,236/-

Ms. Monika Thadeshwar, Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI Listing Regulations and also acting as Grievance Redressal Officer of the Company.

In case of any query, stakeholders can send email on monika.thadeshwar@ashvfinance.com

As of 31-Mar-2022, there were no investor complaints pending.

5.d. General Shareholders Information:

Company Registration details:
The Company is based in Mumbai and operates in 31 geographies at present.

CIN: U65910MH1998PLC333546
RBI Regn. No.: B-13.02376

6. Website Disclosures:
All important information relating to the Company and its performance, including financial results, are posted on the website of the Company https://www.ashvfinance.com

The half yearly financial results of the company are published in the leading newspaper viz. Business Standards.

x-x-x-x-x-x-x-x-x-x-x

7. Computation of CSR Obligation:

(a) Two percent of average net profit of the Company as per section 135(5): Nil

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c).: Nil

8. (a) CSR amount spent or unspent for the financial year: Not Applicable

Total Amount Spent forthe Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Accountas per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable					

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (inRs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account forthe project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation gh Implementing Agency	
				State	District						Name	CSR Registration number
1.	Not Applicable											
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of theProject	Item from the list of activitiesin schedule VII to the Act	Local area (Yes/ No).	Location of theproject.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Not Applicable								
	Total								

(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: Nil
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
(g) Excess amount for set off, if any: Nil

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (inRs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), ifany			Amount remaining tobe spent in succeeding financialyears. (in Rs.)
				Name of theFund	Amount (inRs)	Date of transfer	
1	Not Applicable						
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed /Ongoing.
1	Not Applicable							
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable
(Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Ashv
AVISHKAAR GROUP

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

SD/-

Nikesh Kumar Sinha
(Managing Director)
DIN: 08268336

SD/-

Matangi Gowrishankar
(Chairperson of CSR Committee)
DIN: 01518137

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Ashv Finance Limited (formerly Jain Sons Finlease Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashv Finance Limited (formerly Jain Sons Finlease Limited) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and 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 Contract (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 of Foreign Direct Investment to the extent applicable to the Company;

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) (Not applicable to the Company during the audit period) and

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

(vi) Other laws specifically applicable to the Company namely

(a) Prevention of Money Laundering Act, 2002;
(b) Credit Information Companies (Regulations) Act, 2005; and
(c) Reserve Bank of India Act, 1934 and the directions issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Companies in so far as submission of various returns/information or other particulars to be filed with the Reserve Bank of India.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

We 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.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. The Company obtained necessary approval from its Directors and Members by passing necessary resolutions in the Board and Committee Meetings and General Meetings held during the year for the following matters:
   - Approval for Company's contribution u/s.181 of the Companies Act, 2013;
   - Approval for the increase in the limit of the ESOP Pool Size of IntelleGrow Employee Stock Option Plan 2018 ("ESOP Scheme 1");
   - Authorization to the Board to mortgage, create charges on all or any of the assets of the Company u/s 180(1)(a) of the Companies Act, 2013
   - Approval for fixing the borrowing limits u/s. 180(1)(c) of the Companies Act, 2013.
   - Approval for fixing of limit for issuance of Non-Convertible Debentures (NCDs) on private placement basis upto INR 500,00,00,000/- (Indian Rupees Five Hundred Crore Only);

- Redemption of Non-Convertible Debentures of the Company on time to time basis as under:
  - 1,330 Secured, Rated, Redeemable, Non-Convertible Debentures of Rs.1,00,000/- each on a private placement basis, in consideration of an aggregating to Rs.13,30,00,000/-
  - 4000 Rated, Listed, Transferable, Taxable, Redeemable, Non-Convertible Debentures of Rs.1,00,000/- each on a private placement basis, in consideration of an aggregate amount of Rs. 40,00,00,000/-
  - 150 Rated, Unlisted, Taxable, Senior, Redeemable, Secured, Transferable INR Denominated Non-Convertible Debentures of Rs.10,00,000/- each on a private placement basis, in consideration of an aggregate amount of Rs. 15,00,00,000/-
- Approval of change in the appointed date in the Scheme of Arrangement for de-merger between TribeTech Private Limited (Transferor Company) and with Ashv Finance Limited (Earlier known as Jain Sons Finlease Limited) (Transferee Company) from 01-Apr-2021' to 01-Apr-2022
- Allotment of 2500 Secured, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked Non-Convertible Debentures of face value of Rs.1,00,000/- each on private placement basis;
- Allotment of 2000 Unlisted, Rated, Unsubordinated, Secured, Transferable, Redeemable, Principal Protected Market Linked Debentures of face value of Rs.1,00,000/- each on private placement basis;
- Allotment of 3000 Rated, Unlisted, Senior, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs.1,00,000/- each on private placement basis;
- Allotment of 200 Rated, Senior, Secured, Listed, Redeemable, Transferable Non-Convertible Debentures of face value of Rs.10,00,000/- each on private placement basis;
- Allotment of 1700 Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.1,00,000/- each on private placement basis;
- Allotment of 37000 Secured, Rated, Unlisted, Redeemable, Transferable, Taxable, INR denominated, Non-convertible Debentures of face value of Rs.10,000/- each on private placement basis;
- Allotment of 210 Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.10,00,000/- each on private placement basis

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: May 05, 2022

MITESH DHABLIWALA Digitally signed by MITESH DHABLIWALA Date: 2022.05.05 12:58:55 +05'30'

Signature:

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN:F008331D000276522
PR No.: 1129/2021

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

'Annexure A'

To,
The Members,
Ashv Finance Limited (formerly Jain Sons Finlease Limited)

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. 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, standards is the responsibility of management. Our examination was limited to the verification of procedure 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 Parikh & Associates
Company Secretaries

Place: Mumbai
Date: May 05, 2022

Digitally signed by MITESH DHABLIWALA
Date: 2022.05.05 12:59:14 +05'30'

Signature:

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN:F008331D000276522
PR No.: 1129/2021

Related Party Transaction Disclosure as per Section 188 of the Companies Act 2013

FORM AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2.i. Details of contracts or arrangements or transactions at arm's length basis: The following contracts or arrangements or transactions are at arm's length basis:

Name of the Related Party	Nature of Relationship	Nature of Contracts	Duration of the Contracts	Salient Terms	Date of Board approval	Date of Special Resolution
TribeTech Private Limited	Common Directors/Shareholders	Facility Agreement	As mentioned in the Agreement.	Transaction was done to provide top up loan of Rs.1,00,00,000/- to be disbursed in one or multiple tranches.	10-Mar-2021	18-Mar-2021
Intellecap Advisory Services Private Limited	Common Directors/Shareholders	Cost Sharing Agreement	One year form 01-Apr-2021	Transaction done for availment of business support services for carrying out its day to day activities.	22-Jun-2021 (Audit Committee Meeting)	-
Aavishkaar Venture Management Services Private Limited	Common Directors/Shareholders	Cost Sharing Agreement	One year form 01-Apr-2021	Transaction done for availment of business support services for carrying out its day to day activities.	22-Jun-2021 (Audit Committee Meeting)	-
TribeTech Private Limited	Common Directors/Shareholders	Facility Agreement	As mentioned in the Agreement.	Transaction was done to provide top up loan of Rs.1,00,00,000/- to be disbursed in one or multiple tranches.	10-Mar-2021	18-Mar-2021
TribeTech Private Limited	Common Directors/Shareholders	Sourcing and Servicing Agreement	As mentioned in the Agreement.	Transaction was done for utilizing the service for sourcing, credit reference check, servicing, collections for the credit to borrowers as per the terms as defined in	17-Jan-2022	21-Jan-2022

				Sourcing and Servicing Agreement.		
TribeTech Private Limited	Common Directors/Shareholders	Facility Agreement	As mentioned in the Agreement.	Transaction was done to provide top up loan to be disbursed in one or multiple tranches.	09-Feb-2022	17-Feb-2022

Note: No advance is payable or paid in respect of any of the above transactions.

For and on behalf of the Board of Directors

SD/-
Vineet Chandra Rai
Chairman
(DIN: 00606290)

SD/-
Nikesh Kumar Sinha
Managing Director
(DIN: 08268336)

Place: Mumbai
Date: 05-May-2022

DEBENTURE TRUSTEE DETAILS

S.NO	NAME OF DEBENTURE TRUSTEE	ADDRESS	CONTACT DETAILS
1	Catalyst Trusteeship Ltd.	Office No.604, 6th Floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098	ComplianceCTL-Mumbai@ctltrustee.com
2	Beacon Trusteeship Ltd	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. M.I.G. Cricket Club, Bandra (East), Mumbai - 400 051	compliance1@beacontrustee.co.in

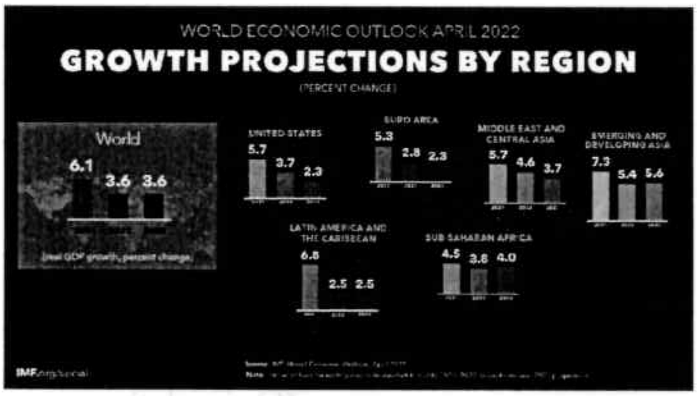
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The global economic environment has drastically altered, with the escalating geopolitical situation clouding the outlook for both growth and inflation in India and across the world warranting a revision in forecasts. Lingering war and sanctions, elevated oil and commodity prices, prolonged supply chain disruptions, accentuated global financial market volatility emanating from monetary policy shifts in major economies, and renewed waves of COVID-19 across countries pose downside risks to the growth and upside risks to the inflation outlook

Global Outlook

Owing to the war and the subsequent humanitarian crisis, Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.
Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Increase in War-induced commodity price and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies.



Accommodative policies during the acute phase of the COVID-19 crisis mitigated its overall economic cost by providing ample and cheap liquidity to affected households and firms. But these policies also led to rapid debt buildup, extending a steady rise in overall leverage encouraged by supportive financial conditions since the global financial crisis of 2008. The surge in global private debt in 2020—13 percent of GDP—was widespread, faster than during the global financial crisis and almost as large as the rise in public debt (Nonfinancial corporations, which entered the pandemic with already-elevated debt.
(Source: IMF)

Domestic Outlook

Economic activity which was recovering with the ebbing of the third wave, rapid stride towards universal vaccination, and supportive fiscal and monetary policies now faces significant headwinds from the exacerbating geopolitical developments and the accompanying sharp rise in global commodity prices and weakening global growth outlook.

Table I.3: Projections - Reserve Bank and Professional Forecasters			
			(Per cent)
	2021-22	2022-23	2023-24
Real GDP growth	8.9@	7.2	6.3

@Second advance estimates

Table I.3: Projections - Reserve Bank and Professional Forecasters			
			(Per cent)
	2021-22	2022-23	2023-24
Inflation, Q4 (y-o-y)	6.2	5.1	5.5

Economic activity was recovering from the ebbing of the Omicron wave when the fallout of the Ukraine- Russia conflict has overcast the near-term outlook with heightened uncertainties. Growth and inflation outcomes are at high risk across the world as well as in India. In the face of this extraordinary risk, the positive effects expected from the release of pent-up demand, especially for contact-intensive services, the government's thrust on infrastructure and capital expenditure, congenial financial conditions and improving capacity utilisation appear ephemeral.

Updated forecasts indicate that headline inflation, which was expected to ease from current elevated levels as food inflation gets contained on the back of record production and abundant stocks, is now subject to a large geopolitical shock. The escalation of war, continued supply chain disruptions, global financial market volatility emanating from monetary policy normalisation in major advanced economies and the evolving COVID-19 trajectory pose downside risks to growth and upside risks to the inflation outlook and could get exacerbated significantly by the intensification of geopolitical tensions. The concomitant surge in global oil and commodity prices to multi-year highs has increased risk aversion as reflected in jumps in financial market volatility and these developments could increasingly shape the economic prospects globally and for India.
(Source: RBI)

INDUSTRY OVERVIEW

With >2,100 fintechs operating currently, India is positioned to become one of the largest digital markets with rapid expansion of mobile and internet. India benefits from a large cross-utilization of channels to expand reach of financial services. In the Union Budget 2022-23 India announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension

ASHV FINANCE LIMITED

funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.
(Source: IBEF)

Industry Structure and Developments

Unlocks in June'21 have led to a sharp bounce back in credit demand (measured as credit enquiries) by MSMEs, which was dampened by the 2nd wave after a strong 4th quarter of FY'21.

After the initial drop in commercial credit enquries by 76% due to the 1st wave, they recovered fast with ECLGS and have since sustained close to pre-COVID levels. March'21 commercial credit enquiries were 32% over pre-COVID levels; this strong momentum was impacted by 2 nd wave, but June '21 has a sharp recovery back to pre-COVID levels.

MSME credit outstanding has grown by 6.6% YoY in March'21, with Micro segment growing the fastest at 7.4%.

Strong rebound in credit demand, accompanied by equally strong credit supply and ECLGS support, has led to growth in the credit outstanding amount of MSME sector to `20.21 lakh crores, with a YoY growth rate of 6.6%. Micro segment has grown fastest at 7.4%, followed by Small segment at 6.8% and Medium segment at 5.8%.

The total on-balance sheet commercial lending exposure in India stood at ₹74.36 lakh crores in March'21, with YOY growth rate of 0.6%. MSME segment's credit exposure is ₹20.21 lakh crores as of March'21, showing YOY growth rate of 6.6% and this credit growth is observed across all the subsegments of MSME lending 1

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	Very Small <₹10 Lakhs	Micro 1 ₹10-50 Lakhs	Micro 2 ₹50 Lakhs-1 Crores	Small ₹1-10 Crores	Medium 1 ₹10-25 Crores	Medium 2 ₹25-50 Crores	Large >₹50 Crores	Overall
Mar'19	0.86	2.18	1.49	7.44	3.65	22.96	54.10	72.68
Jun'19	0.86	2.14	1.47	7.38	3.58	2.88	53.77	72.09
Sep'19	0.88	2.20	1.50	7.42	3.58	2.87	53.27	71.72
Dec'19	0.92	2.25	1.52	7.54	3.61	2.86	53.39	72.10
Mar'20	0.96	2.31	1.56	7.64	3.65	2.85	54.93	73.88
Jun'20	0.94	2.27	1.52	7.51	3.65	2.85	55.06	73.81
Sep'20	0.93	2.34	1.59	7.84	3.73	2.91	50.33	69.65
Dec'20	0.97	2.37	1.61	7.95	3.80	2.94	52.06	71.70
Mar'21	1.02	2.47	1.67	7.15	3.88	3.00	54.15	74.36
Y-o-Y growth	**6.3%**	**6.9%**	**7.1%**	**6.7%**	**6.3%**	**5.3%**	**-1.4%**	**0.6%**

In FY 2021, the country disbursed loans worth `9.5 lakh crore to MSME sector, which is higher than preceding years of `6.8 lakh crore in FY 2020. This sharp jump in MSME lending in 2021 has been supported by Atmanirbhar Bharat scheme of ECLGS which provided 100% credit guarantee to lenders.

(Source: MSME Pulse Report January 2020 issued by Transunion CIBIL)

Opportunities

India is today one of the most vibrant global economies on the back of robust banking sector.

Retail assets under management (AUM) of non-banking finance companies (NBFC) are expected to grow 8-10% in the next financial year and 5-7% in FY22, ratings agency ICRA said on Monday. However, the wholesale AUM of NBFCs is likely to shrink in FY22 and stabilise in FY23. Disruptions caused in the first quarter of the current financial year are weighing on the overall growth, the rating agency said. However, the AUM and disbursement trend is likely to remain stable in Q4FY22 owing to the limited impact of the third wave of the pandemic on the lending business.

"Within the NBFC-retail segment, personal credit, microfinance and gold loans are likely to be the primary growth drivers as other traditional asset segments – vehicle finance and business credit – are still facing headwinds because of supply constraints and asset quality concerns," a release quoted Manushree Saggar, vice president, financial sector ratings, ICRA, as saying.

NBFCs that have aligned with the Reserve Bank of India (RBI)'s November 12 norms on upgradation of bad loans have reported a rise in their gross bad loans. The reported asset quality indicators have also been supported by sizeable write-offs. Last month, the central bank had extended the timeline by six months till September 30 for NBFCs to adhere to the new norms.

According to ICRA, NBFCs and housing finance companies would require Rs 1.8-2.2 trillion of incremental fresh funding for meeting their growth requirement in the next fiscal. On the borrowing front, bank loans continue to remain the main funding source, especially for non-deposit-taking NBFCs.

The net earning of these entities is expected to show improvements over the last fiscal and may improve to pre-Covid levels in the next financial year. As these entities maintain higher balance sheet, net margins are supported with favourable cost of funds and increased focus on collections and system augmentation.

Credit expansion in the services sector was led by NBFCs and trade, which together constitute around 58 per cent of the total services sector credit. Credit growth to the NBFCs moved out of negative territory in October 2021 and rose sharply to 14.6 per cent in February 2022 from 7.0 per cent a year ago.

In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US$ 6 billion factoring sector. ***(Source: IBEF, RBI, ICRA)***

BUSINESS REVIEW

The financial year of 2021-22 has been an important year of accomplishments for Ashv, inspite of business challenges faced in the first quarter due to the second wave of Covid-19. The year was defining not only in terms of scaling businesses but also in terms of deepening our roots in terms of depth of our distribution network. The company achieved a milestone disbursement number of 112 crores for the month of Mar 2022, having aggregated a total disbursement number of Rs. 597 crores in FY 2022. The company has also made certain accomplishments on its liability side, having raised funds to the tune of Rs. 617 crores in FY 2022. The company has onboarded 5 new banks to its borrowing profile with the likes of State Bank of India, HDFC Bank, SIDBI and AU Small Finance Banks having offered their first round of debt in FY 22.

Business Segment

Ashv Finance Limited is engaged in funding the MSME segment with a key focus in lending to the micro and small businesses in semi urban areas. The company is primarily catering to the under-served micro & small growing businesses like the local dukandars, small shop-owners, grocery stores, milk shops, small traders, etc. The company offers differentiated credit after designing product offerings that are best suited to the target segments. The company's average ticket size ranges from Rs. 10-12 lakhs and the average tenor of loan offered is ~ 30 months. The company has a customer base of ~8173 active clients as on Mar'22 with a network of 32 locations spread across 14 States / UTs as on Mar'22

Growth in AUM & Distribution Network

The company' AUM has grown from Rs. 514 crores as on Mar 21 to Rs. 728 crores as on Mar 22, growth in excess of 41% y-o-y. The company has operations spread across 14 states with a physical distribution network of 32 locations as on Mar 22 vis-à-vis 24 locations as on Mar 21. In FY 2021-22, Ashv has further penetrated its operations in the 14 states / UTs.

Strong Promoter Group & Marquee Institutional Investors

Ashv Finance Limited is promoted by Aavishkaar Group, which is India's leading impact investment platform with an AUM in excess of USD 1.2 Bn and robust businesses across the Financial Value Chain. The Company has also raised equity from marquee institutional investors like Omidyar Network, DWM-International and Triodos Investments. These institutional investors have infused repetitive rounds of equity thereby reflecting investor confidence in the company.

Upgrade in Credit Rating

Ashv's long term credit rating has been upgraded two notches in the current year. The company is presently rated **BBB+** (Triple B Plus) by Acuite Ratings & Research (as on Nov 2021). Ashv is one of the few NBFCs in India to receive rating upgrades during the pandemic, thereby confirming the growth trajectory and performance of the company.

Strongly Capitalized with low gearing

The Company is strongly capitalized with a net worth of Rs. 255.03 crores and CRAR of 28% as on Mar'22. The company has raised timely capital as when required as per the business requirement. The company is at comfortable leverage levels of 2.00 times (excluding securitization borrowings) as on March 2022.

Diversified Debt Source

The company has raised Rs. 617 crores in FY 2022 vis-à-vis Rs. 235 crores in FY 2021. The Borrowing Profile of the company has further strengthened in FY 2021-22 with diversified funding sources spread across 38 transactions, 23 lenders / investors. The company has onboarded 15 new lenders out of which 5 are Banks in FY 2022. Leading Banks like State Bank of India, HDFC Bank, SIDBI & AU Small Finance Banks are now lenders to the company.

Adequate Provision Coverage Ratio

The company is adequately covered against loan losses, having maintained a Total Loan Loss Provision Coverage Ratio in excess of 75% as on Mar 2022.

ALM Position

The company has a comfortable ALM position with positive mismatch across all buckets as on Mar 2022

NNPA & GNPA

The company's Gross NPA and Net NPA as on Mar 22 is 4.55% and 2.04% respectively

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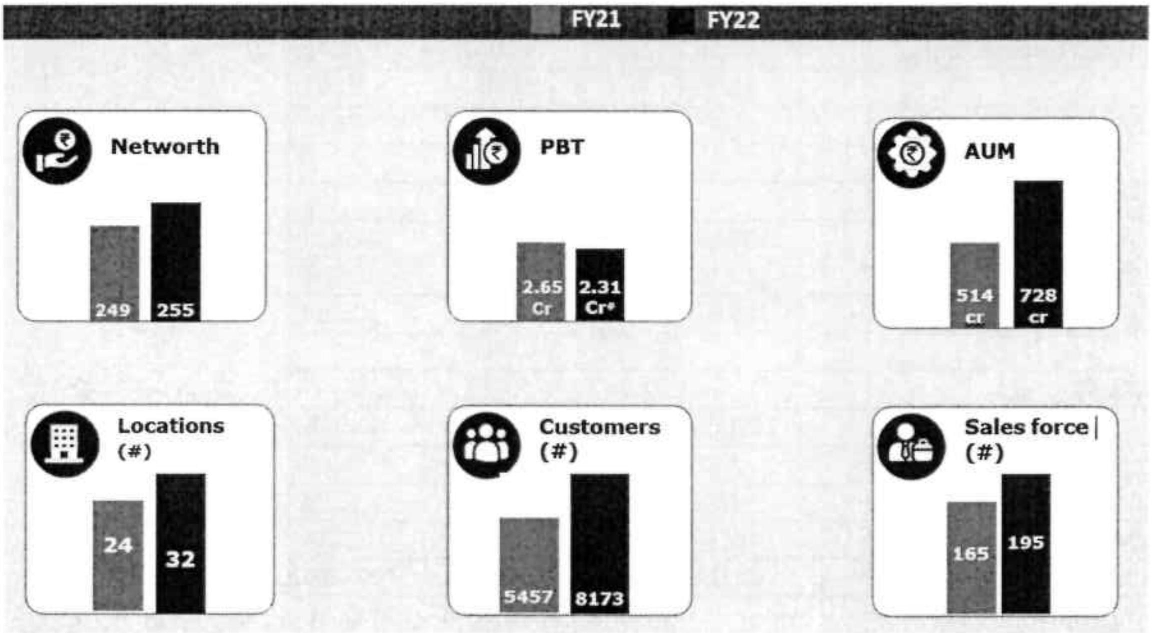
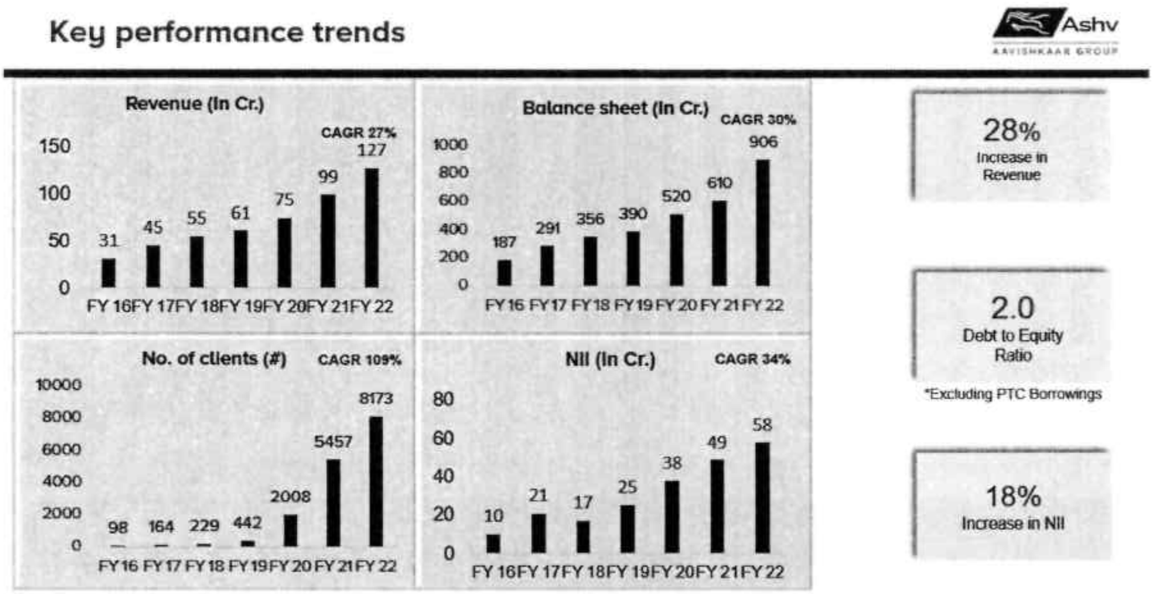
Key Metrics



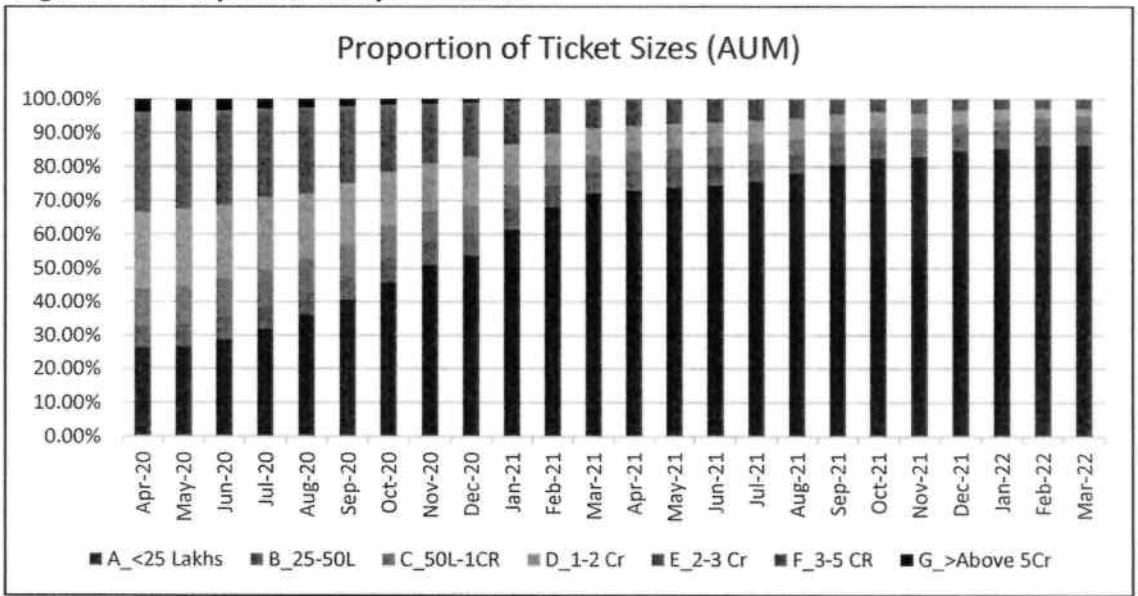


Key Financial Highlights

Particulars (All Rs in crores)	FY 2022 (Audited)	FY 2021 (Audited)	FY 2020 (Audited)
AUM	727.89	514.18	391.00

Profit & Loss Extract:			
Total Revenue	128.52	97.85	74.97
Net Interest Income (NII)	61.60	60.18	36.41
Opex	54.56	45.02	27.51
PAT	5.47	7.96	3.77
Balance Sheet:			
Networth	255.03	248.89	240.29
Total Debt	513.11	337.88	257.87
Cash & Cash Equivalent	115.63	48.02	105.86
Key Ratios:			
CRAR	27.33%	41.00%	60.69%
Leverage (D/E)	2.01	1.37	1.08
Provision Coverage Ratio	75%	138%	123%
Gross NPA	4.55%	3.15%	2.36%
Net NPA	2.04%	1.52%	0.69%

Segment–wise or product-wise performance



Ticket Size	Mar-22		Mar-21		Mar-20	
	AUM	%	AUM	%	AUM	%
A <25 Lakhs	632.68	86.92%	371.3	72.20%	104.4	26.71%
B 25-50L	41.54	5.71%	31.55	6.14%	16.03	4.10%
C 50L-1CR	16.65	2.29%	26.49	5.15%	56.22	14.38%

D 1-2 Cr	17.07	2.34%	40.11	7.80%	86.81	22.20%
E 2-3 Cr	16.55	2.27%	25.43	4.95%	51.17	13.09%
F 3-5 CR	3.4	0.47%	19.34	3.76%	60.61	15.50%
G >Above 5Cr	-	0.00%	-	0.00%	15.74	4.03%
Total	**727.89**	**100.00%**	**514.18**	**100.00%**	**391.00**	**100.00%**

OUTLOOK

The Government of India has envisioned doubling the Indian economy to US$ 5 trillion in five years. In order to achieve this goal, career opportunities for the young population have been generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP.

In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector as it supplies goods and services to big industrial enterprises. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent. Globally available technology could be subsidised by the government so that the product quality of MSME players can be improved using the existing resources. This also requires the help of academic institutions in the form of providing research and development (R&D) services for product innovation.

The Government of India has designed various policies for the growth of MSMEs in the country.

As of March 2022, the number of loans sanctioned under the Pradhan Mantri MUDRA Yojana (PMMY) scheme was 48.92 million and the amount disbursed was Rs. 3,02,948.49 crore (US$ 39.90 billion).
In the Union Budget of 2022-23 MSMEs sector was allocated an Emergency Credit Line Guarantee Scheme (ECLGS) of Rs. 50,000 crore (US$ 6.55 billion).

On March 30 2022, the Indian government allocated Rs. 6,062.45 crore (US$ 808 million) for the scheme Raising and Accelerating MSME Performance (RAMP). The programme aims to improve market and credit access, strengthen institutions and governance at the centre and state levels, improve centre-state connections and partnerships, resolve late payment difficulties, and green MSMEs.

In November 2021, the Indian government launched the Special Credit Linked Capital Subsidy Scheme (SCLCSS) for the services sector. This scheme will help enterprises in the services sector meet various technology requirements.

In November 2021, the Ministry of Micro, Small and Medium Enterprises launched SAMBHAV, a national-level awareness programme to push economic growth by promoting entrepreneurship and domestic manufacturing.

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In September 2021, Union Minister for MSMEs, Mr. Narayan Rane introduced 'India Export Initiative' and 'IndiaXports 2021 Portal'. This initiative will help exports reach its Rs. 2,928,000 crore (US$ 400 billion) target by the end of FY22 and further push it to Rs. 7,320,000 crore (US$ 1 trillion) by FY27. In September 2021, Khadi and Village Industries Commission (KVIC) established the first 'Silk Yarn Production Centre' in Odisha to boost the local silk industry and generate employment.

In September 2021, Union Minister for MSMEs, Mr. Narayan Rane inaugurated Rohtak Technology Centre, which is expected to train >8,400 trainees annually.

In September 2021, Khadi and Village Industries Commission (KVIC) launched SPIN (Strengthening the Potential of India) scheme and built a pottery cluster under SFURTI Scheme in Varanasi to support >1,100 individuals of the marginalised potters' community.

In July 2021, Lok Sabha passed a bill on 'Factoring Regulation (Amendment)' to expedite the payments ecosystem for MSMEs.

Budget allocation for MSMEs in FY22 more than doubled to Rs. 15,700 crore (US$ 2.14 billion) vis-à-vis Rs. 7,572 crore (US$ 1.03 billion) in FY21.

The government also announced Rs. 3 lakh crore (US$ 40.85 billion) collateral-free automatic loans for businesses.

In Union Budget 2021, the government announced funds worth Rs. 10,000 crore (US$ 1.36 billion) for 'Guarantee Emergency Credit Line' (GECL) facility to eligible MSME borrowers, giving a major boost to the sector.

Risks and Concerns

- Risk arising out of interest rate sensitivity
- Geo-political tensions
- All risks associated with pandemic
- Economic instability arising out of the Geo-political tensions

Internal Control Systems and their Adequacy

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The Audit Committee of the Board oversees the internal audit function of the Company, thus ensuring its objectivity and independence. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems and operational risk management, in compliance with operating systems/accounting procedures and policies of the Company, periodically by conducting audit of various business departments, processes and functions. The Internal auditor submits its recommendations to the management to strengthen internal control systems and ensure corrective actions are initiated. Significant audit observations and follow-up actions thereon are reported to the Audit Committee

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DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year ender review:

Balance sheet and Loans
The Balance sheet size is Rs. 905.73 Crs. as compared to Rs. 610.40 Crs. at the end of FY 21; CAGR of 49%. Asset under management (AUM) of the Company has increased from Rs. 514.18 Crs. to Rs. 727.89 Crs.

Revenue from operations
The increase in revenue from operations was 41% as compared to FY 21 due to the Company's focus on granular book with higher ROIs.

Employee benefit expenses
Employee benefit expenses increased by 43% from Rs. 25.59 Crs. in FY 21 to Rs. 36.55 Crs. in FY 22, due to the addition of new roles to support the growth.

Finance costs
Finance costs stands at Rs. 58 Crs. in FY 22. The Company raised Rs. 617 Crs of funds of during the year FY 22 to fund its growth.

Depreciation and amortization expense
Depreciation and amortization expenses increased by 73% from Rs. 1.58 Crs. in FY 21 to Rs. 2.72 Crs. in FY 22.

Provision for loan assets and additional provision
Loans are provided for/written off, in accordance with Expected Credit Loss (ECL) Model. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default. The Company follows a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

i) Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date.

ii) Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment.

iii) Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

Other expenses
The operating expenses increased 62% from Rs. 9.46 Crs. in FY 21 to Rs. 15.29 Cr. in FY 22.

Operating profit and Net profit
Operating Profit Margin is at 3.32%. The Company made a net profit of Rs. 5.47 Crs. as compared to previous year profit of Rs. 7.96 Crs.

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MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

People, process and culture continued to be focus areas even though 2021-22 was a year of surprises on various counts. Your Company has built a culture that is the key enabler for progress of our people and enriches their experience of working with us. We have a well-defined HR structure and processes that focus on the following aspects:

- Employee Health and Safety (EHS);
- Talent Management;
- Goal Setting;
- Employee Engagement;
- Culture.

During the year under review, your company took a number of steps/initiatives for the betterment and benefits of their employees. Some of them are as below:

- Employee survey was conducted to gage the pulse of the employees and more than 85% of the employees participated in the survey;
- Two vaccination drives were conducted at Mumbai and Bangalore which was open for employees, spouse and their parents;
- Super colleague campaign was organized for encouraging the employees to show gratitude to those around them;
- Various online webinars were conducted for employees well-being w.r.t. Managing Uncertainties during Pandemic, Celebrating Identity with Pride and Work Life Integration;
- Focused female hiring was encouraged specifically in non-field departments and created gender neutral job ads and postings.

Our hiring trend across locations in FY-22 is represented in the chart below: