ANNUAL REPORT 2019-20

Ashv
AAVISHKAAR GROUP

EMPOWERING ENTERPRISES IMPACTING LIVES

CONTENTS

CHAIRMAN'S MESSAGE

Dear Friends Colleague and Leaders,

As the COVID-19 situation continues its ebb and flow, we are all getting used to the new rhythm of life. Human resilience is unparalleled and hence despite the disruption that COVID-19, is we are all back to what we are best at, being productive and positive. I am delighted to share with you, our annual report 2019-2020 outlining our achievement at Ashv (erstwhile Jain Sons Finlease Limited) and laying down our vision for the next decade.

Micro, Small and Medium Enterprises are the backbone of any country that wants to take prosperity to its people and create jobs and livelihoods along with dignity and respect. According to the World Bank, the SME sector represent 90% of the formal global business and generates, 50% of the global employment. In the emerging economies, the impact is even more evident with contribution of the SME sector touching 40% of the GDP and almost every 7 out of 10 formal jobs in the emerging economies.

For a country like India, this underscores the importance that SME sector holds for our future. However, if you add the Micro enterprises, a large number of which may still fall in the informal sector, the significance and importance for the MSME sector for India cannot be overemphasized.

Ashv was conceived to play a catalytic role in identifying potential challenges that MSME space faces and find innovative and creative solutions to meet the unmet needs of the space drawing on the experience of two decades from its parent the Aavishkaar Group.

Aavishkaar Group that identifies its vision "We exist to bridge the opportunity gap for the Emerging 3 Billion of Humanity" has been working across the financial value chain to harness the entrepreneurship zeal of young minds to address complex social problems commercially. This impact driven approach introduced us to the massive role Micro, Small and Medium Enterprises play in the emerging economies of countries such as India. One of the detailed challenge for the MSME space has been its inability to attract finance from the formal sector despite its importance and many favourable public policy pronouncements.

Ashv (A Hindi word meaning a Stallion, considered to be one of the most beautiful animal, agile and elegant) identified early that MSME suffer from capital access as most of the financing is designed for asset backed lending and not cash flow based lending. Cash flow-based lending is complex and require deep understanding of businesses and given the wide variety of business within the MSME space it makes the diligence expensive, time consuming and unviable.

Over the years, Ashv has morphed into a Digital and Physical (Phygitial) lender. This transformation was achieved by recognizing that the support to MSME businesses cannot be provided by a conventional thought process but technology backed (under writing) which uses Artificial Intelligence, Machine Learning and Block chain supported by a true physical interface and a strong technology base with a core banking software. Ashv also recognized that this would require an exceptional leadership team to integrate and manage frontier technology thought process, an innovative lending architecture and a strong core banking base.

I am happy and proud to share that Ashv today has managed to put this complex architecture together to provide a seamless, time bound cash flow-based experience to our borrowers serving the need of those, for whom we are the lender of first choice. We would have not been able to come this far without our equity partners Michael & Susan Dell Foundation, Omidyar Network, Developing World Markets, Triodos Investments. Each one of them have trusted us with their capital and supported us through this arduous journey over years. I would like to reserve our biggest thanks for our lenders who allowed us to build this amazing institution despite the complex task ahead of us.

> “For a country like India this underscores the importance that SME sector holds for our future. However, if you add the Micro enterprises, a large number of which may still fall in the informal sector, the significance and importance for the MSME sector for India cannot be overemphasized.”

We are excited to also introduce our exceptional leadership team that has the ability and the vision to bring together this complex architecture together to serve the capital starved MSME space and in the process demonstrating that a bit of courage, a lot of conviction, some patience and a grand vision can bring to bear a very impactful outcome and bridge the opportunity gap for those, who aspire to build a future for themselves.

This report would take you through the journey of Ashv, its achievements and its ambition in details. I hope, you would find the insights enriching and would enjoy the read.

Warm regards,

Vineet Rai
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

At the outset, I wish, hope and pray that you and your loved ones are safe in this pandemic.

It gives me pleasure to inform you that your company has closed the year with a Net profit of Rs. 3.77 Cr. As we set out last year in the midst of an NBFC crisis, one of the goals we had laid out for ourselves was to strengthen our balance sheet, build a distribution to sharpen our customer connect along with enhanced distribution capabilities. I am happy to report that we have now embarked on that journey and your company is well positioned (in these difficult times) to only strengthen itself from hereon.

2019-20 turned out to be a watershed year for us as we accomplished a number of strategic shifts, sharpened our focus and capabilities, each of which I enumerate in the following paragraphs.

1. Equity infusion by promoters:

Aavishkaar group infused Rs. 100 Cr. as their commitment to the business & its purpose.

2. Shift of focus to Micro & Small businesses:

We drew upon our learnings of the previous years and concluded that, a) our exposure size should be in relation to our operating profit scale; b) it is important that we move up the hierarchy of significance in our customers scheme of things and c) being part of India's largest impact players ecosystem, we need to be aligned more sharply to the overall group vision of **"serving the other 3 billion".** This conviction led us to commence our cluster business (serving the micro businesses) in Q3 of last year.

3. Build a distribution:

The shift in focus warranted that we build a distribution network and a relationship with our customers. MSMEs need advising and empathy as they are challenged for want of functional silos-affordability constraints due to scale of operations. We closed the last fiscal with 12 branches. We assure you that your company will continue to create a network of branches essentially around Tier 2, 3 & 4 towns. In the next 3 years, we hope to have created value of these networks in serving the Micro and Small Enterprises.

4. Sharpening the Risk focus:

We are making a cultural breakaway from the past. In July19 we rolled out the first risk modelling for your company. We used an external data sciences company to study our historical data and come up with an eight-scale risk rating of customers basis their Financials. As I write this letter, we also now have an in-house data sciences team, with similar risk rating approach towards enterprises without financials, relying largely on surrogates. We are convinced that data-formal and informal will be essential to the measured approach to customers for small ticket lending. Going forward, data sciences & analytics will be one of the cornerstones of your company's approach to solving the problem of credit to the Micro and Small Enterprises.

5. Technology:

Needless to mention, as we go granular in ticket size of exposures and widen our distribution, we need technology to power our delivery capabilities. During the year gone by, your company has adopted the core banking system of FIS and it went live in the last fiscal. We have built and adopted an in-house Loan origination system (LOS). These two systems came in handy as we invoked BCP even before the Government of India announced the lockdown in March 20, due to the COVID-19 pandemic.

As we enter the new fiscal, new normal of businesses is being discussed at large. You can be rest assured that we have very timely adopted this normal-digital capabilities to keep the operating rhythm of your company intact, in an environment where social distancing seems to be an answer to the pandemic.

6. External Rating, debt raising & liquidity:

In-spite of the NBFC crisis, due to factors mentioned before, the external rating of your company improved from a BBB- (negative outlook) to a BBB- (positive outlook). Debt raising has not been a constraint during the year. Your company had consciously decided to maintain 3-6 months of liquidity due to the ongoing NBFC crisis which has been helpful for us during the pandemic. As of 31st March 2020, your company held a cash balance of Rs. 102 Cr. which was equivalent to 5 months of repayments and operating cost. We have, thus, not availed any moratorium on our borrowings from any lender.

7. Going Phygital:

This focus of serving the Micro and Small Enterprises will serve to solve a larger economic unmet demand and also contribute to improving our yields and NIM. As your company adds to itself, an Engineering team which has developed the LOS inhouse, a data sciences team- we can move most of the analytics in house. **This will position your company as a Phygital NBFC-** aligned to our conviction that we need to serve the Micro and Small Enterprises. To do that, we need the troika of physical distribution, data sciences for customer insights and risk analytics and lastly, technology for timely reach and delivery to our customers.

8. Re-branding:

As we sharpened the focus of your company towards the Micro and Small Enterprises during the year, added risk analytics and technology as the fulcrum to drive our goals, we thought that it was best that we announce this whole sharpening of focus with a re-branding of the Company. We seek to rechristen your Company as Ashv Finance Limited. Ashv is a Sanskrit word for steed or horse. Our new brand "Ashv" underpins the message that the Entrepreneur of the Micro and Small Enterprises is the quintessential hero riding your Ashv. Besides, artists have long sought to bring out the raw muscle, power, speed & grace on canvas as at it is natures' personification of power, speed, beauty and grace-traits we want your Ashv to embody in times to come.

Your company is surely much stronger as of March 20 than ever before. This is largely due to the conviction and hard work of the team. Our people are our biggest asset & they are glued to the goals of your Company.

While the COVID-19 pandemic has pushed back the future plans by half a year, my conviction lies in the fact that never before have the Micro and Small Enterprises needed a more empathetic and understanding approach towards their requirement as under the current circumstances. We, thanks to our distribution build up, are ready to deliver that understanding and empathy. I see your Company becoming more relevant within the sector and to its customers in the ensuing decade of 20's. We firmly believe that small businesses will pivot the next growth story of the new and emerging India.

Summing up- Ashv is here to Power Big Dreams of Small Businesses!

Best Wishes,

Nikesh K Sinha
Managing Director

“WEAVING IMPACT THROUGH FABRICS.”

FABRICS OF INDIA

Shipra Alam started Fabrics of India, a proprietorship firm in 2014. Prior to starting Fabrics of India, Shipra worked in Corporate Communications, Marketing and Branding and had 10 years plus experience. In her previous role, she had the opportunity to work with multiple corporates in advertising and IT consultancy. In 2014, she started out on her own and launched Fabrics of India solely on the basis of her immense interest and love for handmade fabrics, handicrafts and accessories.

Fabrics of India (FOI) is a firm which manufactures and trades in handlooms & handicrafts accessories. The business model of this firm is Online Selling through third party platforms. FOI is also currently working on setting up its own online platform for selling these products. The Company has a physical office and workshop in Pune, Maharashtra. The idea behind FOI was to build an online platform and showcase handlooms and handcrafted fabrics.

Being the Founder of FOI, Shipra takes great pride in designing and customising handmade fabrics for her clients based on her own sensibilities and aesthetics, as well as, inputs from the clients. Her objective is not only source and sell, but also give it her unique touch with respect to accessorizing the raw fabrics and sarees that she procures from weavers across the country.

The designs are theme based to make them unique and different that help her create a niche and a market for these products. She works with and trains women in the art of hand embroidery, hand painting, block printing, and batik. Currently, these products are available and sold through different online platforms exclusively dealing in these products. Some of these platforms are: **www.itokri.com, www.avishya.com, www.gaatha.com.** Going forward, Shipra also plans to engage with Amazon under their Handloom/Artisan section to expand her business and reach.

Her workshop is based in Pune and Ahmedabad (Gujarat). She works with 10-15 women, who are housewives and work from their respective homes in their spare time. Some of these women employees are also associated with various NGOs. Shipra provides them with material, design inputs and training that enables them to work proficiently. Not only does this makes them independent but it also provides them the opportunity to earn and support their families.

Working Capital always has been an area of concern for Shipra. For any business, working capital is required to keep the business running. Working with channels comes with its own set of challenges and hence, payments usually get delayed. This is true for any industry that has a certain credit period to work with. To ease these challenges, Shipra had approached a nationalized bank for a business loan. Considering the amount of documentation required for a business loan, she settled with a Cash Credit Facility. However, to expand and grow her business, she needed a business loan with a set tenure to meet her working capital needs. She approached Ashv (erstwhile IntelleGrow), for a 3-year business loan in January 2020. We were able to understand her challenges and the demands of her business. We understood the vision she had and decided to support her by sanctioning her a business loan. Before sanctioning her this loan, the credit team understood the business model, the challenges involved and the potential of the business to grow. The time period for disbursement of this loan was kept to a minimal and the entire process was completed within 7-10 days.

A happy customer, this is what Shipra has to say about her experience with IntelleGrow, *“The turn-around time for disbursing loan was very quick, around a week or 10 days. I used to get regular updates from the relationship manager and was not required to chase anyone for the loan. Even in COVID-19 times, IntelleGrow has been very accommodating with respect to managing my EMI payments. This is what has strengthened my trust in IntelleGrow as my business facilitator.”*

PROFILE OF THE BOARD OF DIRECTORS

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VINEET RAI

CHAIRMAN,

Chairman, Founder and CEO, Aavishkaar Group

Aavishkaar Group is a pioneer Impact Investment fund ($1B) investing in India and parts of Africa & Asia. Vineet has received numerous awards for his work, including Impact Investor of the Year by News Corp for 2016 and the Porter Prize for Strategic Leadership in the Social Space in 2016.

ANURAG AGRAWAL

DIRECTOR

Anurag has worked with most of the Micro Finance Institutions in India. He has played a key role in incubating I3N (India's first impact focused angel network) and he has been the key architect of the creating the current group.

NIKESH KUMAR SINHA

MANAGING DIRECTOR

Nikesh brings in more than 25 years of experience in Banking and finance and as the Head of Medium Enterprise Group at Axis Bank.

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.

RAKESH REWARI

INDEPENDENT DIRECTOR

Rakesh Rewari has more than 30 years of experience in Financial Institutions. He has set up the SIDBI Venture Capital Ltd; also served as DMD and been on the Board of Small Industries Development Bank of India (SIDBI). Since February 2012, he has been an Expert in the Office of the Adviser to the Prime Minister on Public Information Infrastructure and Innovations of the Government of India.

PROFILE OF THE BOARD OF DIRECTORS

MATANGI GOWRISHANKAR

INDEPENDENT DIRECTOR

Matangi has over three decades of business and HR experience with leading companies such as Standard Chartered Bank, Reebok India, GE, ICIL and Cummins. She has been a board member of the National HRD Network in India Last she served as Director (HR), at British Petroleum APAC.

ALEEM REMTULA

NOMINEE DIRECTOR

He leads the firm's growth equity investments in banks and non-bank financial institutions across South Asia, Central Asia and the Caucasus. Aleem is based in New York. Prior to joining DWM, he spent 10 years in Socially Responsible, Double Bottom Line and Impact Investing with firms like the New York City Investment Fund, Bridges Ventures and Living Cities. Aleem started his career in corporate finance with JP Morgan covering diversified industrial and transportation clients.

SARUNAS KUBILICKAS

NOMINEE DIRECTOR

Triodos Bank

Senior Investment officer, private equity team at Triodos bank. Previously worked with a French multinational bank and has extensive experience Corporate M&A and Business Development. 10 years experience in project management leading cross cultural internal and external teams.

ANURADHA RAMACHANDRAN

NOMINEE DIRECTOR

OMIDYAR NETWORK INDIA

Director, Investments, Omidyar Network - leads investments in medical technology and healthcare initiatives. Previously worked with early-stage VC Fund, VentureEast, and investment banking firm, Lazard India, where she made many successful investments across sectors spanning clean tech, enterprise software, IT services. She began her career as Principal Correspondent, Corporate Reporting and Equity Analysis, The Financial Express.

PROFILE OF THE MANAGEMENT

NIKESH KUMAR SINHA

MANAGING DIRECTOR

Nikesh brings in more than 25 years of experience in Banking and finance and as the Head of Medium Enterprise Group at Axis Bank.

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KIRAN AGARWAL TODI

CHIEF FINANCIAL OFFICER

Kiran brings over 16 years of experience spread across domains of Finance, Fund Raising, Business Strategy, Resource Planning, Risk Management & Change Management. She has been instrumental in building Home First (HFFC), an affordable hfc under the leadership of Mr. Jaithirth Rao. In her last role as a CFO at HFFC, she spearheaded the liability franchise of Rs. 2,500 Cr. spread across 20 lenders from public and private sectors. She is a versatile leader and has worked across roles and geographies.

RANJAN LAHIRI

CHIEF RISK OFFICER

A Chartered Accountant by qualification, Ranjan brings in over 20 years experience with HDFC bank covering operations, Credit appraisal and risk, Portfolio monitoring, financial reporting and business development in SME space.

ASHV JOURNEY SO FAR

2020

Current Year

- Promoter round of Equity Infusion of Rs. 100 Cr.
- Branch Network across 12 Locations
- AUM of Rs. 400 Cr.
- Significant move in MSME Segment by merging Group MSME Business under One Brand-One Company

2018-19

Growth

- Cumulative disbursements Rs. 1,400 Cr.
- Promoter round of repeat equity infusion
- Entered in a Strategic Sourcing Partnership with Tribe 3

2016-17

Multiple Rounds Of Funding

- Triodos & DWM makes repeat investment
- NCD raised from Calvert Foundation
- AUM of Rs. 250 Cr.+
- Profitable

2014-15

Strategic Infusions

- Equity Infusion from Marquee Investors
- NCD raised from Triodos Bank
- CARE BBB- Rating assigned to NCDs
- AUM Rs. 100 Cr. +

2012-13

Incubation

- Started as an early stage clean energy lender
- Transitioned to become a lender to other impact sectors as well
- Received Grant from Shell Foundation of Rs. 8.5 Cr.

"CREATING HYGIENE. ONE BABY AT A TIME."

GANPATI IMPEX

Established in 2010, Ganpati Impex from Pune has made a name for itself in the list of top suppliers of Baby Wipes in India. The founder, Mr. Wanhere earlier worked for a wet wipes distributor who imported products from China and sold it in the Indian market. When Mr. Wanhere realised a possibility of manufacturing the substitutes on a small scale, he started his journey as an entrepreneur and started supplying to his former employers.

9 of the 11 employees at the company are females and handle the most critical operations while their male counterparts are responsible for loading. The company has always managed to encourage its workforce to be self-sufficient through enabling tools to work from home whenever required. Due to the easy manufacturing process, any new employee can learn the job in less than a week.

With about 1-1.25 lakhs sheets of wet wipes manufactured per day, the customers of Ganpati Impex include distributors who re-brand to sell the products to reputed nursing homes.

The initial capital was taken from a few banks and relatives. However, because of tedious processes and lengthy documentations, he approached Ashv. The experience with Ashv was new for the Company as compared to the traditional processes. *Quick and hassle-free documentations with a relatively faster sanction and disbursement enabled the Company to purchase new machinery in order to facilitate its growth plans.*

With an Essential Services status, the Company managed to run the operations with limited capacities but ensured salaries to each of the employees during the pandemic. With multinational companies and imported products dominating the market for wet-wipes, the Company is bearing the "Make in India" flag with growth forecasts of minimum 20% at the end of the financial year and expectations of a huge opportunity for similar manufacturers in India.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

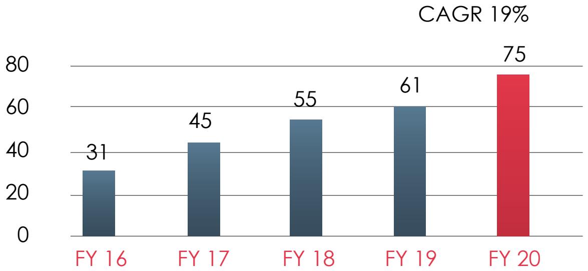
Key Metrics

	Networth	PAT	CRAR	PCR	NNPA
FY-20	240 Cr	3.77 Cr	61%	71%	1.58%
FY-19	157 Cr	1.88 Cr	42%	14%	3.51%

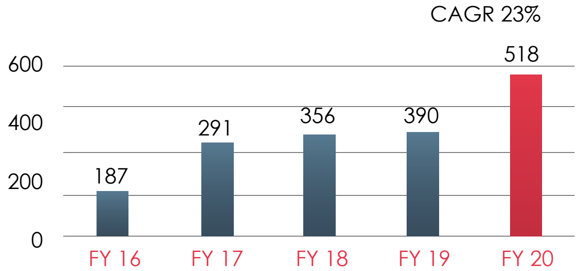
	PAR 30	Avg Ticket Size	Branches (#)	Customers (#)	Sales force (#)
FY-20	14 Cr	18 Lakhs	12	2,008	77
FY-19	28 Cr	1 Cr	1	442	12

Financial Highlights

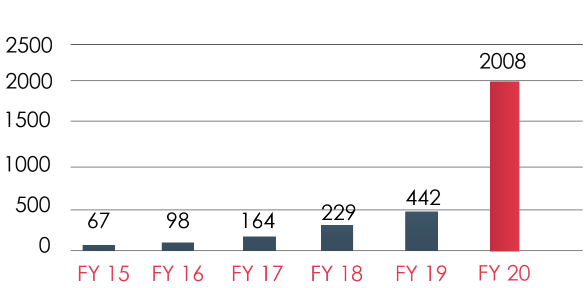
Revenues (Rs. In Cr.)



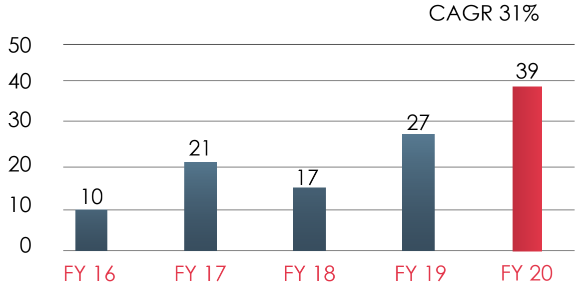
Balance sheet (Rs. In Cr.)



Number of active clients (#)



NII (Rs. In Cr.)



22 % YOY INCREASE IN REVENUES

9 % NET INTEREST SPREAD

1.08 % DEBT TO EQUITY

240 cr NETWORTH

A. Industry structure and developments:

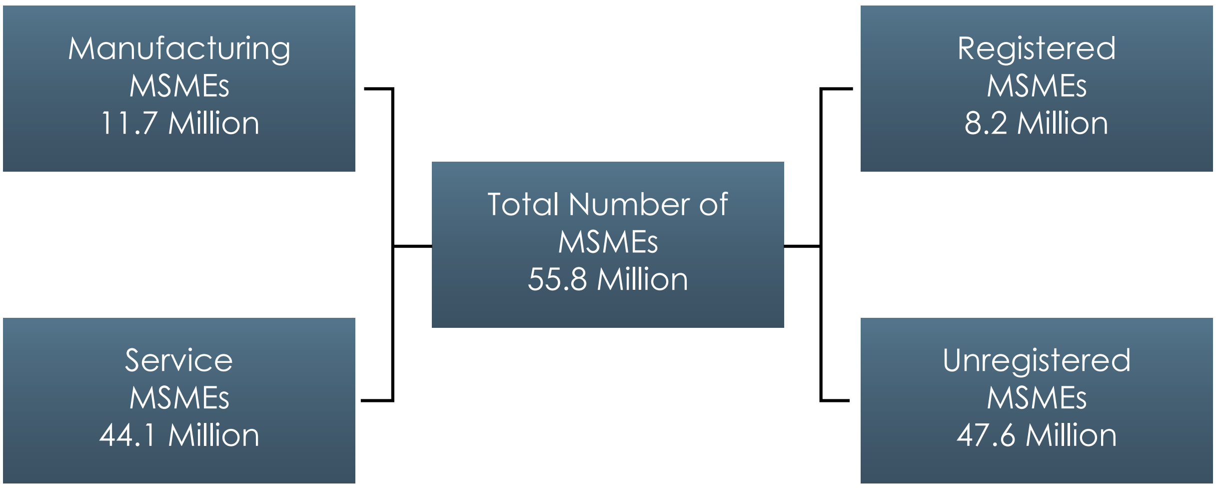
MSME's contribute almost 30% of the country's GDP and close to half of the country's exports. There are over 60 million MSME's operating in our country which employ over 110 million people.

MSME segment with aggregate credit exposure up to Rs. 50 Cr. constitutes Rs. 18.3 Lakh Cr. Outstanding which is ~28% of the commercial credit outstanding in the country. Micro (Less than Rs. 1 Cr.), Small (Rs. 1 Cr. to Rs. 15 Cr.) and Medium (Rs. 15 Cr. to Rs. 50 Cr.) segments showed a YoY growth of 7.7%, 4.6% and 1.9% respectively till the 2nd Quarter of 2019.

	Very Small <Rs.10 Lakh	Micro 1 <Rs.10 Lakh-50 Lakh	Micro 2 <Rs.50 Lakhs-1 Crores	Small <Rs.1 Crore-15 Crores	Medium <Rs.15 Crore-50 Crores	Large <Rs.50 Crores	Overall
Sep '17	0.73	1.75	1.16	6.96	4.08	34.74	49.42
Dec'17	0.75	1.85	1.26	7.67	4.32	37.16	53.01
Mar'18	0.83	1.97	1.35	8.27	4.56	40.61	57.60
Jun'18	0.84	2.00	1.37	8.39	4.58	39.27	56.45
Sep'18	0.84	2.05	1.41	8.54	4.65	42.68	60.17
Dec'18	0.89	2.20	1.50	8.91	4.79	43.35	61.63
Mar'19	0.92	2.26	1.55	9.16	4.95	46.00	64.85
Jun'19	0.89	2.22	1.52	9.04	4.82	46.30	64.80
Sep'19	0.89	2.23	1.52	8.93	4.74	46.74	65.04
Y-O-Y Growth (Sep'18-Sep'19)	**6.1%**	**8.4%**	**7.5%**	**4.6%**	**1.9%**	**9.5%**	**8.1%**

*Source: MSME Pulse Report January 2020 issued by Transunion Cibil

The commercial lending industry as a whole is moving towards lower ticket size loans, which can be seen by the high growth rate in Very small and Micro 1 and Micro 2 segments, while the growth has sharply gone down for small and medium segments.



*Source: IFC report on financing India's MSMEs

B. Opportunities:

According to the IFC report the total financing requirement for the MSME segment is around 45 Lakh Cr. out of which only 20% is being fulfilled by formal credit. Over 40% is served by informal credit while 25% is served by personal loans.

While the base of the pyramid is served by MFIs and the large corporates are served by Banks, it leaves the MSMEs with a segment, which is characterised by lack of collaterals, lack of credit history and lack of proper documentation largely ignored by the formal lenders.

This segment is a prime target for NBFCs which have an appetite for higher risk at each loan application level while the same translates into lower risk and a diversified portfolio at the aggregate level. The high risk is compensated by higher levels of yield. There exists a huge gap in supply of credit to these players, who can be served at scale with adoption of technology driven on-boarding and credit assessment. This is the segment in which the Company is poised for growth in the years to come.

ASSESSMENT OF CAPACITY TO PAY

Existing Focus

Reliance on evaluation of Financial Statements

Recommended Focus

Reliance on evaluation of Alternate source of information such as
. Bank Statements
. Electronically Captured Sales Data(E.g. PoS Machine)

*Source: IFC report on financing India's MSMEs

In the year 2019-2020, the Company has made a few strategic choices as below:

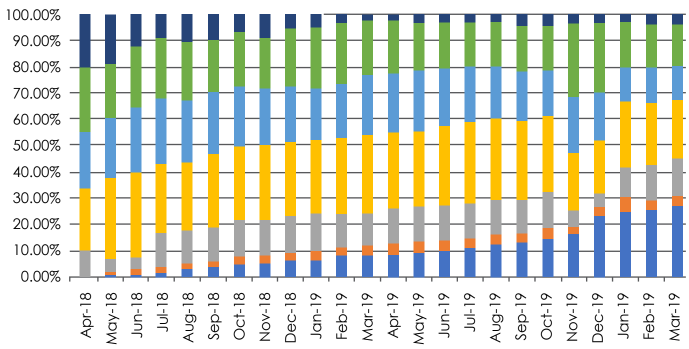
- Strategically moving towards a more granular portfolio
- Decreased concentration of risk
- Exposure to varied businesses and segments
- Developing wide distribution channel
- Partnering with new-age technology driven channel partners

Our performance in the previous year reflects the effectiveness of the strategies implemented to move from a "low volume large ticket size" portfolio to a more granular "high volume low ticket size" portfolio.

C. Segment wise or product wise performance:

The strategic move towards lower ticket size and diversified exposure to segments has resulted in a balanced portfolio. The sales and credit teams have aligned to the growth of the Company through adoption of digital platforms and processes to onboard and evaluate a record number of customers. We have also explored partnerships as an effective strategy to grow the books. Co-lending arrangements need some more push from the Regulator for effective implementation.

Proportion of Ticket Sizes (AUM)



The focus of the Company has shifted towards granular book and the same has resulted in multi-folded benefits to the Company. In FY 20, going granular has been one of our key-strengths.

Current AUM distribution by ticket sizes

Ticket Size	AUM Mar-20	AUM Mar-19
A_<25 Lakhs	104.42	30.69
B_25-50L	16.03	14.61
C_50L-1CR	56.22	47.51
D_1-2 Cr	86.81	111.60
E_2-3 Cr	51.17	87.13
F_3-5 CR	60.61	78.57
G_>Above 5Cr	15.74	9.00

D. OUTLOOK:

The World Health Organisation ('WHO') declared the outbreak of "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)" or generally known at COVID-19 as a global pandemic on 11 March 2020. In the view of severe health hazard associated with COVID-19, the Government of India declared a lockdown effective from 25 March 2020 to 14 April 2020, which has now been extended up to 17 May 2020.

The extent to which the COVID-19 will impact the Company's operations will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of COVID-19 pandemic and any action taken by the government to contain its spread, mitigate the economic impact and the time it takes for economic activities to resume at normal levels.

Given the COVID-19 pandemic and the ensuing country wide lockdown, the entire industry is in Disaster Recovery mode. We have been able to seamlessly implement the BCP measures owing to the technology orientation of the Company, just in time and acted in compliance when the Government bodies took action mandating lockdown. We are in a much better position to wait out the storm and come out stronger once the lockdown is lifted, with the multi-functional projects being run to sharpen the pitch and capabilities of the Company.

E. RISKS AND CONCERNS:

- Lockdown i.e., closure of businesses
- Credit risk/constraint as long term visibility is not available for COVID-19 impact
- Total impact on businesses due to COVID-19 is not measurable as of now
- Operational hurdles in lending to relatively unaffected sectors, such as lack of a legally valid digital signing options in India for loan agreements

F. 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.

G. 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. 518 Cr. as compared to Rs. 390 Cr. at the end of FY 19; CAGR of 23%. Portfolio Outstanding (POS) of the Company has increased from Rs. 379 Cr. to Rs. 391 Cr.
- **Revenue from operations**
  The increase in revenue from operations was 22% as compared to FY 19 due to the Company's focus on granular book with higher ROIs.
- **Employee benefit expenses**
  Employee benefit expenses increased by 82% from Rs. 7.51 Cr. in FY 19 to Rs. 13.64 Cr. in FY 20, due to the addition of new roles to support the growth.

- **Finance costs**
  Finance costs remains on similar lines as previous financial year. Rs. 32.68 Cr. in FY 20 as compared to Rs. 32.72 Cr. The Company raised Rs. 154 Cr. of debt during the year FY 20 to fund its growth.
- **Depreciation and amortization expense**
  Depreciation and amortization expenses increased by 33% from Rs. 0.56 Cr. in FY 19 to Rs. 0.75 Cr. in FY 20.
- **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 82% from Rs. 7.21 Cr. in FY 19 to Rs. 13.11 Cr. in FY 20.
- **Operating profit and Net profit**
  Operating Profit Margin is at 4.1%. The Company made a net profit of Rs. 3.77 Cr. as compared to previous year profit of Rs. 1.88 Cr.

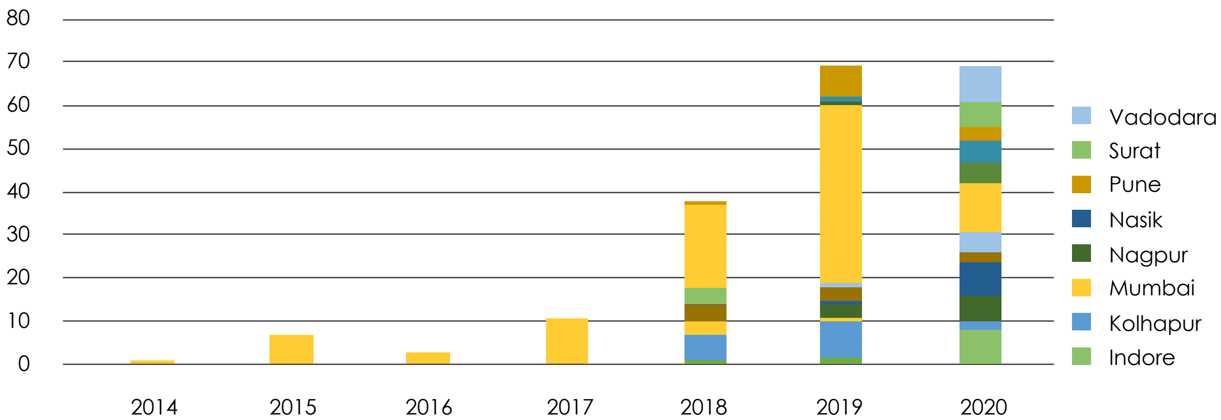
H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company aspires to use its Human Capital as Knowledge Capital while ensuring efficient resource utilization and cost control. Employees are most valuable resource and assets of the Company. Your Company is managed by majorly professionals like, Chartered Accountants, Company Secretaries, Lawyers, Cost Accountants, Business Administrative persons having rich experience and vide knowledge.

The focus of the organizational leadership is to enhance employee engagement levels and thus impact the morale and motivation of the workforce to create a high performing and engaged organization.

The Company follows and believe in the policy of building strong team of professionals and continue to do that. During the year, team size of the Company has grown to 153 employees from 55 employees last year.

Hiring Trends



DIRECTOR'S REPORT WITH ANNEXURES

DIRECTOR'S REPORT WITH ANNEXURES

DIRECTORS' REPORT

To the Members of Jain Sons Finlease Limited,

Your Directors are hereby presenting their Twenty Second (22nd) Annual Report of the Company together with the Audited Financial Statements for the year ended 31-Mar-2020:

1. Financial Results:

In the current financial year, your Company has adopted Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') with an effective adoption date of 01-Apr-2018. The Company has restated its financial statements as at 31-Mar-2019, which were earlier prepared and audited under erstwhile Indian GAAP. The financial performance of your Company for the year ended 31-Mar-2020, are summarised as below:

Particulars	31-Mar-2020 (in Rs.)	31-Mar-2019* (in Rs.)	Change (%)
Revenue from Business Operations	74,81,00,332	61,33,51,384	22%
Other Income	15,80,211	3,42,438	361%
Total Revenues	**74,96,80,543**	**61,36,93,822**	**22%**
Less: Expenses	39,50,37,930	26,39,83,013	50%
Profit before Interest and Depreciation	**35,46,42,612**	**34,97,10,809**	**1%**
Less: Interest	32,68,01,068	32,71,96,118	0%
Profit before Depreciation	**2,78,41,544**	**2,25,14,691**	**24%**
Less: Depreciation	75,73,927	56,72,293	34%
Profit after Depreciation and Interest	**2,02,67,617**	**1,68,42,398**	**20%**
Less: Current Income Tax	-	56,08,129	100%
Less: Deferred tax benefits	(1,74,44,707)	(1,14,79,267)	52%
Profit after Tax	**3,77,12,324**	**2,27,13,536**	**66%**
Other comprehensive income, Net of tax	**12,31,000**	**(15,80,000)**	**(178%)**
Comprehensive income for the year	**3,64,81,324**	**2,42,93,536**	**50%**
Amount transferred to Statutory Reserve	76,00,000	39,68,790	91%
Balance carried to Balance Sheet	2,88,81,324	2,03,24,746	42%
Earnings per share (Basic)	1.75	1.94	(10%)
Earnings per share (Diluted)	1.41	0.61	131%

* Last year figures are changed as per IND AS

2. Transfer to Reserves:

During the year under review, the Company has transferred Rs. 76,00,000/- (Rupees Seventy-Six Lakhs Only) to the Statutory Reserve maintained under Section 45IC of the Reserve Bank of India ("RBI") Act, 1934.

3. Dividend:

During the year under review, your Directors have pleasure in informing that the Company has made a Net Profit of Rs. 3,77,12,324/-. However, since the distributable profits, after considering losses of previous financial year, available for declaration of dividend are not sufficient enough, your Directors are not recommending for declaration of any dividend to any of its shareholders.

4. Review of Business Operations and Future Prospects:
During the year gone by, the Company reviewed its customer segments, its risk approach and its distribution capabilities and realigned its business thrust and direction accordingly. The Company decided to orient its target client segments to Micro, Small and Medium Enterprises (MSME) apart from onward lending. This led to opening branches in Delhi, Bangalore and Hyderabad post Sep- 19. Plus, in line with the re-orientation, we opened up Branches in Pune, Kolhapur, Nagpur, Guntur, Ahmedabad, Vadodara, Nashik and Surat post Nov- 19, and have built up a distribution team accordingly.

The Company revisited its credit approach and came up with a risk rating tool and subsequently new products to approach the new target segments across locations. These products are typically at higher risk, compensated by higher yields. This product segment also helps us re-align ourselves with the larger vision of the Aavishkaar group of serving the **"other 3 billion".**

During the year under review, the Company has disbursed Rs. 458 Cr. fresh as compared to Rs. 498 Cr. fresh in previous financial year FY19. The Company also entered in Direct Assignment for Rs. 37 Cr. in Dec-19. The closing Portfolio Outstanding (POS) is Rs. 391 Cr. The Company lost some significant business during the end of the last quarter of the year owing to the break-out of COVID-19 and nation-wide lockdown announced by Government of India.

During the financial year under review, revenue of the Company has also grown up by 22%, while the operating expense ratio has also increased by 84%. The Operating expense grew on account of the building the distribution team in order to cater to the new segment.

During the year under review, in order to revamp the Company with clean slate, new strategy and renewed energy. The Company has adopted its new brand name "Ashv" from its existing brand name "IntelleGrow". The brand name "Ashv" origins from the word "Ashva" which is the Sanskrit name for horse, an animal that is synonymous with the Vedas and other Indian scriptures. Known for its speed, strength, and reliability, the horse has been the vehicle of choice whether it is traversing terrains or going in to war. It symbolizes speed, strength and is the carrier of the hero of the story, not the hero himself.

While the COVID-19 pandemic would have an interim effect on the Company, we are of the view that post Sep- 20, we foresee 100% utilisation of our distribution capacity and till then we may have to focus on collections, building technological capabilities and sharpen our risk model using the data analytics team.

5. Resource Mobilization:
During the year under review, the Company met its funding requirements by borrowing from the larger NBFC's. The Company also received Rs. 100 Cr. of capital infusion from it's Promoters.

A. Non-Convertible Debentures:
The Company has not issued any Non-Convertible Debenture during the year under review.

B. Bank & Financial Institution:
During the year under review, Financial Institution remains an important source of funding for your Company. Financial Institution continued their support to your Company during the Financial Year. As of 31- Mar-2020, borrowing from Bank and Financial Institutions were Rs. 2,57,86,54,508/- as against Rs. 2,24,29,12,558/- in the previous year.

6. Shares:

A. Buy back of securities:
The Company has not bought back any of its securities during the year under review.

B. Sweat Equity:
The Company has not issued any Sweat Equity Shares during the year under review.

C. Bonus Shares:
No Bonus Shares were issued during the year under review.

D. Employees Stock Option plan:
Your Company has in its meeting of the Board of Directors held on 30-Oct-2018 and in its Extra-Ordinary General Meeting of the shareholders held on 30-Oct-18, approved the "IntelleGrow Employee Stock Option Plan 2018" (IntelleGrow ESOP 2018) with a view to reward the key employees for their association, dedication and contribution to the goals of the Company. 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 **Annexure-A** and forms an integral part of the Report.

E. Private Placement:

During the year under review, the Company has issued and allotted Equity Shares on private placement basis and details of the same are as below:

Sl. No.	Name & Occupation of Allottee	Address of the Allottee	Number of shares allotted	Date of Allotment
1.	Intellectual Capital Advisory Services Private Limited	13B (III), 6th Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	57,35,260	27- Sep-2019
2.	Aavishkaar Venture Management Services Private Limited	13B (III), 6th Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	57,35,260	31-Jan-2020

F. Authorised Share Capital:

During the year under review, the Authorised Share Capital of the Company has been changed by way of obtaining shareholders approvals in its Extra-Ordinary General Meeting of the Company held on 26-Sep-2019 as below:

i. Sub-division of the face value of Compulsory Convertible Preference Shares (CCPS), Series B1 CCPS and Series B2 CCPS:

Sl. No.	Type of Shares	No. Shares pre sub-division	Face Value pre sub-division (in Rs.)	Share Capital pre sub-division (in Rs.)	No. of Shares post sub-division	Face Value post sub-division (in Rs.)	Share Capital post sub-division (in Rs.)
1	CCPS	20,00,000	20	4,00,00,000	40,00,000	10	4,00,00,000
2	Series B1 CCPS	25,00,000	100	25,00,00,000	2,50,00,000	10	25,00,00,000
3	Series B2 CCPS	3,00,000	100	3,00,00,000	30,00,000	10	3,00,00,000

ii. Re-Classification of Authorised Share Capital:

Sl. No.	Type of Shares pre re-classification	No. Shares pre re-classification	Face Value pre re-classification (in Rs.)	Share Capital pre re-classification (in Rs.)	Type of Shares Post classification	No. Shares post re-classification	Face Value post re-classification (in Rs.)	Share Capital post re-classification (in Rs.)
1	CCPS	40,00,000	10	4,00,00,000	Equity	40,00,000	10	4,00,00,000
2	Series B1 CCPS	2,50,00,000	10	25,00,00,000	Equity	2,50,00,000	10	25,00,00,000
3	Series B2 CCPS	30,00,000	10	3,00,00,000	Equity	30,00,000	10	3,00,00,000

Pre and Post Authorised Share Capital of the Company taking into considering point no.(i) & (ii).

Particulars	Pre-Reclassification of Authorised Share Capital			Post-Reclassification of Authorised Share Capital		
Type of Shares	No. of Shares	Face Value (in Rs.)	Amount (In Rs.)	No. of Shares	Face Value (in Rs.)	Amount (In Rs.)
Equity	4,14,00,000	10	41,40,00,000	7,34,00,000	10	73,40,00,000
CCPS	20,00,000	20	4,00,00,000	-	-	-
Series B1 CCPS	25,00,000	100	25,00,00,000	-	-	-
Series B2 CCPS	3,00,000	100	3,00,00,000	-	-	-
Series C CCPS	60,00,000	10	6,00,00,000	60,00,000	10	6,00,00,000
Series D CCPS	56,00,000	10	5,60,00,000	56,00,000	10	5,60,00,000
Total	**5,78,00,000**		**85,00,00,000**	**8,50,00,000**		**85,00,00,000**

G. Paid-up share Capital:
The Paid-up Share Capital of the Company as on 31-Mar-2020 are as below:

Particulars	No. of Shares	Face Value (In Rs.)	Nominal Amount (In Rs.)
Equity Share Capital	3,36,15,301	10	33,61,53,010
Series C CCPS Capital	58,49,966	10	5,84,99,660
Series D CCPS Capital	26,27,724	10	2,62,77,240
Total	**4,20,92,991**		**42,09,29,910**

7. Change in Constitutional Documents:
During the year under review, the Company had amended its Memorandum of Association and Article of Association of the Company as mentioned below:

i. Alteration in Memorandum of Association:
During the year under review, the Company had altered its Memorandum of Association of the Company due to the following:

A. Clause II of Memorandum of Association – The Registered Office Clause:
Due to change in the Registered Office of the Company from the State of Telangana to the State of Maharashtra by way of passing Special Resolution at the Annual General Meeting of the Company held on 09-May-2019 and upon receipt of confirmation of the Regional Director, Southern Region, Ministry of Corporate Affairs, Hyderabad, vide its order dated 22-Oct-2019 passed in Company Application No. 24/RD(SER)/Sec-13(4)/ CPNo.56(TG), 2019/5100.

B. Clause V of Memorandum of Association – Capital Clause:
The Company had by way of passing an Ordinary Resolution in the Extra-Ordinary General Meeting of the Company held on 26-Sep-2019 reclassified the Authorised Share Capital of the Company as below:

Particulars	Pre-Reclassification of Authorised Share Capital			Post-Reclassification of Authorised Share Capital		
Type of Shares	No. of Shares	Face Value (in Rs.)	Amount (In Rs.)	No. of Shares	Face Value (in Rs.)	Amount (In Rs.)
Equity	4,14,00,000	10	41,40,00,000	7,34,00,000	10	73,40,00,000
CCPS	20,00,000	20	4,00,00,000	-	-	-
Series B1 CCPS	25,00,000	100	25,00,00,000	-	-	-
Series B2 CCPS	3,00,000	100	3,00,00,000	-	-	-
Series C CCPS	60,00,000	10	6,00,00,000	60,00,000	10	6,00,00,000
Series D CCPS	56,00,000	10	5,60,00,000	56,00,000	10	5,60,00,000
Total	**5,78,00,000**		**85,00,00,000**	**8,50,00,000**		**85,00,00,000**

ii. Alteration in Article of Association:
A. The Company had by way of passing Special Resolution at the Annual General Meeting of the Company held on 09-May-2019 deleted the clauses 9.1. & 24.1. pertaining to Common Seal of the Company pursuant to the Companies Amendment Act, 2015 to facilitate the administrative convenience.

B. Pursuant to the transition of accounting by the Company from Indian Generally Accepted Accounting Principles (IGAAP) to Indian Accounting Standards (Ind AS), the Company had entered into Addendum Agreement No. 2 to the Amended and Restated Shareholders Agreement to record the revised understanding between the parties and in order to accommodate the provisions of the said agreement and the Company modified its existing Articles of Association of the Company in line with changes made in the said agreement by way of passing Special Resolution at the Extra-Ordinary General Meeting of the Company held on 26-Sep-2019.

8. Shifting of Registered Office:
During the year under review, Registered Office of the Company has been shifted from outside the local limits of any city, town or village i.e. from "Babukhan's Millenium Centre, 4th Floor, Block-B, Premises No. 403 and 404 (6-3-1099/1100), Somajiguda, Hyderabad – 500082, Telangana, India" to "12B, 3 rd Floor, Techniplex-III IT Park, Off. Veer Savarkar Flyover, Goregaon West, Mumbai–400062, Maharashtra, India" w.e.f. 22-Oct-2019. The confirmation of the same was received from Regional Director, Southern Region, Ministry of Corporate Affairs, Hyderabad, vide its order dated 22-Oct-2019 passed in Company's application No. 24/RD(SER)/Sec-13(4)/CP No. 56(TG), 2019/5100.

9. Directors and Key Managerial Personnel

A. Retirement by Rotation:
In accordance with the provisions of Section 152 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Anurag Agrawal (DIN: 02385780), Director and Mr. Sarunas Kubilickas (DIN: 07979896), Nominee Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment and your Directors recommends their re-appointment.

B. Cessation of Directors:
During the year under review, Mr. Pradeep Pursnani, Nominee Director of the Company (Nominee Shell Foundation) has resigned w.e.f. 15-July-2019. Ms. Bhama Krishnamurthy, Independent Director of the Company has resigned from the close of business hours of 30-Dec-2019 due to her increasing engagement in other Companies, she chose to resign from the Company, 5 months before the expiry of her designated tenure. The Board places on record their sincere appreciation of the valuable contribution made by Mr. Pradeep Pursnani as a Nominee Director and Ms. Bhama Krishnamurthy as an Independent Director of the Company during their tenure in the Company.

C. 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 13-March-2020 had appointed Ms. Matangi Gowrishankar as an Additional Director (Non-Executive & Independent) for a term of five consecutive years with effect from 12-Mar-2020 upto 11-Mar-2025, subject to approval of the Shareholders in the ensuing Annual General Meeting. The Company has received notice under section 160 of the Act proposing her candidature for the office of Director of the Company. Your Directors recommend her appointment.

Further, the management and Board believes that appointment Ms. Matangi Gowrishankar as an Independent Director on the Board of the Company will bring in the much needed "Strategy & HR" thrust to the Board and the Company as it expands its Branches and Teamsize.

Pursuant to the "Fit and Proper" criteria adopted by the Company under the RBI's Master Directions for NBFCs, the Company has received the "Fit and Proper" declarations from Ms. Matangi Gowrishankar for her appointment as an Additional Director, Non-Executive & Independent of the Company, after evaluating the eligibility criteria under RBI guidelines and the Act. Your Board recommends her appointment.

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

1.	Mr. Vineet Chandra Rai	Chairman
2.	Mr. Rakesh Rewari	Independent Director
3.	Ms. Matangi Gowrishankar	Additional (Independent) Director
4.	Ms. Anuradha Ramachandran	Nominee Director
5.	Mr. Aleem Remtula	Nominee Director
6.	Mr. Sarunas Kubilickas	Nominee Director
7.	Mr. Anurag Agrawal	Director
8.	Mr. Nikesh Kumar Sinha	Managing Director

E. Declaration from Independent Directors:
During the year under review, the Company had received declarations from Ms. Bhama Krishnamurthy, Independent Director (upto 30-Dec-2019), 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.

F. Disqualification of Directors:
The Company has received declarations from all the Directors including Independent Directors 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.

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 whole, the performance of the Chairman of the

Company was made based on the questionnaire to evaluate the performances of executive, Non- Executive 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, following changes occurred in the Key Managerial Personnel of the Company:

Sl.No.	Name of KMP	Designation	Effective Date of Appointment	Effective Date of Resignation
1	Mr. Chirag Desai	Company Secretary	-	15-Oct-2019
2	Ms. Monika Thadeshwar (Variava)	Company Secretary	24-Jan-2020	-

10. 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 **Annexure-B** with this report.

11. Policy on Directors' appointment, payment of remuneration and discharge of their duties:

The Company's policy relating to 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 on a continuing basis, pursuant to the Non- Banking Financial Companies (NBFC) – Corporate Governance (Reserve Bank) Directions 2015 issued by the RBI is annexed as **Annexure-C** with this report. The Nomination and Remuneration Policy consisting salient features is available on the Company's website at **www.intellegrow.com.**

12. Corporate Governance:

The report on the Corporate Governance of the Company as on 31-Mar-2020 be and is hereby annexed as **Annexure-D** to this report.

13. Number of Board Meetings conducted during the year under review:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings of the Company is placed in the Board Meeting at the end of each financial year to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed and noted in the subsequent Board meeting.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The intervening gap between the two consecutive meetings was within the period as prescribed under the Act.

The Board met 7 (seven) times during the year, the details of which are as given below:

Sl. No.	Date of Board Meeting	Venue of the Board Meeting	Name of Director's Present
1	08-May-2019	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Aleem Remtula 7. Mr. Sarunas Kubilickas 8. Mr. Nikesh Kumar Sinha
2	15-Jul-2019	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Sarunas Kubilickas 7. Mr. Nikesh Kumar Sinha
3	20-Sep-2019	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Aleem Remtula 7. Mr. Sarunas Kubilickas 8. Mr. Nikesh Kumar Sinha
4.	15-Oct-2019	13B, 6th Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Bhama Krishnamurthy 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Sarunas Kubilickas 7. Mr. Nikesh Kumar Sinha
5.	24-Jan-2020	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Mr. Anurag Agrawal 4. Ms. Anuradha Ramachandran 5. Mr. Sarunas Kubilickas 6. Mr. Aleem Remtula 7. Mr. Nikesh Kumar Sinha
6	13-Mar-2020	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Matangi Gowrishankar 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Sarunas Kubilickas 7. Mr. Aleem Remtula 8. Mr. Nikesh Kumar Sinha
7	20-Mar-2020	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra, India.	1. Mr. Vineet Chandra Rai 2. Mr. Rakesh Rewari 3. Ms. Matangi Gowrishankar 4. Mr. Anurag Agrawal 5. Ms. Anuradha Ramachandran 6. Mr. Sarunas Kubilickas 7. Mr. Aleem Remtula 8. Mr. Nikesh Kumar Sinha

14. Committees of the Board:

During the year under review, in accordance with the Act, the Board had constituted/re-constituted below committees due to change in the directorships of the Company as mentioned below:

- With the resignation of Mr. Pradeep Pursnani, Nominee Director of the Company w.e.f. 15-July-2019, the below committees were re-constituted:
  1. Audit and Compliance Committee;
  2. Nomination and Remuneration Committee; and
  3. Corporate Social Responsibility Committee

- With the resignation of Ms. Bhama Krishnamurthy, Independent Director w.e.f. close of working hours of 30- Dec-2019 and the appointment of Ms. Matangi Gowrishankar as an Additional Director, Non-Executive and Independent w.e.f. 12-Mar-2020, the below committees were re-constituted:
  1. Asset Liability Management Committee;
  2. Audit and Compliance Committee;
  3. Nomination and Remuneration Committee;
  4. Corporate Social Responsibility Committee

There are currently seven Committees of the Board, as mentioned below:

1. Audit and Compliance Committee;
2. Nomination and Remuneration Committee;
3. Risk Committee;
4. Corporate Governance and Executive Committee;
5. Product, Process, Credit Policy and Grievance Redressal Committee;
6. Asset Liability Management Committee;
7. Corporate Social Responsibility Committee

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 2020	Number of Meetings held during the FY 2020	Date of Meetings held during the FY 2020
1	Audit and Compliance Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Mr. Sarunas Kubilickas (w.e.f. 15-Jul-2019) Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	5	08-May-2019 15-Jul-2019 15-Oct-2019 24-Jan-2020 20-Mar-2020
2	Nomination and Remuneration Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Mr. Aleem Remtula (w.e.f. 15-Jul-2019) Mr. Anurag Agrawal Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	3	08-May-2019 15-Jul-2019 24-Jan-2020
3	Asset Liability Management Committee	Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Ms. Anuradha Ramachandran Mr. Aleem Remtula Mr. Sarunas Kubilickas Mr. Nikesh Kumar Sinha Mr. Rakesh Rewari (w.e.f. 20-Jan-2020)	4	08-May-2019 15-Jul-2019 15-Oct-2019 24-Jan-2020

Sl. No.	Name of the Committees Meetings	Composition of Committees during the FY 2020	Number of Meetings held during the FY 2020	Date of Meetings held during the FY 2020
4	Product, Process, Credit Policy and Grievance Redressal Committee	Mr. Rakesh Rewari Ms. Anuradha Ramachandran Mr. Sarunas Kubilickas Mr. Aleem Remtula Mr. Nikesh Kumar Sinha	1	08-May-2019
5	Risk Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Ms. Anuradha Ramachandran Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	5	08-May-2019 15-Jul-2019 15-Oct-2019 30-Dec-2019 24-Jan-2020
6	Corporate Governance and Executive	Mr. Vineet Chandra Rai Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	5	08-May-2019 26-Jun-2019 30-Jul-2019 28-Nov-2019 29-Jan-2020
7	Corporate Social Responsibility Committee	Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Ms. Anuradha Ramachandran Mr. Sarunas Kubilickas Mr. Aleem Remtula Mr. Nikesh Kumar Sinha Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	1	08-May-2019

The Charters of the above said committees are annexed as **Annexure-E** with this Report.

15. Audit and Compliance Committee and its Composition:

As on 31-Mar-2020, the Audit and Compliance Committee of the Board comprises of following members:

1. Mr. Rakesh Rewari, Independent Director;
2. Ms. Matangi Gowrishankar, Additional (Independent) Director;
3. Mr. Sarunas Kubilickas, 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 to 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.

16. Risks Management and Areas of Concern:

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. 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 suggest steps to be taken to control and mitigate the same through a properly defined framework.

As on 31-Mar-2020, the Risk Committee of the Board comprises of following members:

1. Mr. Rakesh Rewari, Independent Director;
2. Ms. Anuradha Ramachandran, Nominee Director;
3. Mr. Anurag Agrawal, Director;
4. Mr. Nikesh Kumar Sinha, Managing Director

17. 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. As on 31-Mar-2020, the CSR Committee of the Board is made up of the following members:

1. Ms. Matangi Gowrishankar, Additional (Independent) Director;
2. Ms. Anuradha Ramachandran, Nominee Director;
3. Mr. Sarunas Kubilickas, Nominee Director;
4. Mr. Aleem Remtula, Nominee Director;
5. Mr. Nikesh Kumar Sinha, Managing Director

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.intellegrow.com/investor_relations**

Since the average net profit for immediate financial years 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. Accordingly, No CSR activity was undertaken by the Company.

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 **Annexure -F.**

18. IT Strategy Committee and its Composition:

As per RBI's master directions on Information Technology Framework for the NBFC Sector on 08-Jun-2017, the Company has formed an IT Strategy Committee. However, with the resignation of Mr. John Arunkumar Diaz, Managing Director & CIO of the Company from the Board w.e.f. close of working hours of 04-Dec-2018, the Board in its meeting held on 08-May-2019 had re-constituted its IT Strategy Committee by appointing Mr. Nikesh Kumar Sinha, Managing Director of the Company as CIO of the Company. As on 31-Mar-2020, IT Strategy Committee comprises of following members:

1. Mr. Rakesh Rewari, Independent Director (Chairperson);
2. Ms. Anuradha Ramachandran, Nominee Director - Chief Technology Officer (CTO);
3. Mr. Nikesh Kumar Sinha, Managing Director –Chief Information Officer (CIO)

19. Independent Directors Meeting:

During the year under review, a meeting of Independent Directors was held on 15-Oct-2019 as required under the Act and in compliance of Schedule IV of the Act. In the meeting, the following issues were discussed in detail:

- Reviewed the performance/appraisal of Non-Independent Directors, Board and the Chairman of the Company;
- Assessed the quality, quantity and timelines of flow of information between the Company management as necessary for the Board to function effectively and perform their duties.

20. 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 departure; 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.

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 2019-20.

21. Compliance on 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.

22. Statutory Auditors:

The Board of Directors of the Company in its meeting held on 26-May-2016 and Annual General Meeting held on 26-May-2016, had appointed Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors of the Company for a tenure of 5 years till the conclusion of Twenty Third Annual General Meeting of the Company subject to ratification to the said appointment in every Annual General Meeting of the Company. However, provision to sub-section 1 of Section 139 of the Act pertaining to ratification of the appointment of Statutory Auditor during their tenure of appointment by the members of the Company at every annual general meeting has been omitted w.e.f. 07-May-2018 as per the Companies (Amendment) Act, 2017.

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 2019-20 does not contain any qualification, reservation or adverse remark.

23. Secretarial Audit Report:

Pursuant 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 Baldeva Associates, a firm of Company Secretaries in practice, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed and forming part of this report as an **Annexure-G.**

24. Internal Auditor:

The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. The Board has appointed KPMG as an Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial control. The Internal Auditor monitors and evaluates internal audit function, corrective action in their respective areas and thereby strengthen the controls and reports the same on monthly, quarterly and half yearly basis to the Audit and Compliance Committee of the Board.

25. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditor in their reports:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors or by Secretarial Auditor in their respective reports. However, following are the observations from the Statutory Auditor and Secretarial Auditor:

Sl.No.	Statutory/Secretarial Auditor's Observation	Management Response
1	Delay in filing of one e-form with ROC	The Company is ensuring to file all required forms and returns with the Registrar in time. However, one of the e-forms for the financial year 2019-20 was filed with late fee payment with ROC which the management ensures to take care in future.
2	The composition of Board of Directors is not in compliance with the provisions of Section 149(4) of the Companies Act, 2013, the Company is required to appoint one more Independent Director.	The Company and Members of the Nomination Remuneration are in search for the suitable candidate to induct another Independent Director on the Board of the Company to take the count to 3 Independent Directors.

3	The Company appointed an Additional Independent Director in the Board Meeting held on 13-Mar-2020 with effect from 12-Mar-2020, the date from which the Nomination and Remuneration Committee recommended for her appointment.	The Company has made an appointment of Additional Independent Director in the Board Meeting of the Company as per the discretion of the Board Members with effect from the date recommended by the Nomination and Remuneration Committee of the Board, which in this case happened to be one day prior to the Board approval.
4	The Company did not obtain prior approval of the Reserve Bank of India for allotment of Equity Shares to Intellectual Capital Advisory Services Private Limited allotted on 27-Sep-2019, in terms of the RBI Directions RBI/2015-16/122 DNBS. (PD) 029/ CGM(CDS) -2015 dated July 9, 2015.	The Company did not opt for prior approval of Reserve Bank of India (RBI) for the capital infusion as considering that as Promoter entity's stake in total was increasing from 27.68% to 42.56%. it was above 26% already. However, as soon as the same requirement was duly clarified by RBI, the Company immediately acted on the same and duly obtained the approval from the Reserve Bank of India post the allotment of equity shares and the same was duly ratified by RBI, thus the requirement was complied post facto.

26. 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 relate on the date of this report.

27. Whistle Blower Policy and Vigil Mechanism:

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 2019-20, no Employee or Director 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.intellegrow.com/investor_relations**

28. Fair Practice Code:

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on the terms and conditions relating to 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 **www.intellegrow.com**

29. 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 Reserve Bank of India including Know Your Customer (KYC) Direction, 2016, the Prevention of Money Laundering Act, 2002 and rules made thereunder, 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, 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 08-May-2019 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 **www.intellegrow.com.**

30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

31. 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 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	(In Indian Rupees) 2019-20	2018-19
Total Expenditure in Foreign Currency	9,53,948	6,44,258
Total Earnings in Foreign Currency	5,22,789	15,63,466

32. Particulars of Loans, Guarantees or Investments made under Section 186 of the Act:
Pursuant 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 a NBFC registered with RBI are exempt from the applicability of provisions of Section 186 of the Act. Hence, particulars of the loans and guarantee have not be disclosed in this report. The details of current investments and non-current investments are furnished under Notes to Accounts of financial statements.

33. Particulars of Contracts or Arrangements made with related parties under Section 188 of the Act:
The particulars of 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-2020, is annexed as **Annexure-H** with this report.

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 **www.intellegrow.com.**

34. Extract of Annual Return:
The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure-I** with this report.

35. Subsidiaries, Joint Ventures and Associate Companies:
The Company does not have any Subsidiary, Joint venture or Associate Company.

36. 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 non-acceptance of deposits from public.

37. Internal Control Systems:
The Company has an internal control system which is commensurate with the size, scale and complexity of its operations. The 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 Audit and Compliance Committee of the Board.

38. Management Discussion and Analysis Report:
The detailed report on Management Discussion and Analysis is hereby annexed as **Annexure-J** with this report.

39. 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 Compliant 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 there under. All employees (permanent, contractual, temporary, trainees) are covered under this policy. To build the 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 the all offices of the Company along with contact details of the Members of Internal Complaints Committee.

During the financial year 2019-20, the Company has not received any complaints on sexual harassment. Detailed summary on report on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as below:

Sl. No.	Particulars	
1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints of sexual harassment disposed off during the year	NA
3	Number of cases pending before the Internal Complaints Committee for more than 90 days	NIL
4	Number of workshops/ awareness programmes with respect to prohibition of sexual harassment conducted during the year	1. One Session for Internal Complaints Committee Members. 2. One Training conducted for all employees of the Company.
5	Nature of action taken by the Company in the cases of sexual harassment	NA

40. Credit Rating:
Your Company's financial discipline and prudence is reflected in the strong credit rating ascribed by Credit Rating Limited as below.

Instrument	Rating
Non-Convertible Debenture	CARE BBB- ; Positive (Triple B Minus; Outlook: Positive)

CARE Ratings Limited, vide its letter dated 22-Oct-2019, has revised Outlook from 'Stable' to 'Positive' on account of Company's business linkage with the Promoter Group, demonstrated support by way of capital infusion, investment by strong institutional investor, comfortable capitalization levels, moderate liquidity profile. Also due to change in key management team during the year and change in strategy to de-risk the lending portfolio with focus on lower ticket-size loans.

41. Capital Adequacy:
Your Company is well capitalized and has capital adequacy ratio of 61% as at 31-Mar-2020 as against the minimum regulatory requirement of 15.00 % for non-deposit accepting NBFCs.

42. 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.

43. RBI Guidelines:
The Certificate of Registration was issued to the Company in January, 1999 vide registration no. 14.0145B by RBI, New Delhi. Later on, the Company has shifted its registered office from Hissar to Hyderabad in the year 2013 and revised Certificate of Registration was issued to the Company in 2014 vide registration no. B-09.00441 by RBI, Hyderabad, to commence the business of a non-banking financial institution without accepting deposits.

During the year, Registered Office of the Company has been shifted from Hyderabad to Mumbai and revised Certificate of Registration was issued to the Company vide registration no. B-13.02376 by RBI, Mumbai. Your Company has complied with and continues to comply with all applicable regulations and directions issued by RBI from time to time.

44. Acknowledgements:
Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities including Reserve Bank of India (RBI) for the continued support extended to your Company activities 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

Vineet Chandra Rai
Chairman
(DIN: 00606290)

Nikesh Kumar Sinha
Managing Director
(DIN: 08268336)

Place: Mumbai
Date: 12-May-2020

"BANKING ON GRAINS THROUGH TECHNOLOGY."

ERGOS

Incorporated in 2012, Ergos Business Solutions Private Limited is an integrated Agri-supply chain company. It is a technology enabled marketplace focused on establishing market linkages for farmers, end buyers, and Banks/NBFCs through Grid-of-micro-warehouses at the farm-gate. Through a grid of digitally connected rural micro warehouses, Ergos facilitates farmers to store their produce, avoid distress sales during harvest season, reduce wastage by scientific warehousing, tide over their immediate liquidity/ financing needs by working with NBFCs/ Banks and thereby empower farmers to sell their produce as and when they desire, thereby resulting in farmers achieving 25%-30% higher incomes.

Ergos operates 70 GrainBank (Warehouses) in Bihar in 5 districts; Samastipur/Begusarai/Muzzaffarpur/Purnea/Araria districts at farm-gate level. Company has warehouses on long term lease (more than 5 years) for storage of goods.

Ergos whose main promoters are Kishor Jha and Praveen Kumar, both 1st generation promoters, deals in wheat, paddy and maize.

While working at an MNC bank, Kishor was handling portfolios of high-net-worth individuals (HNI), where he was exposed to the commodity arbitrage market. He realized that there was a huge need for Agri warehousing facilities for farmers. That's when he met Mr. Praveen Kumar who was an HR professional recruiting for MNCs and owned sizeable Agri Land in Bihar and understood the farming ecosystem very well.

The first few years were really challenging for the duo, with only a few farmers coming onboard in the first year, they had to prove the value of warehousing to each farmer and gain their trust. It took them two years to reach the level where farmers started booking the warehouses in advance.

Ergos engages with warehouses which is scientifically constructed and their plans are approved by NABARD, or state agriculture dept. Ergos conducts thorough due diligence of the warehouse, including survey reports covering title-ship of warehouse ownership, location, approach road, flood history, height from the ground, distance from police station, number of gates, security arrangement, flooring, ceiling condition, number of pillars, wall condition etc. Ergos rents the selected warehouses, preferably on long term lease with landlords.

Ergos has recruited Village Champions -VC. They engage with local farmers of their respective locations. Leads are generated through reference of existing registered farmers only. Engagement with farmers is an ongoing activity, initially only registration is done with minimum information like Name of farmers / Address / Mobile number. Once Initial registration is done, the VC meets them regularly and makes a calendar of their agri activity like land detail / crop detail / time of tiling / time of sowing / irrigation /fertilization /harvesting. Once crop is ready, they guide them for warehousing.

Ergos provides a mobile phone app, which lists out the stock held by farmers in warehouses and real-time market price of grains. The farmer is certain of his stock in the warehouse, and is also aware of market trends which allow him to set his price.

With the warehousing facilities provided by Ergos, Farmers no longer have to sell their harvest at distress prices as soon as the harvesting is done. They can now wait for the prices to go up in subsequent months and gain 20-30% higher returns.

With support from Ashv (Formerly IntelleGrow (Jain Sons Finlease Limited)), Ergos managed to tide over their immediate liquidity/ financing needs by and thereby empower farmers to sell their produce as and when they desire, thereby resulting in farmers achieving 25%-30% higher incomes.

ANNEXURE-A DETAILS ON 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:

Sl. No.	Particulars	31-Mar-2020
A	Options granted	
	- Outstanding at the beginning	2,75,000
	- Granted during the year	81,000
B	Total Options granted	3,56,000
C	Options vested	91,668
D	Options exercised	8,334
E	Total number of shares arising as a result of exercise of options	3,47,666
F	Options lapsed	5,000
G	Exercise price	Rs. 10/- & Rs. 87.18/-
H	Variation in terms of options, if any	Nil
I	Money realised by exercise of options	Rs. 7,26,558.12/-
J	Total number of options in force	3,42,666
K	Employee wise details of options granted to	
a)	Key Managerial Personnel	2,80,000
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	see below

Name of Employee	Options Granted
Chirag Desai	5,000
Kalpesh Desai	25,000
Neelam Bharate	5,000
Prashant Velagaleti	5,000
Swapna Nair	8,000
Rohan Parekh	8,000
Ranjan Lahiri	25,000

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

ANNEXURE-B 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-2020:

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. Bhama Krishnamurthy - Independent Director *	-	-
Ms. Matangi Gowrishankar - Independent Director **	-	-
Ms. Anuradha Ramachandran - Nominee Director	-	-
Mr. Pradeep Pursnani - Nominee Director ***	-	-
Mr. Aleem Remtula - Nominee Director	-	-
Mr. Sarunas Kubilickas – Nominee Director	-	-
Mr. Anurag Agrawal – Director	-	-
B. Executive Director	-	-
Mr. Nikesh Kumar Sinha – Managing Director	15	20%
C. Key Managerial Personnel		
Ms. Kiran Agarwal Todi – Chief Financial Officer		11%
Mr. Chirag Desai – Company Secretary ****		9%
Ms. Monika Thadeshwar (Variava) – Company Secretary *****		13%
D. The percentage increase in the median remuneration of employees in the financial year other than Managing Director		9%
E. Number of permanent employees on the rolls of the Company as on 31-Mar-2020		153

* Ceased to be director w.e.f. close of business hours of 30-Dec-2019
** appointed as director w.e.f. 12-Mar-2020
*** Ceased to be director w.e.f. 15-Jul-2019
**** Ceased to be Company Secretary w.e.f. 15-Oct-2019
***** appointed as Company Secretary w.e.f. 24-Jan-2020

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 16%.

Average percentile increase in the managerial remuneration is 20%.

Justification: The management was entrusted to change the strategic direction and momentum of the Company, & hence the differential.

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.

H. 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:

Particulars	Name of Top Ten Employees in the terms of remuneration drawn and the name of employee who -
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
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	Mr. Nikesh Kumar Sinha
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.	None

ANNEXURE-C 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 forth with.

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 up to 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.

ANNEXURE-D CORPORATE GOVERNANCE REPORT

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. The details of compliance with Corporate Governance requirements during the financial year ended 31-Mar-2020 ("financial year under review") are as follows:

1. BOARD OF DIRECTORS

1.A. Composition: 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.

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.intellegrow.com.**

The details of the Directors of the Company with regard to outside Directorship held as on 31-Mar-2020 are as follow:

Name of the Director	Category	No. of Outside Directorship(s) held
Mr. Vineet Chandra Rai	Non-Executive	7
Mr. Rakesh Rewari	Independent	5
Ms. Matangi Gowrishankar	Additional (Independent) Director	7
Ms. Anuradha Ramachandran	Non-Executive Nominee	5
Mr. Aleem Remtula	Non-Executive Nominee	2
Mr. Sarunas Kubilickas	Non-Executive Nominee	0
Mr. Anurag Agrawal	Non-Executive	6
Mr. Nikesh Kumar Sinha	Executive	0

1.B. Non-Executive Directors Compensation and Disclosures:

Sitting fees paid to Independent 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. Details of the Sitting fees paid to Independent Directors are given separately in this Report.

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.

7 (Seven) 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
08-May-2019	9	8
15-July-2019	9	7
20-Sep-2019	8	8
15-Oct-2019	8	7
24-Jan-2020	7	7
13-Mar-2020	8	8
20-Mar-2020	8	8

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 09-May-2019, at the Registered Office of the Company 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
Mr. Vineet Chandra Rai	7	7	No	Nil
Mr. Rakesh Rewari	7	7	Yes	Nil
Ms. Matangi Gowrishankar*	7	2	NA	Nil
Ms. Anuradha Ramachandran	7	7	No	Nil
Mr. Aleem Remtula	7	5	Yes	Nil
Mr. Sarunas Kubilickas	7	7	No	Nil
Mr. Anurag Agrawal	7	7	No	Nil
Mr. Nikesh Kumar Sinha	7	7	No	2100

*Appointed as Additional (Independent) Director w.e.f. 12-Mar-2020.

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:

During the year under review, a meeting of Independent Directors was held on 15-Oct-2019 as required under the Act and in compliance of Schedule IV of the Act. In the meeting, the following issues were discussed in details:

- Reviewed the performance/appraisal of Non-Independent Directors, Board and the Chairman of the Company;
- Assessed the quality, quantity and timeliness of flow of information between the Company management

2. Committee of the Board:

During the year under review, in accordance with the Act, the Board had constituted/re-constituted below committees due to change in the directorships of the Company as mentioned below:

- With the resignation of Mr. Pradeep Pursnani, Nominee Director of the Company w.e.f. 15-July-2019, the below committees re-constituted:
  1. Audit and Compliance Committee;
  2. Nomination and Remuneration Committee; and
  3. Corporate Social Responsibility Committee
- With the resignation of Ms. Bhama Krishnamurthy, Independent Director w.e.f. close of working hours of 30- Dec- 2019 and the appointment of Ms. Matangi Gowrishankar as an Additional Director, Non-Executive and Independent w.e.f. 12-Mar-2020, the below committees re-constituted:
  1. Asset Liability Management Committee;
  2. Audit and Compliance Committee;
  3. Nomination and Remuneration Committee;
  4. Corporate Social Responsibility Committee

There are currently seven Committees of the Board, as mentioned herein below:

1. Audit and Compliance Committee;
2. Nomination and Remuneration Committee;
3. Risk Committee;
4. Corporate Governance and Executive Committee;
5. Product, Process, Credit Policy and Grievance Redressal Committee;
6. Asset Liability Management Committee;
7. Corporate Social Responsibility Committee

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 2020	Number of Meetings held during the FY 2020	Date of Meetings held during the FY 2020
1	Audit and Compliance Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Mr. Sarunas Kubilickas (w.e.f. 15-Jul-2019) Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	5	08-May-2019 15-Jul-2019 15-Oct-2019 24-Jan-2020 20-Mar-2020
2	Nomination and Remuneration Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Mr. Aleem Remtula (w.e.f. 15-Jul-2019) Mr. Anurag Agrawal Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	3	08-May-2019 15-Jul-2019 24-Jan-2020
3	Asset Liability Management Committee	Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Ms. Anuradha Ramachandran Mr. Aleem Remtula Mr. Sarunas Kubilickas Mr. Nikesh Kumar Sinha Mr. Rakesh Rewari (w.e.f. 20-Jan-2020)	4	08-May-2019 15-Jul-2019 15-Oct-2019 24-Jan-2020
4	Product, Process, Credit Policy and Grievance Redressal Committee	Mr. Rakesh Rewari Ms. Anuradha Ramachandran Mr. Sarunas Kubilickas Mr. Aleem Remtula Mr. Nikesh Kumar Sinha	1	08-May-2019
5	Risk Committee	Mr. Rakesh Rewari Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Ms. Anuradha Ramachandran Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	5	08-May-2019 15-Jul-2019 15-Oct-2019 30-Dec-2019 24-Jan-2020
6	Corporate Governance and Executive	Mr. Vineet Chandra Rai Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Anurag Agrawal Mr. Nikesh Kumar Sinha	5	08-May-2019 26-Jun-2019 30-Jul-2019 28-Nov-2019 29-Jan-2020
7	Corporate Social Responsibility Committee	Ms. Bhama Krishnamurthy (upto 30-Dec-2019) Mr. Pradeep Pursnani (upto 14-Jul-2019) Ms. Anuradha Ramachandran Mr. Sarunas Kubilickas Mr. Aleem Remtula Mr. Nikesh Kumar Sinha Ms. Matangi Gowrishankar (w.e.f. 12-Mar-2020)	1	08-May-2019

The Charters of the above said committees are annexed as **Annexure - E** with the Director's Report.

1. **Audit and Compliance Committee and its Composition:**

   As on 31-Mar-2020, Audit and Compliance Committee of the Board comprises of following members:

   a. Mr. Rakesh Rewari, Independent Director;

   b. Ms. Matangi Gowrishankar, Additional (Independent) Director;

   c. Mr. Sarunas Kubilickas, 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. **Risks Management and Areas of Concern:**

   The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. 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 suggest steps to be taken to control and mitigate the same through a properly defined framework.

   As on 31-Mar-2020, the Risk Committee of the Board comprises of following members:

   1. Mr. Rakesh Rewari, Independent Director;
   2. Ms. Anuradha Ramachandran, Nominee Director;
   3. Mr. Anurag Agrawal, Director;
   4. Mr. Nikesh Kumar Sinha, Managing Director

3. **Corporate Social Responsibility:**

   As per Section 135 of the Act, the 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 on 31-Mar-2020, the CSR Committee of the Board comprises of following members:

   1. Ms. Matangi Gowrishankar, Additional (Independent) Director;
   2. Ms. Anuradha Ramachandran, Nominee Director;
   3. Mr. Sarunas Kubilickas, Nominee Director;
   4. Mr. Aleem Remtula, Nominee Director;
   5. Mr. Nikesh Kumar Sinha, Managing Director

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 consisting salient features is available on the Company's website at **https://www.intellegrow.com/investor_relations.**

Since the net profit of the Company during the immediately preceding financial year is below the threshold limit, as specified in section 135 of the Act, the Company was not required to spend any amount towards CSR during the financial year under review. Accordingly, No CSR activity was undertaken by the Company.

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 **Annexure - F.**

2. 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 2019-20, 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.intellegrow.com/investor_relations.**

3. Other Disclosures:

3.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. There were no material transactions with any related party as defined under Section 188 of the Act. All related party transactions have been approved by the Audit and Compliance Committee of the Company.

Particulars of related party transactions are listed out under the notes to accounts forming part of this Annual Report.

The policy on Related Party Transactions as approved by the Audit and Compliance Committee and the Board is available on the Company's website i.e., **www.intellegrow.com.**

3.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

3.C. Proceeds from Public Issues, Right Issues, Private Placement, Preferential Issues etc:

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from public issues, private placement of Equity Shares, etc., if any,as part of quarterly review of annual accounts.

4. Website Disclosures:

The information as required to be disseminated on the website of the Company pursuant to the Act, has been updated on the website of the Company i.e., **www.intellegrow.com.**

5. Details of New Directors and Directors seeking Re-appointment:

The Company has provided the details of the Directors seeking appointment in the Notice of the ensuing Annual General Meeting.

ANNEXURE-E CHARTER OF COMMITTEES

Scope of Committees

Given below are the various committees proposed of the Board of the Company. This document details the scope of the various committees. The purpose of the committees is to have more focused oversight on the respective areas for better corporate governance. The following 7 (seven) committees and their scope are in line with the Companies act, 2013, RBI Guidelines and Industry best practices:

The scope or any of the authorizations here, if repugnant with the constitutional documents of the company, or any changed regulatory norms, shall be over-ruled by the constitution documents and changed regulatory norm, as applicable from time to time.

1) Audit and Compliance Committee of the Board

Internal

a. To oversee the internal audit, compliance and financial reporting process and ensuring correct, adequate and credible disclosure of financial information, at stipulated frequency (monthly, quarterly, annually) as per extant regulatory & statutory guidelines.

b. To examine the efficacy of audit functions and systems and suggesting steps on a periodic basis (quarterly, half yearly) for its improvement.

c. To report, on a quarterly basis, the key audit findings for the quarter, as well as the actions taken report on the same for previous quarters to the Board of the Company.

d. To do valuation of undertakings or assets of the company, wherever it is necessary.

e. To evaluate internal financial controls.

f. To monitor the end use of funds raised through public offers and related matters.

g. To review and recommend accounting policies and treatment – including decisions regarding write-offs.

h. To get Information Systems Audit conducted and track implementation of accepted recommendations/ corrective action.

External

a. To facilitate in smooth conduct of audits by external agencies, Statutory Auditors, Reserve Bank of India (RBI), lenders and any other external auditors as appointed by the Company or any other stakeholder (lenders, shareholders, regulators, government etc.)

b. To review with management, verifying and recommending adoption of quarterly, half yearly and annual accounts to Board of the company with special emphasis on accounting policies and practices, provisioning norms adopted by the company and any amendments adopted during the year, adherence to capital adequacy norms, compliance with accounting standard and other requirements concerning financial statements that may arise.

c. To report, on a quarterly basis, the key findings of the quarter, as well as the action taken report on the same for previous quarters, to the Board of Directors.

d. To establish procedures for receipt and treatment of complaints regarding accounting and auditing matters and engage independent counsel, if required, for such conflict resolution and to update the Board of the Company on the status of the same, every quarter;

Compliance

a. To prepare a calendar detailing the list of compliances/covenants that needs to be monitored and the frequency of its reporting to the Board of the Company as well as the regulatory agencies and the stakeholders.

b. To review statement of significant related party transactions and examination of the reasons for substantial defaults, if any, in payment to stakeholders.

c. To review compliance within stipulated statutory and regulatory requirements particularly in relation to financial management and reporting.

d. To review compliance of various inspections and audit reports of internal, concurrent and statutory auditors and commenting on the action taken report prepared by the management and ensuring submission to the Board of the Company from time to time – classified under heads for major/material and minor and also set timelines if the compliance is still to be met.

e. To review the consolidated compliance report and the final accounting system for the financial year before it is submitted to the Board of the Company for adoption.

f. To internalize guidelines issued by the regulator specifically for the NBFCs or any other guidelines as may be relevant to the Company and monitor adherence to the same.

Administrative

a. To recommend appointment and removal of external auditors on company's request, or as mandated by the regulators, lenders or other stakeholders.

b. To review and recommend a scope of audit on the basis of requirements and reviewing the policies, procedures, techniques and findings of such audits.

c. To oversee that contracted fees are paid to the various audit firms, at stipulated frequency on receipt of their reports.

d. To establish procedures for receipt and treatment of complaints regarding accounting and auditing matters and engage independent counsel, if required, for such conflict resolution. Updating the Board of the Company on the status of the same, every quarter.

2) Nomination and Remuneration Committee of the Board:

Nomination

a. To guide and assist the Board and work out a policy and implement it besides monitoring progress in relation to appointment and removal of Directors, Key Managerial Personnel (KMP), Senior Management and Credit Committee members.

 i. To recommend to the Board appointment of directors. To develop a succession plan for the Board and to regularly review the plan.

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

 iii. To formulate the criteria for determining qualifications, positive attributes and independence of a director in line with the prevailing regulatory guidelines.

 iv. To recommend appointments of senior management to the Board of the company.

b. To review and advise the management on the organization structure, including creating a two tier organization structure for smooth succession planning and operational backups.

c. To objectively examine the annual manpower plan in relation to the business plan of the company and to examine management recommendations regarding manpower strategy and suggest corrective action, if required.

Remuneration

a. To recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees and Credit Committee members.

b. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management and Credit Committee members.

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

d. To evaluate and approve the compensation packages of above mentioned persons with particular reference to fixed and variable pay (including bonuses and Employees Stock Options).

e. To guide the management in developing a balanced remuneration policy with no biases and focus and enhancing performance drivers and motivation levels of the employees with a view to attract, retain, promote and groom/train employees. This shall also include considering grant of stock options to employees, reviewing compensation levels of the employees vis- a- vis other NBFCs and industry in general and create competitive advantage.

3) Risk Committee of the Board:

Risk Control

a. To review company's risk management policies in relation to various risks (credit, market, liquidity, operational and reputation risk)

b. To review the risk return profile of the Company, Capital adequacy based on risk profile of the company's balance sheet, business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures and implementations of enterprise risk management.

c. To hold such risk reviews to ensure adequate monitoring as may be felt necessary by the internal as well as external stakeholders and to appraise the Board of the Company on a periodic basis. This shall cover:

   i. To review performance of credit risk in the business and portfolio using risk assessment tools

   ii. To review and approve the risk rating tool, performance of portfolio on the tool and review the tool'se efficacy periodically

   iii. To review stress in portfolio, and recommend corrective measures and policy level changes based on portfolio performance

   iv. To review performance against the exposure norms and make recommendations to the board based on outlook of business

d. To give oversight to the Credit Committee (CC) and review and take note of minutes of CC meetings. Risk Committee at its discretion may call one or any of the CC members when they feel it is desired for any specific discussions.

e. Review portfolio against the exposure norms and credit delegation and give approvals based on authority delegated by the Board. When the portfolio deviates from the credit quality metric as per the business plan (loan loss provisioning and write-off as per the approved budget), then the CC will have discretion to limit approvals to some of the areas showing stresses.

Fraud Control and Monitoring

a. To monitor and review all frauds that may have occurred in the company and involves an amount of Rs. 0.1 million and above or as decided from time to time.

b. To report such frauds and other flag-offs to stakeholders along with the extent of losses. This would include reviewing and recommending a calendar of reporting frauds and the remedial measures taken, to the Board of the Company.

c. To conduct a root cause analysis and identify the systemic lacunae, if any, that may have facilitated perpetration of the fraud and put in place measures to rectify the same. Also, to ascertain reasons for delay in detection of such frauds, if any.

d. To ensure the staff accountability is examined at all levels in all the cases of frauds and actions, if required, is completed quickly without loss of time.

e. To review of efficacy of remedial actions taken to prevent recurrence of frauds, such as strengthening internal controls and putting in place other measures as may be considered relevant to strengthen preventive measure.

Vigil Mechanism

a. To recommend Vigil Mechanism to the board and monitor its progress and implementation and efficacy and recommend changes to the same from time to time.

b. To ensure that the Vigilance Mechanism is adequate for the directors and employees to report their genuine concerns. Such Vigil Mechanism should provide adequate safeguards against victimization of persons who use such mechanism and they should have a direct access to the Chairman of the Audit Committee in appropriate cases.

4) Asset Liability Management Committee of the Board:

a. To put in place an effective liquidity management policy, including, inter alia, the funding strategies, liquidity planning under alternative crisis scenarios, prudential limits and review the same periodically.

b. To articulate the interest rate view of the company and decide the pricing methodology for advances in line with extant regulatory guidelines.

c. To oversee the implementation of the Asset Liability Management (ALM) system and review the functioning periodically and to ensure that the decisions taken on financial strategy are in line with the objectives of the committee.

d. To review the management of balance sheet of the Company within the risk parameters laid down by the Board of Directors or a committee thereof, with a view to manage the current income as well as to take steps for enhancing the same.

e. To review the capital & profit planning and growth projections of the company in line with the business plan and ensure that the same is reported to the Board of the Company.

f. To consider and recommend any other matter related to liquidity and market risk management including matters that might be required by the lenders or any other regulatory body to ensure that the same is recommended to the Board of Directors of the Company for suitable action.

5) Product, Process, Credit Policy & Grievance Redressal Committee of the Board:

Product and Process

a. To review from time to time the suite of products run by the company covering its fulfilment process within the regulatory compliance norms, customer service quality, viability and profitability within the objectives of the company.

b. To approve new products (including pilots and full scale rollouts) and rolling out of business in new geographies in which products (new as well as existing) can be rolled out.

c. To set up standard operating processes with regard to the products and ensure that these are being reviewed and strengthened by the management.

d. To monitor adherence to the process compliances by internal as well as third-party evaluations.

Credit Policy

a. To review and recommend credit policy framework in line with the stipulated guidelines of the Board and other extant regulatory and statutory guidelines for conduct of business.

b. To recommend setting up of delegation of functional powers for staff to the Board of the Company for suitable action.

c. To consider and approve any other matter related to the credit policy including matters that might be required by the Board or any other regulatory body.

Customer Service and Grievance Redressal

a. To review the 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.

b. To review and recommend a customer grievance redressal policy in line with extant regulatory and statutory guidelines which shall include, among other things, the contact details of the employees responsible, the turn-around-time stipulated for addressing the grievances, the escalation mechanism etc and to ensure that this policy is available for reference all branches of the company.

C. To set up a grievance redressal mechanism to address the complaints of the customers and report a synopsis of such complaints received to the Board of the company on a quarterly basis.

6) Corporate Governance and Executive Committee of the Board:

The 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. In normal course of business, Executive Committee is delegated with following authorisations -

a. To make applications for obtaining licenses, registrations, connections, clearances, services etc. and to authorize/ appoint company directors/employees/officers for signing applications, returns, forms, bonds, agreements, documents, papers etc. and for representing the Company before the authorities under various Laws including but not limited to Corporate Laws, Industrial Laws, Tax Laws, Labour Laws and other business laws applicable to the Company in respect of all present and future offices of the Company for compliance of all provisions, rules, clauses, regulations, directives and other related matters under the said Laws, which may be applicable to the Company.

b. To open/close account with any bank and to authorize and re-authorize any employee of the Company to operate the account.

c. To authorize company person(s) for execution of documents, including loan documents and affixing common seal of the company thereon, if required.

d. To invest funds of the company in the Fixed Deposits to the extent necessary to avail credit facilities/ loans from the Banks/ Financial Institutions etc. and to invest surplus/ idle funds in liquid funds (i.e., mutual funds etc.) for short term as per the Board approved investment policy of the company.

e. To incur capital expenditure outside the annual business plan up to a limit of Rs. 10 lakhs between two board meetings.

f. To apply for telephone connection or to disconnect.

Delegation of borrowing, investment and lending powers

a. To apply for loan and hypothecate book debts of the Company at such terms and conditions as may be decided by the committee from time to time within the borrowing powers delegated by Shareholders to the board and board to the Executive Committee (documented below).

b. To apply for portfolio sell-down or securitization within the limits approved by the board and the shareholders at such terms and conditions as may be decided by the committee from time to time, subject to reporting to the board in the next board meeting.

c. To review and recommended, seek and operate borrowing limits delegated from the board (subject to delegation by Shareholders to the Board in the last AGM/EGM).

d. To review and recommend, seek and operate investment limits delegated from the board (subject to delegation by Shareholders to the Board in the latest AGM/ EGM).

i. To purchase book debts or securitized paper of other Companies/ SPVs upto a limit of 10% of networth of company per transaction aggregating to not more than 25% of networth as on date of reckoning.

The terms of all such transactions – including the term loans, securitization, asset sale, or NCD issuance should be within limits approved by the board.

e. Summary of each of such sale, securitization, purchase, subscription of securitized paper should be placed before the board in next ensuing board meeting.

f. To delegate the power to finalise and approve co-lending proposal upto the limit of Rs. 200 Cr. per institution to Managing Director/Chief Executive Officer or jointly by Managing Director/ Chief Executive officer and Chief Financial Officer as decided by the Committee.

Emergency response

The Executive Committee exercise powers of the Board in the event that an emergency or other time sensitive matter arises and in it not practicable to assemble the entire Board.

Corporate Governance

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

b. To review the status of company on various corporate governance related norms, guidelines and industry best practices and recommend action to the Board and to the Management to improve the practices.

7) Corporate Social Responsibility Committee of the Board:

a. To establishment and review of Corporate Social Responsibility (CSR) policies and programs and compliances w.r.t. to the Companies Act on CSR matters.

b. To review and evaluate the adequacy of its charter and recommend to the Board any proposed changes.

c. To review annual budgets with respect to CSR and review its utilization. The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR guidelines under the companies Act and any changes there-under.

d. To ensure that the CSR program includes significant sustainable development, community relations and security policies and procedures.

e. To have an oversight on implementation of CSR policies and programs.

f. To review the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants concerning the Company's CSR matters.

g. To review the Company's disclosure of corporate social responsibility matters in the Company's continuous disclosure documents and any annual social responsibility report.

h. To have the power to obtain advice and assistance from outside legal or other advisors in its sole discretion.

i. To annually evaluate its performance and report the results of such evaluation to the Board.

ANNEXURE-F THE REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Kindly refer the Corporate Social Responsibility (CSR) Policy as mentioned in this report as **Annexure-1.**

2. The Composition of the CSR Committee as on 31-Mar-2020:

As on 31-Mar-2020, the composition of CSR Committee is mentioned herein below:

- Ms. Matangi Gowrishankar, Additional Director, Independent;
- Ms. Anuradha Ramachandran, Nominee Director;
- Mr. Sarunas Kubilickas, Nominee Director;
- Mr. Aleem Remtula, Nominee Director;
- Mr. Nikesh Kumar Sinha, Managing Director

3. Average net profit/loss of the Company for last three financial years prior to FY 2020:

The average net loss of the Company for last three financial years is (Rs. 3,54,38,296/-)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Nil, further since there is loss of Rs. 3,54,38,296/- from average profit/loss of last three financial years, the Company does not recommend any CSR expenditure for the financial 2019-20.

5. **Details of CSR spent during the financial year 2019-20:**

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any; Nil

(c) Manner in which the amount spent during the financial year is detailed below

1	2	3	4	5	6	7	8
Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
NIL							

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Not Applicable

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives, CSR policy and in accordance with the provisions of the Companies Act, 2013.

Nikesh Kumar Sinha	**Matangi Gowrishankar**
(Managing Director)	(Chairperson of CSR Committee)

ANNEXURE-1

This Corporate Social Responsibility (CSR) Policy is being proposed in line with provision of Companies Act, 2013 and subsequent adoption of charter and constitution of CSR Committee of the Board of Jain Sons Finlease Limited (IntelleGrow). It is proposed that CSR activities/ projects/ programs shall be governed by this policy.

In order to have an efficient and effective execution, co-ordination, monitoring of CSR activities, Company shall constitute CSR execution team (hereafter referred to as 'CSR Team'). This team will report to CSR committee.

1. CSR activities:

The Company can undertake any project/program that is in line with following sectors as listed in Schedule VII of the Act:

a. Eradicating hunger, poverty and malnutrition;

b. Promoting health care including preventive healthcare;

c. Promoting sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government;

d. Providing safe drinking water;

e. Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects;

f. Promoting gender equality, empowering women, setting up of homes and hostels for women and orphans, setting up of old age home, day care Centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

g. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to Clean Ganga fund set up by Central government for rejuvenation of River Ganga);

h. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

i. Measures for the benefit of armed forces veterans, war widows and their dependents;

j. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

k. Contributions of funds provided to technology incubators located within academic institutions which are approved by the Central Government;

l. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

m. Rural development projects;

n. Slum area development

The Company will review the sectors from time to time and make amendment to the above sectors, if necessary.

2. Exclusions from CSR activities:

The following activities shall not form part of the IntelleGrow CSR activities:-

a. The activities undertaken in pursuance of normal course of business of IntelleGrow;

b. CSR projects/programs or activities that benefit only the employees of IntelleGrow and their families;

c. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes;

d. Any CSR projects/programs or activities undertaken outside India.

3. CSR Partner/Collaboration:

The Board of Directors of IntelleGrow may decide to undertake CSR activities, projects or programs, approved by the CSR committee,

a. By The Company itself;

b. Through setting up of registered Trust, registered society or Section 8 company by IntelleGrow or its Holding or Subsidiary or Associate Company;

c. Through any Section 8 company, registered trust or registered society operating within India and having three years of established track record in undertaking the similar projects or activities that aligns with IntelleGrow's CSR activities;

d. In collaboration with any other company provided IntelleGrow's CSR Committee are in a position to report separately in accordance with CSR rules.

4. Budget:

Budget allocated for CSR activities at IntelleGrow is as per the guidelines provided in the Act and change from time to time, currently at 2% of the average net profit of 3 immediately preceding financial years.

5. Project Identification:

a. The CSR team will identify and propose the projects to the CSR Committee for approval;
b. The project identified and finalized will be in consonance with the Schedule VII of the Companies Act, 2013.

6. Monitoring:

The CSR committee along with CSR team would be responsible of monitoring approved projects. A comprehensive monitoring mechanism will be devised by IntelleGrow which may include visits to project sites, meetings, progress reports, analysis of Key indicators etc. on a periodic basis.

7. Documentation:

The CSR Team of IntelleGrow will ensure that CSR projects are well documented including all the utilization certificates, agreements, invoices of actual spent etc. and accountability is fixed at requisite level of the CSR process and the implementation mechanism.

8. Treatment of Surpluses:

Any surplus, generated out of the CSR activities, will not be added to the normal business profit of the IntelleGrow.

9. Disclosure of CSR Policy:

As per the CSR Rules, the contents of the CSR Policy shall be displayed on IntelleGrow's website – **www.intellegrow.com** apart from the disclosure in the Board's report.

10. Review:

The Committee shall review its CSR Policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary and submit the same for the approval of the Board.

ANNEXURE-G SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Jain Sons Finlease Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jain Sons Finlease Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit period);

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

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

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

c The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit period);

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

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

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

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

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period); and
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Other laws, including the law relating to Non-Banking Financial Companies to the extent applicable to the Company as per representation made by the Company.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Debt Listing Agreement entered by the Company with BSE Limited, Mumbai.

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

(A) Delay in filing of one e-form with the RoC;

(B) The Composition of Board of Directors is not in compliance with the provisions of Section 149 (4) of the Companies Act, 2013, the Company is required to appoint one more independent director;

(C) The Company appointed an Additional Independent Director in the Board Meeting held on 13.03.2020 with effect from 12.03.2020, the date from which the Nomination and Remuneration Committee recommended for her appointment;

(D) The Company did not obtain prior approval of the Reserve Bank of India for allotment of Equity Shares to Intellectual Capital Advisory Services Private Limited allotted on 27.09.2019, in terms of the RBI Directions RBI/2015-16/122 DNBS. (PD) 029/CGM(CDS)-2015 dated July 9, 2015.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Director / CEO, Non-Executive Directors,except (i) appointment of one additional independent director by the Board with effect from the date recommended by the Nomination and Remuneration Committee prior to the Board Meeting date in which she was appointed (ii) appointment of adequate number of independent Directors as required under Section 149(4) of the Companies Act, 2013. Except as observation given above, 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that, the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals.

I further report that, during the audit period:

a. The Company obtained necessary approval from its members by passing necessary resolutions in the Annual General Meeting held on 9th May, 2019 for following matters:

   (i) Shifting of registered office from the State of Telangana to the State of Maharashtra and consequential amendments in its Memorandum of Association (MOA); and

   (ii) alteration in the Articles of Association to amend provisions with respect to Common Seal of the company.

b. The Company obtained approval of its members by passing necessary resolutions for Sub-division of Face Value of Compulsorily Convertible Preference Shares (CCPS), Series B1CPS and Series B2 CCPS and for reclassification of Authorised Share Capital and consequential amendments in the Capital Clause of the Memorandum of Association in the Extra Ordinary General Meeting held on 26th September, 2019.

c. The Company adopted new set of Articles of Association by passing necessary resolution in the Extra Ordinary General Meeting held on 26th September, 2019.

d. The Company obtained approval of its members by passing necessary resolution for offer, issue and allotment of 57,35,260 Equity Shares of Rs. 10/- each (Rupees Ten only) at a premium of Rs. 77.18 (Rupees Seventy-Seven and paisa Eighteen only) amounting to Rs. 49,99,99,966.80 (Rupees Forty-Nine Crores Ninety-Nine Lakhs Ninety- Nine Thousand Nine Hundred and Sixty-Six and paisa Eighty only), on Private Placement basis to M/s. Intellectual Capital Advisory Services Private Limited in the Extra Ordinary General Meeting held on 26th September, 2019.

e. The Company obtained approval of its members by passing necessary resolution for offer, issue and allotment of 57,35,260 Equity Shares of Rs. 10/- each (Rupees Ten only) at a premium of Rs. 77.18 (Rupees Seventy-Seven and paisa Eighteen only) amounting to Rs. 49,99,99,966.80 (Rupees Forty-Nine Crores Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred and Sixty-Six and paisa Eighty only), on Private Placement basis to M/s. Aavishkaar Venture Management Services Private Limited in the Extra Ordinary General Meeting held on 29th January, 2020.

f. The Company issued and allotted total 1,14,70,520 Equity Shares of Rs. 10/- each (Rupees Ten only) during the year under review on Private Placement basis.

g. The Company obtained approval of its members by passing necessary resolution for acquiring the undertaking comprising the MSME business of Arohan Financial Services Limited in the Extra Ordinary General Meeting held on 24th March, 2020.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Place: Thane
Proprietor
M. No.6180, CP No.11062
Date: 12th May, 2020
UDIN: F006180B000231790

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

2. In the wake of COVID-19 pandemic out break, the Company provided books, papers, minute books, registers, forms and returns and other records maintained by it by electronic means for my audit and I could not verify the original documents physically. However, the management of the Company has confirmed that all documents provided by electronic means are true and correct copies of original documents.

ANNEXURE -I

To,

The Members,

Jain Sons Finlease Limited

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

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

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Place: Thane
Proprietor
M. No.6180, CP No.11062
Date: 12th May, 2020
UDIN: F006180B000231790

ANNEXURE-H 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 contract / 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 there to.

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

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	NIL
(c) Duration of the contracts/arrangements/transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contract/arrangement or transaction	NIL
(f) Date(s) of approval of the Board	NIL
(g) Amount paid in advance, if any	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2.i. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Intellecap Advisory Services Private Limited, a Company in which •Mr. Vineet Chandra Rai, Chairman is interested as a Shareholder in the said Intellecap Advisory Services Private Limited
(b) Nature of contracts/arrangements/transactions	Debt Raising Agreement
c) Duration of the contracts/arrangements/transactions	The mandate is valid till period of 1 year from the date of execution of this Offer letter.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Intellecap shall be paid a fee equal to 0.65% (plus applicable taxes) of the amount procured for Fund Raising for the Company. Incremental fee at 0.5% will be applicable on any additional limits sanctioned by the same lender within a period of 1 year from the date of execution of this mandate.
(e) Date(s) of approval of the Board	08-May-2019
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	09-May-2019

2.ii. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Intellecap Advisory Services Private Limited, a Company in which • Mr. Vineet Chandra Rai, Chairman is interested as a Shareholder in the said Intellecap Advisory Services Private Limited
(b) Nature of contracts/arrangements/transactions	Cost Sharing Service Contract
(c) Duration of the contracts/arrangements/transactions	The Company has entered into this Service Contract with Intellecap Advisory Services Private Limited in order to avail business support services for carrying out its day to day. The Company is availing Marketing & Communication Services from Intellecap at Rs. 37,500/- per month.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	As mentioned in Cost Sharing Service Contract
(e) Date(s) of approval of the Board	15-Jul-2019
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	-

2.iii. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	TribeTech Private Limited, in which •Mr. Vineet Chandra Rai, Chairman of the Company is interested as Director and • Mr. Anurag Agrawal, Director of the Company is interested as Member in the said TribeTech Private Limited.
(b) Nature of contracts / arrangements / transactions	Addendum No. 2 to Sourcing and Servicing Agreement dated 08-May-2018.
(c) Duration of the contracts / arrangements / transactions	As mentioned in the Agreement.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has entered into the said agreement with TribeTech Private Limited for modification of certain terms to the existing Sourcing and Servicing Agreement dated 08-May-2018 w.r.t. ticket size and undertaking. This Agreement is Second Addendum to the Sourcing and Servicing Agreement dated 08-May-2018 and will be valid for a period upto which the Sourcing and Servicing Agreement dated 08-May-2018 will remain valid.
(e) Date(s) of approval of the Board	15-Jul-2019
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	26-Sep-2019

2.iv. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	TribeTech Private Limited in which •Mr. Vineet Chandra Rai, Chairman of the Company is interested as Director and •Mr. Anurag Agrawal, Director of the Company is interested as Member in the said TribeTech Private Limited.
(b) Nature of contracts / arrangements / transactions	Addendum No. 3 to Sourcing and Servicing Agreement dated 08-May-2018
c) Duration of the contracts / arrangements / transactions	As mentioned in the Agreement.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	The Company had entered into the said agreement with TribeTech Private Limited for modification of certain terms to the existing Sourcing and Servicing Agreement dated 08-May-2018: The Material Terms and Monetary Value of the Agreement is mentioned herein below: <u>First Loss Default Guarantee:</u> TribeTech provides to the Company a First Loss Default Guarantee (FLDG) in the form of Corporate Guarantee of 5% of the total portfolio outstanding loan amount of the borrowers sourced through Service Provider. This Agreement is a Third Addendum to the Sourcing and Servicing Agreement dated 08-May-2018 and will be valid for a period upto which the Sourcing and Servicing Agreement dated 08-May-2018 will remain valid.
(e) Date(s) of approval of the Board	15-Oct-2019
(f) Amount paid in advance, if any	NIL
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	05-Dec-2019

2.v. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	TribeTech Private Limited in which •Mr.Vineet Chandra Rai, Chairman of the Company is interested as Director and •Mr. Anurag Agrawal, Director of the Company is interested as Member in the said TribeTech Private Limited.
(b) Nature of contracts/arrangements/transactions	Memorandum of Understanding
c) Duration of the contracts/arrangements/transactions	As mentioned in the Agreement.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has entered into Memorandum of Understanding with TribeTech Private Limited for sharing of fee for the case sourced by them.

	The Material Terms and Monetary Value of the Agreement is mentioned here in below: Fee Sharing: The Company in consideration of generation of lead by TribeTech under this Memorandum of Understanding (MOU), shall make the payout to TribeTech in following manner: a. Sharing in Processing Fees: 50% of the Processing Fees (one time) b. Sharing in Interest: 0.50% only for firstrevolving limit
(e) Date(s) of approval of the Board	15-Oct-2019
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	05-Dec-2019

2. vi. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	TribeTech Private Limited in which •Mr. Vineet Chandra Rai, Chairman of the Company is interested as Director and •Mr. Anurag Agrawal, Director of the Company is interested as Member in the said TribeTech Private Limited.
(b) Nature of contracts/arrangements/transactions	Secondment Agreements
(c) Duration of the contracts/arrangements/transactions	w.e.f. 20-Dec-2019 and as mentioned in the Secondment Agreements.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	The Company had entered into Secondment Agreements with TribeTech Private Limited in order to avail human resource requirement for day to day business operations of the Company of their 9 employees on such terms and conditions as mutually agreed between the parties.
(e) Date(s) of approval of the Board	24-Jan-2020
(f) Amount paid in advance, if any	NIL
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	29-Jan-2020

2. vii. Details of contracts or arrangements or transactions at arm's length basis: The following contract or arrangement or transaction is at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Aavishkaar Venture Management Services Private Limited in which •Mr. Vineet Chandra Rai, Chairman and •Mr. Anurag Agrawal, Director of the Company are interested as a Directors and Members.
(b) Nature of contracts/arrangements/transactions	Cost sharing Agreement
(c) Duration of the contracts/arrangements/transactions	As mentioned in the Agreement.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	The Company had entered into Cost Sharing Agreement with Aavishkaar Venture Management Services Limited for sharing the cost w.r.t. group branding exercise.
(e) Date(s) of approval of the Board	24-Jan-2020
(f) Amount paid in advance, if any	Nil
(g) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	29-Jan-2020

ANNEXURE-I-1 EXTRACT OF ANNUAL RETURN (FORM NO.MGT-9)

Extract of Annual Return as on financial year ended as on 31-Mar-2020

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. Registration and Other Details:

Sl. No.	Particulars	
1	CIN	U65910MH1998PLC333546
2	Registration Date	05-Feb-1998
3	Name of the Company	Jain Sons Finlease Limited
4	Address of the Registered office and contact details	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West),Mumbai – 400 062 Maharashtra, India Tel: +91-22-6249 2700; Fax: +91-22-2649-2789 Email id: monika.thadeshwar@intellegrow.com Website: www.intellegrow.com
5	Address of the Corporate office and contact details	12B, 3rd Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra. Tel: 022 62492700; Fax: 022 62492787 Email id: monika.thadeshwar@intellegrow.com Website: www.intellegrow.com
6	Whether listed Company	Yes (Non-Convertible Debentures are Listed with BSE)
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Satellite Corporate Services Pvt. Ltd. (For Non-Convertible Debentures) Category I Registrar to Issue & Share Transfer Agents Unit no. 49, Bldg No. 13-A 3, 2ndFloor, Samhita Commercial Co-Op Soc. Ltd, Sakinaka, Mumbai – 400072, Maharashtra, India

II. Principal Business Activities of the company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Financial Services	649	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary / Associate	% of Equity shares held	Applicable section
1	Aavishkaar Venture Management Services Private Limited Premises No. 13B (III), 8th Floor, Techniplex II, Veer Savarkar Flyover, S.V.Road, Goregaon (West) Mumbai – 400062, Maharashtra, India	U74140MH2006PTC160551	Holding	74.91%*	2(87)

* Out of the total shareholding of 74.91%, 35.29% shareholding is held by Intellectual Capital Advisory Services Private Limited, which is subsidiary of Aavishkaar Venture Management Services Private Limited.

IV. Share holding pattern (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	% change during the year
A. Promoter									
(1) Indian									
(a) Individual /HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govts.	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	1,27,42,548	-	1,27,42,548	57.56	2,51,82,593		2,51,82,593	74.91	17.35
(e) Banks/FI	-	-	-	-	-		-		-
(f) Others	-	-	-	-	-		-		-
Sub-total (A)(1)	**1,27,42,548**	**-**	**1,27,42,548**	**57.56**	**2,51,82,593**	**-**	**2,51,82,593**	**74.91**	**17.35**
(2) Foreign			-	-			-		
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-		-	-	-	-	-	-
Total shareholding of promoters (A)	**1,27,42,548**	**-**	**1,27,42,548**	**57.56**	**2,51,82,593**	**-**	**2,51,82,593**	**74.91**	**17.35**
B. Public				-					
(1) Institutions	-	-	-	-	-	-	-	-	-
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govts.	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals*				-			-	-	
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	12,200	12,200	0.06	3,100	3,200	6,300	0.02	(0.04)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	51,490	50,701	1,02,191	0.46	1,16,425	-	1,16,425	0.35	(0.12)
(c) Others - Foreign Companies	29,45,092	63,34,416	92,79,508	41.92	83,09,983	-	83,09,983	24.72	(17.20)
Sub-total (B)(2)	**29,96,582**	**63,97,317**	**93,93,899**	**42.44**	**84,29,508**	**3,200**	**84,32,708**	**25.09**	**(17.35)**
Total Public Sharehoding(B)	**29,96,582**	**63,97,317**	**93,93,899**	**42.44**	**84,29,508**	**3,200**	**84,32,708**	**25.09**	**(17.35)**
C. Shares held by cusodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1,87,35,712**	**63,97,317**	**2,21,36,447**	**100.00**	**3,36,12,101**	**3,200**	**3,36,15,301**	**100**	**-**

ii. Shareholding of Promoters (% of Equity Capital)

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year
Intellectual Capital Advisory Services Private Limited	61,26,695	27.68	0	1,18,61,955	35.29	0	7.61
Aavishkaar Management Services Private Limited	66,15,853	29.89	0	1,33,20,638	39.63	0	9.74
Total	**1,27,42,548**	**57.57**	**0**	**2,51,82,593**	**74.92**	**0**	**17.35**

iii. Change in Promoter's Shareholding (Please specify, if there is no change):

Name(s) of Promoter and Promoter Group	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Intellectual Capital Advisory Services Private Limited				
At the beginning of the year	61,26,695	27.68	61,26,695	27.68
Allotment on 27-Sep-2019	57,35,260		1,18,61,95	
At the End of the year			**18,61,955**	**35.29**
Aavishkaar Management Services Private Limited				
At the beginning of the year	**66,15,853**	**29.89**	**66,15,853**	
Shares aqcuired from Michael and Susan Dell Foundation by way of transfer of shares on 03-Jan-2020	9,69,525		75,85,378	**29.89**
Allotment on 31-Jan-2020	57,35,260		1,33,20,638	
At the End of the year			**1,33,20,638**	**39.63**

iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sl. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	ON Mauritius				
	At the beginning of the year	47,84,589	21.61	47,84,589	21.61
	At the End of the year			**47,84,589**	**14.23***
	DWM (International) Mauritius Limited				
	At the beginning of the year	12,62,647	5.70	12,62,647	5.70
	At the End of the year			**12,62,647**	**3.76***
	Triodos Custody B.V. INZ.Triodos Fair Share Fund				
	At the beginning of the year	11,31,324	5.11	11,31,324	5.11
	At the End of the year			**11,31,324**	**3.37***
	Triodos SICAV II - Triodos Microfinance Fund				
	At the beginning of the year	11,31,323	5.11	11,31,323	5.11
	At the End of the year			**11,31,323**	**3.37***
	Kiran Agarwal Todi				
	At the beginning of the year	-	0.00	-	0.00
	31-May-2019 - Acquired by way of transfer from Ruchir Shah	15,700	0.05	15,700	0.05
	24-July-2019 - Acquired by way of transfer from Rajan Juneja	49,701	0.15	65,401	0.20

Sl. No.	Name(s) of Promoter and Promoter Group	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	23-Sep-2019 - Acquired by way of transfer from Vijay Kumar Haswani	3,700	0.01	69,101	0.21
	25-Oct-2019 - Acquired by way of transfer from Anirudh Ramakuru	3,200	0.01	72,301	0.22
	20-Mar-2020 - Allotment through ESOP Scheme	8,334	0.02	80,635	0.24
	At the End of the year			**80,635**	**0.24**
6	John Arunkumar Diaz				
	At the beginning of the year	35,790	0.16	35,790	0.16
	At the End of the year			**35,790**	**0.11***
7	Pawan Bang				
	At the beginning of the year	-	0.00	-	0.00
	24-Jul-2019 - Acquired by way of transfer from Rajan Juneja	1,000	0.00	1,000	0.00
	At the End of the year			**1,000**	**0.00**
8	Swapna Nair				
	At the beginning of the year	3,200	0.01	3,200	0.01
	At the End of the year			**3,200**	**0.01**

* Change in percentage holding due to allotment of Equity Shares to Aavishkaar Venture Management Services Private Limited, Intellectual Capital Advisory Services Pvt. Ltd. and Ms. Kiran Agarwal Todi

v. Shareholding of Directors and KMPs

Sl. No.	Name of shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Kiran Agarwal Todi				
	At the beginning of the year	-	0.00	-	0.00
	31-May-2019 - Acquired by way of transfer from Ruchir Shah	15,700	0.05	15,700	0.05
	24-Jul-2019 - Acquired by way of transfer from Rajan Juneja	49,701	0.15	65,401	0.20
	23-Sep-2019 - Acquired by way of transfer from Vijay Kumar Haswani	3,700	0.01	69,101	0.21
	25-Oct-2019 - Acquired by way of transfer from Anirudh Ramakuru	3,200	0.01	72,301	0.22
	20-Mar-2020 - Allotment through ESOP Scheme	8,334	0.02	80,635	0.24
	At the End of the year			**80,635**	**0.24**
2	Nikesh Kumar Sinha				
	At the beginning of the year	-	0.00	-	0.00
	01-Jan-2020 - Acquired by way of transfer from Chirag Desai	2,100	0.01	2,100	0.01
	At the End of the year			**2,100**	**0.01**

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accured but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,24,29,12,558	-	-	2,24,29,12,558
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,47,46,621	-	-	3,47,46,621
Total (i+ii+iii)	**2,27,76,59,179**	**-**	**-**	**2,27,76,59,179**
Changes in indebtedness during the financial year				
> Addition	1,54,00,00,000	-	-	1,54,00,00,000
> Reduction	1,20,42,58,056	-	-	1,20,42,58,056
Net Change	**33,57,41,944**	**-**	**-**	**33,57,41,944**
Indebtedness at the end of the financial year				
i) Principal Amount	2,57,86,54,502	-	-	2,57,86,54,502
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38,12,028	-	-	38,12,028
Total (i+ii+iii)	**2,58,24,66,530**	**-**	**-**	**2,58,24,66,530**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to MD / WTD / Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		MD	WTD	
		Mr. Nikesh Kumar Sinha		
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,42,88,000	-	1,42,88,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Issue of Equity Shares	-	-	-
3	Sweat Equity			
4	Commission	-	-	-
	- as % of profits	-	-	-
	others, specify			
5	Others, specify - Professional Fees	-	-	-
	Total	**1,42,88,000**	**-**	**1,42,88,000**
	Ceiling as per the Act	**2,40,00,000**	**-**	**2,40,00,000**

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		1	2	3	
1	Independent Directors	**Mr. Rakesh Rewari**	**Ms. Bhama Krishnamurthy**	**Ms. Matangi Gowrishankar**	
	Fees for attending board / committee meetings	4,09,500	3,78,000	63,000	8,50,500
	Commission	-	-	-	-
	Travelling expenses	29,059	-	-	29,059
	Total (1)	**4,38,559**	**3,78,000**	**63,000**	**8,79,559**
2	Other Non-Executive Directors	**Vineet Chandra Rai**	**Anurag Agrawal**	-	
	Fees for attending board / committee meetings	2,29,500	3,73,500	-	6,03,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**2,29,500**	**3,73,500**	**-**	**6,03,000**
	Total (1+2)				**14,82,559**
	Total Managerial Remuneration				
	Overall Ceiling as per the Act (per Board Meeting)	**1,00,000**	**1,00,000**	**1,00,000**	**-**

C. Remuneration to KMPs other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	KMP			Total Amount
		CFO	CS	CS	
		Kiran Agarwal Todi	**Chirag Desai (upto 14-Oct-2019)**	**Monika Thadeshwar (w.e.f. 24-Jan-2020)**	
1	Gross Salary:				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	68,55,000	21,23,053	2,04,930	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Issue of Equity Shares	7,26,559	-	-	7,26,559
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profits	-	-	-	-
	- others, specify	-	-	-	-
5	others, specify	-	-	-	-
	Total	**75,81,559**	**21,23,053**	**2,04,930**	**99,09,542**

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	295 of the Companies Act, 1956	The Company has given loan to Company in which Director was interested without obtaining prior approval of the Central Government	50,000	NCLT	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE J MANAGEMENT DISCUSSION & ANALYSIS

“WHEN PROFESSIONALS SET OUT TO PIONEER.”

SOLVIER ONE

With an experience of 18+ years with an industry giant, the founders of SolvierOne Corporation set out in the market with a sole aim – To transform the Automation and Instrumentation for Water Management Services.

Market challenges were discovered by the founders precisely to set-down the business in a jiffy. And because of their overall expertise, it was a no-brainer to set up a company and provide Water Control + Instrumentation services in cost-effective, reliable & efficient SOLUTIONS UNDER ONE ROOF. With a setup that could revolutionize the industry trends, the company still had to overcome its biggest threat - price-sensitivity in the markets. The opportunity that lied ahead was huge and the threat seemed like a minor hurdle to what was getting closer to achieving a personal goal of setting up their own company and fulfilling a societal goal of saving water.

The solution offered by SolvierOne is truly revolutionary. Their instruments provides turnkey services from automating the filtering of the water quality to monitoring and controlling the water distributions networks. This helped in identifying leakages by calculating the downstream to network water quantity there by delivering need for Non-Revenue water reduction program. With a patented technology at hand, the company faced a unique situation of funding their cash flow and supplier expenses. With 14 projects in the works, provisioning for finances became a priority. This is where Ashv came into picture.

While the founders were evaluating multiple financing options, they faced issues while convincing their prospective financiers. Some of them required a higher investment percentage of partners while some didn’t even bother to give them a reason for not considering their case. With Ashv, the process was fast. Hassle-free.

4 of SolvierOne projects are fully operational. Because of their unique nature of business, the company is committed for 5 years for managing the water treatment plant once it is built. The company hires local talent to manage these water treatment plants thereby providing employment and impacting livelihoods while achieving the environmental goal set by themselves – to Save Water!

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of Jain Sons Finlease Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Jain Sons Finlease Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 51 to the accompanying financial statements, which describes the uncertainty relating to the effects of the novel SARS-CoV-2 (COVID-19) pandemic outbreak on the Company's operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
1. Impairment losses on loan assets (refer note 38 to the financial statements)	
As at 31 March 2020, the Company has gross loan assets of Rs. 39,100.25 lakhs against which an impairment loss of Rs. 1,135.99 lakhs has been recorded. Refer Note 3(j) to the accompanying financial statements for the accounting policy adopted by the Company with respect to impairment of financial assets. The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions, and a change in such techniques or assumptions could have a material impact on the financial statements including reported profits. 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. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default These parameters are derived from the Company's internally developed statistical models, historical data and macro-economic factors, and events/conditions related to COVID-19 pandemic have added to the complexity of determination of aforesaid parameters. Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit. We draw attention to Note 51 to the accompanying financial statements regarding uncertainties arising out of COVID-19 pandemic and the consequential impact on the appropriateness of impairment losses provided on the aforementioned loan assets outstanding as on 31 March, 2020.	Our audit procedures in relation to expected credit losses on loan assets were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions for determining impairment losses on loan assets. • Assessed and tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also evaluated the controls over the modelling process, validation of data and related approvals. • Evaluated the appropriateness of the accounting policy adopted by the Company including with respect to determination of significant increase in credit risk and the basis for classification of various exposures into various stages in accordance with the relevant accounting standards. For a sample of exposures, we also tested the appropriateness of the Company's categorization across various stages. • Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Performed an assessment of critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD), including the adjustments to such estimates made on account of COVID-19 impact. • For forward looking assumptions used by the management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information. • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically. • Obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the regulatory announcements made by the Reserve Bank of India and evaluated management's assessment of how such policy and other events associated with the pandemic impacted management's estimates as mentioned above. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 38 "Financial risk management" disclosed in the financial statements in accordance with the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
2. First time adoption of Ind AS framework (In the full document the word refer note to be replaced by Refer note 50 to the financial statements)	
As disclosed in note 50 to the financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2019, (1 April 2018, being the transition date) and prepared the first set of financial statements under Ind AS framework in the current year. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP. Further, the first-time preparation of the Ind AS financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 50 to the financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition. The areas where there was a significant impact on account of first-time adoption of Ind AS involved the following standards amongst others: a) Ind AS 109, Financial Instruments b) Ind AS 32, Financial Instruments: Presentation Considering the significance of the above transition with respect to the financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.	Our procedures in respect of the first time adoption of Ind AS financial reporting framework included, but were not limited to, the following: • Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness. • Reviewed the diagnostics performed by the management to assess the impact on Ind AS transition to the individual financial statement line items. • Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101). • Evaluated the accounting policies adopted by the Company on transition to Ind AS, as described in note 50 of the financial statement and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework. • Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 101 as provided in note 50 of the financial statement. • Tested the items presented in the reconciliation prepared on account of first-time adoption of Ind AS, by evaluating the terms of the related underlying agreements and documents to ensure appropriate accounting treatment in accordance with the requirements of Ind AS has been determined with respect to recognition, measurement and disclosure of such items. • Assessed whether the presentation and disclosure of the first time Ind AS compliant financial statements are in accordance with the requirements of the applicable accounting standards under Ind AS framework, and applicable regulatory requirements.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

9. 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.

10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about

INDEPENDENT AUDITOR'S REPORT

the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

16. The Company had prepared separate set of statutory financial statements for the year ended 31 March 2019, and 31 March 2018, prepared in accordance with the accounting standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, on which we had issued auditor's reports to the shareholders of the Company dated 8 May 2019, and 24 April 2018, respectively, wherein we had expressed an unmodified opinion. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in **Annexure-A,** as required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of accounts;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 May 2020, as per **Annexure-B** expressed unmodified opinion;

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

i. the Company does not have any pending litigation(s) which would impact its financial position as at 31 March, 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March, 2020;

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 31 March, 2020;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016, to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 20105117AAAABO6154

Place: Mumbai
Date: 12 May 2020

ANNEXURE-A

To the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company is a Non-Banking Financial Company, primarily engaged in the business of lending and does not have any inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institutions or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government or banks.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments. During the year, the Company did not make private placement/preferential allotment of convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 20105117AAAABO6154

Place: Mumbai
Date: 12 May 2020

ANNEXURE-B

To the Independent Auditor's Report of even date to the members of Jain Sons Finlease Limited, on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Jain Sons Finlease Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in guidance note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.:105117
UDIN: 20105117AAAABO6154

Place: Mumbai
Date: 12 May 2020

ADDITIONAL REPORT PURSUANT TO RBI DIRECTIONS

Independent Auditor's Additional Report for the year ended 31 March 2020 pursuant to the requirement of Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India

To,

The Board of Directors
Jain Sons Finlease Limited
12B, 3rd Floor
Techniplex-II, IT Park
Goregaon (West)
Mumbai – 400062
Maharashtra, India

1. This report is issued in accordance with the terms of our engagement letter dated 04 October 2019 with Jain Sons Finlease Limited, (the 'Company') and requirements of the Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Auditor's Report Directions') issued by the Reserve Bank of India ('the RBI').

2. We have audited the accompanying financial statements of the Company which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued a unmodified opinion vide our report dated 12 May 2020.

Management's Responsibility for the financial statements

3. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

4. The management of the Company is also responsible for compliance with the Reserve Bank of India Act, 1934 ('the RBI Act'), Master Direction-Non-Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Directions'), and other circulars and directions issued by the RBI thereunder and for providing all the required information to the RBI.

Auditor's Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in paragraph 3 and 4 of the Auditor's Report Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31 March 2020 and examination of books of accounts and other records maintained by the Company for the year then ended.

6. We conducted our examination of the audited books of accounts other records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Opinion

8. Based on our audit of the financial statements for the year ended 31 March 2020 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the management, we report that:

a. The Company is engaged in the business of Non-Banking Financial Institution (not accepting or holding public deposits) and pursuant to section 45-I(a) of the RBI Act, requiring it to hold a Certificate of Registration ('CoR') under section 45-IA of the Act. The Company has obtained revised CoR no. B-13.02376 dated 24 December 2019, issued by the Mumbai Regional Office of the RBI, in lieu of CoR No. B-09.00441 dated 20 October 2014 issued by the Hyderabad Regional Office of the RBI.

b. The Company is entitled to continue to hold such CoR in terms of its asset/income pattern as on 31 March 2020.

c. The Company has met with the required net owned fund requirement as laid down in the NBFC Directions as on 31 March 2020.

d. The Board of Directors of the Company vide circular resolution dated 17 April 2019, has approved non-acceptance of any public deposits for the financial year 1 April 2019, to 31 March 2020.

e. The Company has not accepted any public deposits during the year ended 31 March 2020.

f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC Directions, read with the RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on Implementation of Indian Accounting Standards dated 13 March 2020.

g. RBI vide notification dated 31 March 2020, has extended the due date for filing of Form NBS-7 for the quarter ended 31 March 2020, from 15 days to 45 days from the end of the reporting quarter. Accordingly, the Company being a systematically important non-deposit taking NBFC as defined in the NBFC Directions, is yet to electronically furnish the Form NBS-7 for the quarter ended 31 March 2020, and therefore paragraph 3(C)(iv) of the Auditor's Report Directions cannot be commented upon.

h. The Company is not a Non-Banking Financial Company–Micro Finance Institution ('NBFC-MFI') as specified under paragraph 3(xx) of the NBFC Directions.

Emphasis of Matter

9. We draw attention to Note 51 to the accompanying financial statements, which describes the uncertainty relating to the effects of the novel SARS-CoV-2 (COVID-19) pandemic outbreak on the Company's operations and the consequential impact on the appropriateness of impairment provision recognized towards the loan assets outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

Restriction on distribution or use

10. Our work was performed solely to assist you for compliance with Auditor's Report Directions by the Company. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as statutory auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are subject of this report, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

11. This report is addressed to and provided to the Board of Directors of the Company pursuant to our obligations under the Auditor's Report Directions requiring us to submit a report on the additional matters as stated in the aforesaid directions and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 20105117AAAABP6031

Place: Mumbai
Date: 12 May 2020

"SPICING UP THE COOKBOOKS WITH EXPORT-QUALITY GROUNDED SPICES"

NHC Foods

Started in 1960, NHC Foods is a tech-driven worldwide supplier of finest ground-spices. Currently managed by the 3rd generation family members, NHC Foods caters to leading food chains and fast food outlets across the globe. In the coming months, the company has plans to launch innovative ready-to-eat products and spice mixes with heavy focus on exports.

NHC foods engage with quality inspection professionals to inspect 50-60 items from different states. With more than 100 smaller town workforce, the company engages around 30 women to check and sort the spices per project. The women who perform their roles well are awarded with full-time employment opportunities.

When a huge funding requirement arose during a high-demand season, the promoters were looking out for lenders who could provide a high-sum amount as a loan without collateral. This would avoid the hassles that would come along with dealing with multiple lenders. Ashv was approached with an intention to fund the company's stocking expenses to facilitate orders. The customer found the experience with Ashv seamless with only one representative co-ordinating through the application stage till the disbursement. All leading to the spicing of the cookbooks.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2020

(All amounts in Rs. lakhs unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	5	9,811.98	387.68	3,900.40
(b) Bank balances other than (a) above	6	787.74	713.84	725.35
(c) Loans	7	38,327.05	34,121.33	27,125.75
(d) Investments	8	-	1,716.55	2,410.38
(e) Other financial assets	9	550.00	239.15	281.64
Total financial assets		**49,476.77**	**37,178.55**	**34,443.52**
2 Non-financial assets				
(a) Current tax assets (net)		1,683.99	1,438.45	923.92
(b) Deferred tax assets (net)	10	289.24	114.79	-
(c) Property, plant and equipment	11	178.68	164.48	178.26
(d) Other Intangible assets	12	64.59	80.32	48.34
(e) Other non-financial assets	13	70.21	44.17	42.28
Total non-financial assets		**2,286.71**	**1,842.21**	**1,192.80**
Total assets		**51,763.48**	**39,020.76**	**35,636.32**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
(a) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues other than micro enterprises and small enterprises		15.85	42.82	32.04
(b) Debt securities	14	8,275.72	8,763.53	9,250.27
(c) Borrowings (other than debt securities)	15	17,746.56	13,897.62	15,672.14
(d) Subordinated liabilities	16	-	14,480.73	14,159.60
(e) Other financial liabilities	17	1,535.15	2,457.43	2,235.64
Total financial liabilities		**27,573.28**	**39,642.13**	**41,349.69**

Balance Sheet as at 31 March 2020 (Cont'd).

(All amounts in Rs. lakhs unless otherwise stated)

		Notes	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
2	**Non-financial liabilities**				
(a)	Provisions	18	27.70	23.90	37.38
(b)	Other non-financial liabilities	19	133.98	157.73	150.73
	Total non-financial liabilities		**161.68**	**181.63**	**188.11**
3	**Equity**				
(a)	Equity share capital	20	4,209.30	1,400.39	712.16
(b)	Other equity	21	19,819.22	(2,203.39)	(6,613.64)
	Total equity		**24,028.52**	**(803.00)**	**(5,901.48)**
	Total liabilities and equity		**51,763.48**	**39,020.76**	**35,636.32**

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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of the Board of Directors
Jain Sons Finlease Limited

Manish Gujral
Partner
Membership No: 105117

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer

Monika Thadeshwar
Company Secretary

Place: Mumbai
Date: 12 May 2020

Place: Mumbai
Date: 12 May 2020

Statement of Profit and Loss for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
1 Revenue from operations			
(i) Interest income	22	6,964.54	5,719.92
(ii) Net gain on fair value changes	23	273.26	203.28
(iii) Other operating revenue	24	243.21	210.31
Total revenue from operations		**7,481.01**	**6,133.51**
2 Other income		15.80	3.42
3 Total income (1+2)		**7,496.81**	**6,136.93**
4 Expenses			
(i) Finance costs	25	3,268.01	3,271.96
(ii) Fee and commission expense	26	530.70	157.16
(iii) Impairment on financial instruments	27	1,274.74	1,167.11
(iv) Employee benefits expenses	28	1,364.66	751.52
(v) Depreciation and amortisation expense	30	75.74	56.72
(vi) Other expenses	29	780.28	564.03
Total expenses		**7,294.13**	**5,968.50**
5. Profit before tax (3-4)		**202.68**	**168.43**
6 Tax expense :			
(a) Current tax expense	35	-	56.08
(b) Deferred tax benefit	35	(174.45)	(114.79)
		(174.45)	**(58.71)**
7 Profit for the year (5-6)		**377.13**	**227.14**

Statement of Profit and Loss for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
8 Other comprehensive income, net of tax			
(i) Items that will not be reclassified to profit or loss	33		
Remeasurement expense on defined benefit plans		12.31	(15.80)
Other comprehensive income		**12.31**	**(15.80)**
9 Total comprehensive income for the year (7+8)		**364.82**	**242.94**
10 Earnings per equity share (of Rs. 10 each):	31		
Basic (in Rs.)		1.75	2.97
Diluted (in Rs.)		1.41	2.49

Summary of significant accounting policies 3

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

For and on behalf of the Board of Directors
Jain Sons Finlease Limited

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Kiran Agarwal Todi
Chief Financial Officer

Monika Thadeshwar
Company Secretary

Place: Mumbai
Date: 12 May 2020

Place: Mumbai
Date: 12 May 2020

Statement of Cash Flows for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit before tax		202.68	168.43
Adjustments for:			
Depreciation and amortisation expenses		75.74	56.72
Impairment on financial assets		1,274.74	1,167.11
Share-based payments to employees		77.86	14.91
Interest income from investments		(65.90)	(287.73)
Interest income from fixed deposits		(55.32)	(48.45)
Profit on sale of investments		(273.26)	(203.28)
Provisions from employee benefits		6.07	(10.71)
Operating profit before working capital changes		**1,242.61**	**857.00**
Adjustment for change in working capital:			
Increase/(Decrease) in trade payables		(26.97)	10.78
Increase/(Decrease) in other liabilities		(946.03)	198.27
Increase in loans		(5,482.74)	(8,003.73)
Increase in other financial assets		(349.19)	(90.92)
Cash used in operating activities		**(5,562.32)**	**(7,028.60)**
Income tax paid, net of refunds		(245.54)	(570.61)
Net cash used in operating activities	**(A)**	**(5,807.86)**	**(7,599.21)**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(74.91)	(76.84)
Proceeds from sale of property, plant and equipment		0.70	1.92
Proceeds from redemption of Investment in Pass Through Certificates		1,716.55	693.83
Purchase of investments in mutual funds		(62,911.16)	(60,805.00)
Proceeds from sale of investments in mutual funds		63,184.42	61,008.28
Movement in margin money deposits (net)		(18.58)	11.51
Interest income from investments		65.90	323.50
Net cash generated from investing activities	**(B)**	**1,962.92**	**1,157.20**
Cash flows from financing activities			
Proceeds of loan availed		19,601.63	14,000.00
Repayment of debt securities/borrowings		(16,240.50)	(15,732.46)
Proceeds from issue of share capital (net of share issue expenses)		9,908.11	5,161.75
Proceeds of short-term borrowings, (net)		-	(500.00)
Cash generated from financing activities	**(C)**	**13,269.24**	**2,929.29**

Statement of Cash Flows for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	9,424.30	(3,512.72)
Cash and cash equivalents at the beginning of the year (refer note 5)	387.68	3,900.40
Cash and cash equivalents at the end of the year (refer note 5)	**9,811.98**	**387.68**

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS7, 'Statement of Cash Flows'.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 12 May 2020

For and on behalf of the Board of Directors
Jain Sons Finlease Limited

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer

Monika Thadeshwar
Company Secretary

Place: Mumbai
Date: 12 May 2020

Statement of Changes in Equity for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

A. Equity share capital	Balance as at 01 April 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 March 2019	Changes in equity share capital during the year 2019-20	Balance as at 01 April 2018
Equity shares of Rs.10 each, issued, subscribed and fully paid-up	712.16	573.53	1,285.69	2,075.84	3,361.53
0.001% Series C CCPS of Rs.10 each	-	-	-	585.00	585.00
0.001% Series D CCPS of Rs.10 each	-	114.70	114.70	148.07	262.77
Total	**712.16**	**688.23**	**1,400.39**	**2,808.91**	**4,209.30**

B. Other equity	Share application money pending allotment	Reserves and Surplus				Total
		Statutory reserve	Securities premium	Share options outstanding account	Retained earnings	
Balance at 01 April 2018	**1,000.00**	**238.70**	-	-	**(7,852.34)**	**(6,613.64)**
Profit for the year	-	-	-	-	227.14	**227.14**
Premium on shares issued, net of expenses	-	-	5,152.40	-	-	**5,152.40**
Allotment of 0.001% Series D CCPS of Rs. 10 each against the application money	(1,000.00)	-	-	-	-	**(1,000.00)**
Remeasurement gains on defined benefit plans, net of tax	-	-	-	-	15.80	**15.80**
Share based compensation for the year	-	-	-	14.91	-	**14.91**
Transfer to Statutory Reserve (Refer Note 1 below)	-	39.69	-	-	(39.69)	-
Balance at 31 March 2019	-	**278.39**	**5,152.40**	**14.91**	**(7,649.09)**	**(2,203.39)**
Profit for the year	-	-	-	-	377.13	**377.138,**
Premium on shares issued, net of expenses	-	-	8,760.22	-	-	**760.22**
Others (Refer Note 16)	-	-	12,819.71	-	-	**12,819.71**
Remeasurement loss on defined benefit plans, net of tax	-	-	-	-	(12.31)	**(12.31)**
Share based compensation for the year	-	-	-	77.86	-	**77.86**
Transfer to Statutory	-	76.00	-	-	(76.00)	-
Balance at 31 March 2020	-	**354.39**	**26,732.33**	**92.77**	**(7,360.27)**	**19,819.22**

Statement of Changes in Equity for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Note 1

The transfer to statutory reserve u/s 45(IC) of the RBI Act, 1934 for the year ended 31 March 2019 was computed on profit after tax reported under previous GAAP and has not been adjusted for Ind AS adjustments.

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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 12 May 2020

For and on behalf of the Board of Directors
Jain Sons Finlease Limited

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer

Monika Thadeshwar
Company Secretary

Place: Mumbai
Date: 12 May 2020

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

1 Background

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 lending. The Company is part of a Systemically Important Non-Deposit taking NBFC group.

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, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

These financial statements for the year ended 31 March, 2020 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI'). The date of transition is 1 April, 2018.

The Company prepared its financial statements up to the year ended 31 March, 2019, in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which included Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable RBI directions. The Company followed the provisions of Ind AS 101 'First Time Adoption of Indian Accounting Standards' in preparing its opening Ind AS Balance Sheet as of the date of transition and adjustments were made to restate the opening balances as per Ind AS. The impact of transition has been accounted for in the opening reserves as at 1 April, 2018. The comparative figures have been presented in accordance with the same accounting principles that are used in preparation of the Company's first Ind AS financial statements.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, Ind AS 101. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 50.

The financial statements for the year ended 31 March, 2020 were authorized and approved for issue by the Board of Directors on 12 May, 2020.

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, 2015 (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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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, 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.

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)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 costs that are directly attributable to acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing cots consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on accrual basis 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 finance cost associated) 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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.

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 arrying amount may not be recoverable.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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.

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.

Where the Company is lessee

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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.

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.

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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.

j) Impairment of financial assets

Loan assets

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 38 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 38 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 38 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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.

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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) 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.

q) 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 categorization (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 amendments to standards that are issued, but not yet effective, up to the date of issuance of these financial statements that will have material impact on the financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
5 Cash and cash equivalents			
Cash on hand	1.95	2.77	6.20
Balances with banks in current accounts	9,810.03	384.91	3,894.20
Total	**9,811.98**	**387.68**	**3,900.40**
6 Other bank balances			
Fixed deposits with banks with original maturity more than months, on lien against term loans and unutilized overdraft limit	774.35	700.81	725.00
Interest accrued but not due on fixed deposits	13.39	13.03	0.35
	787.74	**713.84**	**725.35**
7 Loans			
Term loans to customers, net of deferral	38,906.41	35,976.49	29,054.13
Interest accrued on loans to customers	556.63	382.01	279.18
Total	**39,463.04**	**36,358.50**	**29,333.31**
Less: Allowance for credit losses	(1,135.99)	(2,237.17)	(2,207.56)
Total	**38,327.05**	**34,121.33**	**27,125.75**

Notes:

a) The net carrying amount of loans is considered as a reasonable approximation of their fair value.

b) Refer note 38 for ECL disclosures.

c) The reconciliation of loans to customer is as below:

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Secured, considered good	22,580.01	8,390.88	13,828.83
Unsecured, considered good	16,520.24	17,802.35	15,442.06
	39,100.25	**36,193.23**	**29,270.89**
Less: Deferral of net income on origination of loans	(193.84)	(216.74)	(216.76)
Loans to customers, net of deferral	**38,906.41**	**35,976.49**	**29,054.13**

d) Secured exposures are secured wholly or partly by hypothecation of book debts, charge on movable/immovable assets.

e) All loans are held in India. For breakup of industry wise loans, refer Note. 38.

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
8 Investments (Carried at amortised cost)			
Unquoted, non-trade			
Series A2 PTCs of Vivriti Matic 010 2017	-	-	214.99
Series A2 PTCs of Vivriti Kenobi 002 2018	-	-	192.65
Series A2 PTCs of Trariti Vivriti Capital 2018	-	-	81.96
Series A3 PTCs of Cedar Inclusive Finance Trust 2	-	658.90	658.90
Series A2 PTCs of Vivriti Tatooine 003 2018	-	313.10	313.10
Series A2 PTCs of Vivriti Helm 002 2018	-	264.70	264.70
Series A2 PTCs of Vivriti Trebor 010 2017	-	163.69	192.84
Series A2 PTCs of Vivriti Pereira 001 2018	-	51.48	165.52
Series A2 PTCs of Vivriti Morris 002 2018	-	56.61	117.65
Series A2 PTCs of Vivriti Krishi 002 2018	-	105.51	105.51
Series A2 PTCs of Vivriti Naboo 002 2018	-	59.00	58.99
Series A2 PTCs of Vivriti Timo 003 2018	-	43.56	43.56
Total	**-**	**1,716.55**	**2,410.38**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
9 Other financial assets			
Collateral security given to lenders	428.50	170.06	186.31
Security deposits	66.78	53.58	50.98
Loans to employees	4.07	9.18	18.16
Receivable for services	29.48	6.33	26.20
Other receivables	21.17	-	-
Total	**550.00**	**239.15**	**281.64**
10 Deferred tax assets (net)			
Deferred tax asset arising on account of:			
Contingent provisions for loan assets	278.11	101.54	-
Disallowance u/s 43B and other provisions	13.51	16.08	-
	291.62	**117.62**	-
Deferred tax liability arising on account of:			
On property, plant and equipment	2.38	2.38	-
On others	-	-	-
	2.38	**2.38**	-
Total	**289.24**	**114.79**	**-**

The Company has recognised deferred tax assets on the carried forward as well as current year tax losses and other temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Total unrecognised deferred tax assets as at 31 March 2020, amounted to Rs. 687.11 (March 2019: 1,110.54, March 2018: 1,137.53).

11 Property, plant and equipment ('PPE')

	Computers	Furniture and fixtures	Office equipment	Total PPE
Gross block				
Deemed cost as at 1 April 2018	**48.06**	**29.28**	**168.08**	**245.42**
Additions	8.28	1.99	0.87	**11.14**
Disposals	(7.13)	(0.65)	-	**(7.78)**
Balance as at 31 March 2019	**49.21**	**30.62**	**168.95**	**248.78**
Additions	42.41	1.84	5.70	**49.95**
Disposals	(8.99)	(1.79)	-	**(10.78)**
Balance as at 31 March 2020	**82.63**	**30.67**	**174.65**	**287.95**
Accumulated depreciation				
As at 1 April 2018	39.64	13.53	13.99	**67.16**
Depreciation charge for the year	2.34	3.73	16.93	**23.00**
Disposals	(5.29)	(0.57)	-	**(5.86)**
Balance as at 31 March 2019	**36.69**	**16.68**	**30.92**	**84.30**
Depreciation charge for the year	12.77	4.39	17.09	**34.25**
Disposals	(9.20)	(0.08)	-	**(9.28)**
Balance as at 31 March 2020	**40.27**	**21.00**	**48.01**	**109.27**
Net block				
As at 1 April 2018	**8.43**	**15.75**	**154.10**	**178.26**
As at 31 March 2019	**12.52**	**13.93**	**138.04**	**164.48**
As at 31 March 2020	**42.37**	**9.67**	**126.65**	**178.68**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Note:

a. **Deemed carrying cost**

For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 1 April 2018, the Company has used previous GAAP carrying value as deemed costs.

b. **Contractual obligations**

There are no contractual commitments for the acquisition of property, plant and equipment.

c. **Capitalised borrowing cost**

There is no borrowing costs capitalised during the year ended 31 March 2020 (31 March 2019: Nil).

12 Other Intangible assets

	Computer Software	Total
Gross block		
As at 1 April 2018	**55.94**	**55.94**
Additions	65.70	65.70
Disposals	-	-
As at 31 March 2019	**121.64**	**121.64**
Additions	24.96	24.96
Disposals	(0.14)	(0.14)
As at 31 March 2020	**146.46**	**146.46**
Amortisation		
As at 1 April 2018	7.60	7.60
Charge for the year	33.72	33.72
Disposals	-	-
As at 31 March 2019	**41.32**	**41.32**
Charge for the year	41.49	41.49
Adjustment	(0.93)	(0.12)
As at 31 March 2020	**81.87**	**81.87**
Net block		
As at 1 April 2018	**48.34**	**48.34**
As at 31 March 2019	**80.32**	**80.32**
As at 31 March 2020	**64.59**	**64.59**

Note: Deemed carrying cost

For Intangible assets existing as on the date of transition to Ind AS, i.e., 1 April 2018, the Company has used previous GAAP carrying value as deemed costs.

13 Other non financial assets

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Prepaid expenses	**50.72**	**31.50**	**27.88**
Advances recoverable in cash or in kind or for value to be received	0.60	0.60	3.12
Other receivables	18.89	12.07	11.28
Total	**70.21**	**44.17**	**42.28**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

14 Debt securities Secured

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
- Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs)	7,266.00	7,258.63	7,258.63
- Rated, Unlisted, Redeemable, NCDs	694.66	1,197.91	1,666.67
Interest accrued but not due on debt securities	315.06	306.99	324.98
	8,275.72	**8,763.53**	**9,250.27**

Terms of repayment and security given are as below:

Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs) The Company had allotted 4,000 NCDs of face value of Rs. 1 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 interest rate of 12.86% per annum. The NCDs are redeemable at par in two equal instalments on 17 May 2021, and 17 November 2021.

The Company had allotted 1,330 NCDs of face value of Rs.1 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 interest rate of 12.86% per annum. The NCDs are redeemable at par in two equal instalments on 14 December 2020, and 14 June 2021.

The Company had allotted 1,942 NCDs of face value of Rs. 1 each fully paid-up at discount of Rs. 0.01 per debenture on 8 October 2014. NCDs are secured by way of hypothecation of specified book debts/loan receivables and carries interest rate of 13.5% per annum. Interest rate shall be reset after a period of 36 months from the date of allotment. The NCDs are redeemable at par on 8 October 2020, with call and put option exercisable at the end of 36 months. Since the Company and the debenture holder have not exercised the option, the tenor for the NCD has been reset to 8 October 2020, with interest rate revised to 12.5% per annum.

Rated, Unlisted, Redeemable, NCDs The Company has allotted 150 NCDs of face value of Rs. 10 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 interest rate of 11.11% per annum, which are repayable in periodic instalments ranging from Rs. 8.33 to Rs. 41.67 till August 2021.

Repayment schedule of debt securities

Up to 1 year	3,098.66	489.58	1,678.31
2 to 5 years	4,873.34	7,980.33	7,259.49
	7,972.00	**8,469.91**	**8,937.80**

15 Borrowings Secured

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Term loans from banks	-	-	500.00
Term loans from financial institutions	17,680.42	13,857.14	15,103.33
Interest accrued but not due on borrowings	66.14	40.48	68.81
	17,746.56	**13,897.62**	**15,672.14**

Terms of repayment and security given are as below:

Loans from others are secured by way of hypothecation of book debts created out of the loan amount. Further, loans to the extent of Rs. 2,331.10 (31 March 2019: Rs. 3,911.08, 1 April 2018: Rs. 4,827.41) are also secured by pledge of

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
fixed deposits. Interest rates on these loans ranges from 11.75% to 14.50% per annum (31 March 2019: 11.75% to 14.45% per annum).			
Repayment schedule of term loans			
Up to 1 year	9,807.84	8,218.49	7,558.43
2 to 5 years	8,006.71	5,740.72	8,045.91
	17,814.55	**13,959.21**	**15,604.34**

16 Subordinated liabilities

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Equity shares and CCPS other than those that qualify as equity	-	14,480.73	14,159.60
	-	**14,480.73**	**14,159.60**

As per the Amended and Restated Shareholders Agreement dated March 2016, including subsequent amendments thereof (collectively referred as "Agreement"), the Investors (as defined in the Agreement) had a put option by virtue of which they had the rights to require the Company to buy-back their shares for a consideration as specified in the Agreement. Under Ind-AS, these equity shares and CCPS (including security premium) are considered as financial liability and have been accounted for as "Subordinated liabilities" at measured at fair value through profit and loss. During the year ended 31 March 2020, the shareholders have amended the erstwhile agreement where these preferential rights to exercise put option on the Company have been removed. Consequent to the above change, the Subordinated liabilities has been derecognised and equity instrument, CCPS (including security premium) has been recorded at the fair value of the instrument as at 31 March 2020.

The following instruments issued by the Company are classified as subordinated liabilities:

	Number of share as at		
	31 March 2020	31 March 2019	1 April 2018
Equity shares of Rs.10 each	-	92,79,547	39,20,800
0.001% Series B1 CCPS of Rs. 100 each	-	-	24,99,948
0.001% Series B2 CCPS of Rs. 100 each	-	-	3,00,000
0.001% CCPS - Series C of Rs. 10 each	-	58,49,966	58,49,966
0.001% CCPS - Series D of Rs. 10 each *	-	14,80,700	-

* Balance as at 1 April 2018, includes share application money received for subscription of 0.001% CCPS - Series D of Rs. 10 each.

Terms and rights attached to equity shares
Refer note 20

Terms and rights attached to preference shares

Terms and rights attached to Series B CCPS of Rs. 100 each

The Company had issued 2,499,948 Series B1 CCPS and 300,000 Series B2 CCPS of face value Rs. 100 each fully paid-up at par (collectively Series B CCPS) on 18 February 2014. The Series B CCPS carried dividend of 0.001% per annum. In addition to the fixed dividend, each CCPS was 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 were entitled to voting rights on a fully diluted basis.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Pursuant to the terms of the issue, Series B CCPS has been converted into 5,358,750 equity share of Rs. 10 each fully paid-up at a premium of Rs. 42.25 per share during the year ended 31 March 2019.

Terms and rights attached to preference shares (Contd)

Terms and rights attached to Series C CCPS of Rs. 10 each

The Company had allotted 5,849,966 non-cumulative CCPS of face value Rs. 10 each fully paid-up at a premium of Rs. 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 Rs. 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 Rs. 10 each

The Company has allotted 2,627,724 0.001% Series D CCPS of Rs. 10 each on rights basis, on 9 April 2018, in the ratio of 1 (one) 0.001% Series D CCPS of Rs. 10 each for every 4 equity shares (on fully diluted basis) of Rs. 10 each at a premium of Rs. 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 Rs. 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.

17 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Cash collateral from customers	404.08	1,134.47	1,476.81
Advance from customers	800.28	1,179.95	634.49
Employee payables	152.24	84.02	93.43
Other payables*	178.55	58.99	30.91
	1,535.15	**2,457.43**	**2,235.64**

Based on information available with the Company, there are no suppliers including classified under trade payables who are registered as micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at the each reporting period.

18 Provisions

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits			
Gratuity (refer note 33)	23.10	17.03	27.74
Provision on standard assets*	4.60	-	-
Provision on investments	-	6.87	9.64
	27.70	**23.90**	**37.38**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

*RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 on COVID-19 Regulatory Package - Asset Classification and Provisioning dt. 17 April 2020.

19 Other non-financial liabilities

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Income received in advance	90.85	115.90	90.53
Statutory liabilities	43.13	41.83	60.20
	133.98	**157.73**	**150.73**

20 Share capital

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised			
(i) 7,34,00,000 (31 March 2019: 41,400,000; 1 April 2018: 26,000,000) equity shares of Rs. 10 each	7,340.00	4,140.00	2,600.00
(ii) 2,000,000 (31 March 2019: 2,000,000; 1 April 2018: 2,000,000) 0.001% Compulsorily Convertible Preference Shares ("CCPS") of Rs. 20 each	-	400.00	400.00
(iii) 2,500,000 (31 March 2019: 2,500,000; 1 April 2018: 2,500,000) 0.001% Series B1 CCPS of Rs. 100 each	-	2,500.00	2,500.00
(iv) 300,000 (31 March 2019: 300,000; 1 April 2018: 300,000) 0.001% Series B2 CCPS of Rs. 100 each	-	300.00	300.00
(iv) 6,000,000 (31 March 2019: 6,000,000; 1 April 2018: 6,000,000) 0.001% Series C CCPS of Rs. 10 each	600.00	600.00	600.00
(v) 5,600,000 (31 March 2019: 5,600,000; 1 April 2018: 5,600,000) 0.001% Series D CCPS of Rs. 10 each	560.00	560.00	560.00
	8,500.00	**8,500.00**	**6,960.00**
Issued, subscribed and paid-up			
(i) 33,615,301 (31 March 2019: 22,136,447; 1 April 2018: 11,042,437) equity shares of Rs. 10 each	3,361.53	2,213.64	1,104.24
Less: Classified as subordinated liability (Refer note: 16)	-	(927.95)	(392.08)
	3,361.53	**1,285.69**	**712.16**
(ii) Nil (31 March 2019: Nil; 1 April 2018: 2,499,948) 0.001% Series B1 CCPS of Rs. 100 each	-	-	2,499.95
Less: Classified as subordinated liability (Refer note: 16)	-	-	(2,499.95)
	-	**-**	**-**
(iii) Nil (31 March 2019: Nil; 1 April 2018: 300,000) 0.001% Series B2 CCPS of Rs. 100 each	-	-	300.00
Less: Classified as subordinated liability (Refer note: 16)	-	-	(300.00)
	-	**-**	**-**
(iv) 5,849,966 (31 March 2019: 5,849,966 Nil; 1 April 2018: 5,849,966) 0.001% Series C CCPS of Rs. 10 each	585.00	585.00	585.00

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Less: Classified as subordinated liability (Refer note: 16)	-	(585.00)	(585.00)
	585.00	**-**	**-**
(v) 2,627,724 (31 March 2019: 2,627,724; 1 April 2018: Nil) 0.001% Series D CCPS of Rs. 10 each	262.77	262.77	-
Less: Classified as subordinated liability (Refer note: 16)	-	(148.07)	-
	262.77	**114.70**	**-**
Balance at the end of the year	**4,209.30**	**1,400.39**	**712.16**

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Number	Amount	Number	Amount	Number	Amount
a) Reconciliation of share capital	2,21,36,447	2,213.64	1,10,42,437	1,104.24	1,09,69,348	1,096.93
Balance at the beginning of the year	1,14,78,854	1,147.89	57,35,260	573.53	73,089	7.31
Add: Allotted during the year	-	-	53,58,750	535.87	-	-
Add: Converted during the year	3,36,15,301	3,361.53	2,21,36,447	2,213.64	1,10,42,437	1,104.24
Less: Classified as 'Subordinated liabilities'*	-	-	(92,79,547)	(927.95)	(39,20,800)	(392.08)
Balance at the end of the year	**3,36,15,301**	**3,361.53**	**1,28,56,900**	**1,285.69**	**71,21,637**	**712.16**
Reconciliation of CCPS 0.001% CCPS - Series C of Rs. 10 each						
Balance at the beginning of the year	58,49,966	585.00	58,49,966	585.00	58,49,966	585.00
Add : Issued during the year	-	-	-	-	-	-
	58,49,966	585.00	58,49,966	585.00	58,49,966	585.00
Less: Classified as 'Subordinated liabilities'*	-	-	(58,49,966)	(585.00)	(58,49,966)	(585.00)
Balance at the end of the year	**58,49,966**	**585.00**	**-**	**-**	**-**	**-**
0.001% CCPS - Series D of Rs. 10 each						
Balance at the beginning of the year	26,27,724	262.77	-	-	-	-
Add : Issued during the year	-	-	26,27,724	262.77	-	-
	26,27,724	262.77	26,27,724	262.77	-	-
Less: Classified as 'Subordinated liabilities'*	-	-	(14,80,700)	(148.07)	-	-
Balance at the end of the year	**26,27,724**	**262.77**	**11,47,024**	**114.70**	**-**	**-**

*Refer Note 16

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

b) Rights and restriction attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

In accordance with the terms of the Agreement, the Investors (as defined in the Agreement) had a put option by virtue of which they had the right to require the Company to commence the procedure for Investor exit by way of buy-back of shares held by the Investors. In such case, the Promoter and Other Shareholders shall waive all rights to participate in the buy-back until each of the Investor have received the amounts required to be paid to them in accordance with the terms of the Agreement and subject to compliance with the provisions of the Act. During the year ended 31 March 2020, the shareholders have amended the erstwhile agreement where these preferential rights to exercise put option on the Company have been removed. Accordingly, the instrument has been reclassified as equity instrument.

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.

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

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Percent of shareholding	No. of shares	Percent of shareholding	No. of shares	Percent of shareholding	No. of shares
Equity shares						
Intellectual Capital Advisory Services Private Limited ("Intellectual")	1,18,61,955	35.29%	61,26,695	27.68%	59,99,995	54.34%
Aavishkaar Venture Management Services Private Limited ("AVMS")	1,33,20,638	39.63%	66,15,853	29.89%	8,80,593	7.97%
ON Mauritius*	47,84,689	14.23%	47,84,689	21.61%	NA	NA
Triodos Custody B.V.INZ - Triodos Fair Share Fund ("TCTFSF")*	NA	NA	11,31,324	5.11%	9,87,784	8.95%
Triodos SICAV II-Triodos Microfinance Fund ("TSTMF")*	NA	NA	11,31,323	5.11%	9,87,783	8.95%
DWM (International) Mauritius LTD ("DWM")*	NA	NA	12,62,647	5.70%	9,75,566	8.83%
Michael & Susan Dell Foundation*	NA	NA	NA	NA	9,69,525	8.78%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Percent of shareholding	No. of shares	Percent of shareholding	No. of shares	Percent of shareholding	No. of shares
0.001% Series C CCPS of Rs. 10 each						
On Mauritius*	17,20,578	29.41%	17,20,578	29.41%	17,20,578	29.41%
DWM*	20,64,694	35.29%	20,64,694	35.29%	20,64,694	35.29%
TSTMF*	10,32,347	17.65%	10,32,347	17.65%	10,32,347	17.65%
TCTFSF*	10,32,347	17.65%	10,32,347	17.65%	10,32,347	17.65%
0.001% Series D CCPS of Rs. 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%	-	-

(*Includes instruments classified as 'Subordinated liabilities' (refer note 16)

d) The Company has not allotted any bonus shares in the five years immediately preceding 31 March 2020. The Company has not bought back equity shares during five years immediately preceding 31 March 2020, nor has it issued any share for consideration other than cash.

e) For details of equity shares reserved for issuance under the ESOP plan of the Company, refer note 34. For details of shares reserved for issuance of conversion of CCPS, refer note 16 regarding terms of conversion of CCPS.

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
21 Other equity			
Share application money pending allotment	-	-	1,000.00
Statutory reserve u/s 45(IC) of the RBI Act, 1934	354.39	278.39	238.70
Securities premium	26,732.33	5,152.40	-
Share options outstanding account	92.77	14.91	-
Surplus in the Statement of Profit and Loss	(7,360.27)	(7,649.09)	(7,852.34)
	19,819.22	**(2,203.39)**	**(6,613.64)**

Nature and purpose of reserve

a) Statutory reserve u/s 45(IC) of the RBI Act, 1934

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend.

b) 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.

c) Share Options Outstanding Account

Share application money pending allotment as at 31 March 2018, represents the subscription money received from the shareholders against the rights issue of 0.001% Series D CCPS of Rs. 10 each at a premium of Rs. 77.18 per 0.001% Series D CCPS. Subsequent to 31 March 2018, the rights issue was closed and the Company had allotted 2,627,724 0.001% Series D CCPS of Rs. 10 each on 9 April 2018.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
22 Interest Income		
Interest on loans	6,830.23	5,376.11
Interest on investments	65.90	287.73
Interest on fixed deposits	55.32	48.45
Interest on others	13.09	7.63
	6,964.54	**5,719.92**
23 Net gain on fair value changes		
Profit on sale of investments in mutual funds	273.26	203.28
	273.26	**203.28**
24 Other operating revenues		
Bad recovery	158.68	146.50
Other charges	84.53	63.81
	243.21	**210.31**
25 Finance costs (on a financial liabilities measured at amortised cost)		
Interest expense on Borrowings	1,991.80	2,157.78
Interest expense on Debt securities	1,107.98	1,079.42
Other borrowing costs	168.23	34.76
	3,268.01	**3,271.96**
26 Fees and commission expense		
Commission	530.70	157.16
	530.70	**157.16**
27 Impairment on financial instruments		
Loans	(1,108.05)	26.85
Loan assets written off	2,378.19	1,140.26
Standard assets provision (Refer Note 18)	4.60	-
	1,274.74	**1,167.11**
28 Employee benefits expenses		
Salaries and wages	1,154.74	667.63
Contributions to provident and other funds	65.61	35.60
Share based compensation (Refer note 34)	77.86	14.91
Gratuity expenses	11.43	8.79
Staff welfare expenses	55.02	24.59
	1,364.66	**751.52**
29 Other expenses		
Rent	118.38	101.53
Electricity and water	11.81	9.46
Repairs and maintenance - others	2.36	2.57
Rates and taxes	117.85	54.94
Travelling and conveyance	76.68	56.36
Printing and stationery	6.81	3.45
Director sitting fees	15.35	16.60
Legal and professional fees	248.67	214.88
Remuneration to auditors [refer note 29 (a)]	21.50	18.00
Contribution towards CSR [refer note 29 (b)]	-	-
Communication expenses	32.69	15.22
Office expenses	123.57	46.33
Advertisement expenses	4.15	24.69
Miscellaneous	0.46	-
	780.28	**564.03**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
29 (a) Payment to auditors (excluding taxes)		
- Audit fees	19.85	12.00
- Tax audit fees	1.50	1.90
- Out of pocket expenses	0.15	0.35
	21.50	**14.25**

29 (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 2020 and 31 March 2019.

	Year ended 31 March 2020	Year ended 31 March 2019
30 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	34.25	23.00
Amortisation on intangible assets	41.49	33.72
	75.74	**56.72**
31 Earnings per equity share (EPS)		
Net profit attributable to equity shareholders	**377.13**	**227.14**
Weighted average number of shares outstanding during the year for computing basic EPS (nos)	2,15,84,476	76,55,880
Add: Effect of potential shares for conversion of CCPS (nos)	51,22,969	14,48,246
Add: Effect of potential shares for conversion of ESOP (nos)	-	-
Weighted average number of shares used to compute diluted EPS (nos)	**2,67,07,445**	**91,04,127**
Profit per share :		
Basic	1.75	2.97
Diluted	1.41	2.49
Nominal value - per equity share	10.00	10.00

32 Related party disclosures

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
TribeTech Private Limited ("TribeTech")	Subsidiary of AVMS
Intellectual Capital Advisory Services Private Limited ("Intellectual")	Entity which has significant influence on the Company

Key Management Personnel

Mr. Akbar Khan, Executive Director and CEO ((Executive Director upto 30 April 2018 and CEO from till 15 June 2018)
Mr. Nitin Prakash Agarwal, Deputy CEO and CFO (till 24 May 2018)
Mr. John Arunkumar Diaz, Managing Director (from 24 April 2018 till 4 December 2018)
Mr. Nikesh Kumar Sinha, Managing Director (from 22 January 2019, Executive Director from 16 October 2018 to 29 October 2018, Executive Director & CEO from 30 October 2018 to 21 January 2019)
Ms. Kiran Agarwal Todi, CFO (from 2 January 2019)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Transactions with related parties during the year :

Nature of transaction	Transactions with	31 March 2020	31 March 2019
Reimbursement of expenses incurred on behalf of the Company	Intellecap	1.08	6.34
Reimbursement of expenses incurred for the Company	Intellecap	0.10	-
Professional Services	Intellecap	4.50	-
Issue of Equity Shares	Intellectual	5,000.00	-
Interest income	Arohan	-	18.69
Reimbursement of expenses incurred on behalf of the Company	Arohan	0.26	-
Reimbursement of expenses incurred for of the Company	Arohan	0.01	-
Reimbursement of expenses incurred on behalf of the Company	TribeTech	1.75	0.15
Reimbursement of expenses incurred for of the Company	TribeTech	3.13	-
Sourcing and servicing fees	TribeTech	501.96	157.16
Syndication fees	TribeTech	-	0.73
Cash collateral received	TribeTech	-	75.74
First loss default guarantee invoked	TribeTech	266.32	33.33
Reimbursement of expenses incurred on behalf of the Company	AVMS	7.61	1.27
Reimbursement of expenses incurred for of the Company	AVMS	0.06	-
Issue of equity shares	AVMS	5,000.00	4,999.99
Issue of preference shares	AVMS	-	999.99
Loan taken	AVMS	-	5,500.00
Interest paid	AVMS	-	176.60
Sitting fees	Vineet Rai	2.30	0.70
Sitting fees	Anurag Agarwal	3.74	3.90
Remuneration	Akbar Khan	-	15.00
Professional fees	John Arunkumar Diaz	-	30.24
Remuneration	Nitin Prakash Agarwal	-	9.76
Remuneration	Nikesh Kumar Sinha	142.88	43.33
Remuneration	Kiran Agarwal Todi	68.55	13.41

Outstanding balances as at the balance sheet date:

Nature of balances	Balances with	31 March 2020	31 March 2019
Other payable	Intellecap	-	0.64
Loans given	Arohan	-	4.50
Other receivable	TribeTech	2.25	67.44

Note:
The managerial remuneration disclosed above does not include
- perquisites, including share based compensation
- the provision for gratuity made on the basis of actuarial valuation

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 Rs. 20. 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:

	Year ended 31 March 2020	Year ended 31 March 2019
The amounts recognised in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	23.10	17.03
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in the Balance Sheet	**23.10**	**17.03**
Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	17.03	27.74
Service cost	10.15	6.72
Interest cost	1.28	2.08
Actuarial losses/(gains)		
- change in financial assumptions	1.71	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
- change in demographic assumptions	(0.01)	(15.81)
- experience variance (i.e. actual experiences assumptions)	10.61	-
Benefits paid	(17.67)	(3.70)
Defined benefit obligation as at the end of the year	**23.10**	**17.03**
Assumptions used in the actuarial valuation for gratuity and compensated absences are as under:		
Discount rate	7.50%	7.25%
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 2006-08
Net gratuity cost for the year ended 31 March 2020 and 31 March 2019 comprises of following components:		
Current service cost	10.15	6.72
Net interest cost on the net defined benefit liability	1.28	2.08
Components of defined benefit costs recognized in Statement of Profit and Loss	**11.43**	**8.80**

Quantitative sensitivity analysis for significant assumptions is as below

		Year ended 31 March 2020	Year ended 31 March 2019
Assumption	**Change in assumption**		
Discount rate	Increase by 100 basis points	21.22	15.86
	Decrease by 100 basis points	25.26	18.36
Salary escalation rate	Increase by 100 basis points	25.28	18.38
	Decrease by 100 basis points	21.17	15.82
Withdrawal rate	Increase by 100 basis points	22.94	16.94
	Decrease by 100 basis points	23.24	17.09

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 Rs. 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. Consequent to the above, the Company has granted stock options to employees of the Company, details of which are disclosed in the table below:

Option activity during the year is summarised below:

	31 March 2020		31 March 2019	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning	2,75,000	52.27	-	-
Granted during the year	81,000	87.18	2,75,000	52.27
Lapsed during the year	5,000	87.18	-	-
Exercised during the year	8,334	87.18	-	-
Options outstanding at the end	3,42,666	60.01	2,75,000	52.27
Options exercisable at year end	83,334	60.01	-	-

The options outstanding as at 31 March 2020, were with the exercise price of Rs. 10 to Rs. 87.18. The weighted average of the remaining contractual life is 4 year (31 March 2019: 4 years).

34 Share-based payment (cont'd)

a) Employee Stock Option Plan 2018 (cont'd)

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

	31 March 2020	31 March 2019
Expected life (in years)	2.5 - 4.5	2.5 - 4.5
Volatility (%)	15.84%	15.84%
Risk free rate (%)	7% to 7.31%	7% to 7.31%
Exercise price (Rs.)	Rs. 10 to 87.18	Rs. 10 to 87.18
Dividend yield	0%	0%
Option fair value	16.85 - 79.98	16.85 - 79.98

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
35 Income tax expense		
a) Income tax expense recognised in Statement of profit and loss		
Current tax	-	56.08
Deferred tax	(174.45)	(114.79)
	(174.45)	**(58.71)**
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	202.68	168.43
Enacted tax rates	24.480%	29.120%
Income tax expense calculated on corporate tax rate	49.62	49.05
Expense disallowed under the provisions of Income tax Act, 1961	18.99	30.49
Reversal of deferred tax on account of change in tax rates	18.29	-
Deferred tax assets on business losses recognised	(192.74)	(114.79)
Carried forward depreciation adjusted	-	(9.23)
Adjusted against tax losses of current year	(68.60)	-
Other adjustments	-	(14.22)
At the effective income tax rate of 24.48% (31 March 2019:29.120%)	**(174.45)**	**(58.71)**

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 2020	As at 31 March 2019	As at 1 April 2018
Debt securities	8,275.72	8,763.53	9,250.27
Borrowings (other than debt securities)	17,746.56	13,897.62	15,672.14
Total debt	**26,022.28**	**22,661.15**	**24,922.42**
Total equity*	**24,028.52**	**(803.00)**	**(5,901.48)**
Net debt to equity ratio	**1.08**	**(28.22)**	**(4.22)**

*Note: For year ended 31 March 2019 and 2018, Equity is negative due to classification of CCPS as subordinated liability (Refer note: 16 & 20)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 2020					
Financial Assets					
Cash and cash equivalents	-	-	9,811.98	9,811.98	9,811.98
Bank balances other than above	-	-	787.74	787.74	787.74
Loans	-	-	38,327.05	38,327.05	38,327.05
Other financial assets	-	-	550.00	550.00	550.00
Total financial assets	**-**	**-**	**49,476.77**	**49,476.77**	**49,476.77**
Trade payables			15.85	15.85	15.85
Debt securities	-	-	8,275.72	8,275.72	8,275.72
Borrowings (other than debt securities)	-	-	17,746.56	17,746.56	17,746.56
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	-	-	1,535.15	1,535.15	1,535.15
Total financial liabilities	**-**	**-**	**27,573.28**	**27,573.28**	**27,573.28**
As at 31 March 2019					
Financial Assets					
Cash and cash equivalents	-	-	387.68	387.68	387.68
Bank balances other than above	-	-	713.84	713.84	713.84
Loans	-	-	34,121.33	34,121.33	34,121.33
Investments	-	-	1,716.55	1,716.55	1,716.55
Other financial assets	-	-	239.15	239.15	239.15
Total financial assets	**-**	**-**	**37,178.54**	**37,178.54**	**37,178.54**
Trade payables			42.82	42.82	42.82
Debt securities	-	-	8,763.53	8,763.53	8,763.53
Borrowings (other than debt securities)	-	-	13,897.62	13,897.62	13,897.62
Subordinated liabilities	14,480.73	-	-	14,480.73	14,480.73
Other financial liabilities	-	-	2,457.43	2,457.43	2,457.43
Total financial liabilities	**14,480.73**	**-**	**25,161.40**	**39,642.13**	**39,642.13**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Fair value
As at 1 April 2018					
Financial Assets					
Cash and cash equivalents	-	-	3,900.40	3,900.40	3,900.40
Bank balances other than above	-	-	725.35	725.35	725.35
Loans	-	-	27,125.75	27,125.75	27,125.75
Other financial assets	-	-	2,410.38	2,410.38	2,410.38
			281.64	281.64	281.64
Total financial assets	**-**	**-**	**34,443.52**	**34,443.52**	**34,443.52**
Trade payables					
Debt securities	-	-	32.04	32.04	32.04
Borrowings (other than debt securities)	-	-	9,250.27	9,250.27	9,250.27
			15,672.14	15,672.14	15,672.14
Subordinated liabilities	14,159.60	-	-	14,159.60	14,159.60
Other financial liabilities	-	-	2,235.64	2,235.64	2,235.64
Total financial liabilities	**14,159.60**	**-**	**27,190.10**	**41,349.70**	**41,349.70**

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 from	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 and 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).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

A) Credit risk

Credit risk is the risk that a counter party 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 counter parties 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 counter party 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

Financial assets that expose the entity to credit risk*

Gearing Ratio	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Low credit risk on financial reporting date			
Cash and cash equivalents	9,811.98	387.68	3,900.40
Bank balances other than above	787.74	713.84	725.35
Loans and corresponding interest receivables	37,955.66	33,649.06	27,938.41
Investments	-	1,716.55	2,410.38
Other financial assets	550.00	239.15	281.64
Moderate credit risk			
Loans	585.91	1,247.45	145.15
High credit risk			
Loans	921.47	1,461.99	1,249.75

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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

Credit risk related to borrower's are mitigated by considering collateral's from borrower's. 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 2020				
Cash and cash equivalents	9811.98	0%	-	9,811.98
Bank balances other than above	787.74	0%	-	787.74
Other financial assets	550.00	0%	-	550.00
31 March 2019				
Cash and cash equivalents	387.68	0%	-	387.68
Bank balances other than above	713.84	0%	-	713.84
Investments	1,716.55	0%	-	1,716.55
Other financial assets	239.15	0%	-	239.15
1 April 2018				
Cash and cash equivalents	3,900.40	0%	-	3,900.40
Bank balances other than above	725.35	0%	-	725.35
Investments	2,410.38	0%	-	2,410.38
Other financial assets	281.64	0%	-	281.64

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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, Financial Instruments 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).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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.

Loss given default (LGD) computation model

LGD is the credit loss that will be incurred if the borrower defaults. It is calculated as the difference between the present value (using the EIR of the loan) of the amount that the entity expects to receive after the default event occurs and the contractual amounts due. Accordingly, the type of loan facility (secured/unsecured, type of security etc.) are important considerations while grouping loan assets into categories while determining LGD rates. All the alternative recovery options, including monetizing the security, debt restructuring etc. are considered while determining the expected credit losses after default. External costs of monetizing the collateral are also considered (if applicable).

A. 3 Credit risk exposure

		ECL Staging	
	Stage 1	Stage 2	Stage 3
31 March 2020			
Low credit risk	37,592.87	-	-
Moderate credit risk	-	585.91	-
High credit risk	-	-	921.47
Gross carrying amount	**37,592.87**	**585.91**	**921.47**
Loss allowance	302.86	180.42	652.71
Carrying amount	**37,290.01**	**405.49**	**268.76**
31 March 2019			
Low credit risk	33,483.79	-	-
Moderate credit risk	-	1,247.45	-
High credit risk	-	-	1,461.99
Gross carrying amount	**33,483.79**	**1,247.45**	**1,461.99**
Loss allowance	821.12	71.09	1,344.97
Carrying amount	**32,662.67**	**1,176.36**	**117.02**
1 April 2018			
Low credit risk	27,875.99	-	-
Moderate credit risk	-	145.15	-
High credit risk	-	-	1,249.75
Gross carrying amount	**27,875.99**	**145.15**	**1,249.75**
Loss allowance	990.91	11.31	1,205.34
Carrying amount	**26,885.08**	**133.84**	**44.41**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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

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 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Balance as at 1 April 2018	990.91	11.31	1,205.34	2,207.56
New financial assets originated or purchased	641.22	5.91	120.03	767.16
Transfer to Stage 2	(109.52)	109.52	-	-
Transfer to Stage 3	(102.40)	-	102.40	-
Movement in credit risk on existing loan assets	(599.09)	(55.65)	1,057.46	402.72
Write offs	-	-	(1,140.26)	(1,140.26)
Balance as at 31 March 2019	**821.12**	**71.09**	**1,344.97**	**2,237.18**
New financial assets originated or purchased	294.44	180.42	640.66	1,115.53
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(26.53)	(26.32)	52.85	-
Movement in credit risk on existing loan assets	(786.17)	(44.77)	992.42	161.48
Write offs	-	-	(2,378.19)	(2,378.19)
Balance as at 31 March 2020	**302.86**	**180.42**	**652.71**	**1,136.00**

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 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Balance as at 1 April 2018	27,875.99	145.15	1,249.75	29,270.89
New financial assets originated or purchased	27,241.87	290.89	130.33	27,663.09
Transfer to Stage 2	(1,774.87)	1,774.87	-	-
Transfer to Stage 3	(1,773.44)	-	1,773.44	-
Financial assets that have been derecognised/ repaid	(18,085.76)	(963.46)	(551.27)	(19,600.49)
Write offs	-	-	(1,140.26)	(1,140.26)
Balance as at 31 March 2019	**33,483.79**	**1,247.45**	**1,461.99**	**36,193.23**
New financial assets originated or purchased	34,332.73	585.91	905.92	35,824.56
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(651.67)	(487.55)	1,139.22	-
Financial assets that have been derecognised/ repaid	(29,571.98)	(759.90)	(207.47)	(30,539.35)
Write offs	-	-	(2,378.19)	(2,378.19)
Balance as at 31 March 2020	**37,592.87**	**585.91**	**921.47**	**39,100.25**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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 2020	As at 31 March 2019	As at 1 April 2018
Gross carrying amount of loans (including investments in PTCs)	39,100.25	37,909.78	31,681.27
Concentration by industry			
Loans to NBFCs/Micro Finance Institutions	15,043.32	15,925.95	9,702.10
Others	24,056.93	21,983.83	21,979.17
	39,100.25	**37,909.78**	**31,681.27**

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 March 31, 2020 was Rs. 2,378.19 (March 31, 2019 Rs. 1,140.26). The Company still seeks to recover amounts it is legally owed in full, but which have been partially 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.

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 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	3,098.67	4,873.33	-	-	7,972.00
Borrowings	9,807.84	7,856.71	150.00	-	17,814.55
Subordinated liabilities	-	-	-	-	-
Other financial liabilities at amortised cost	1,551.00	-	-	-	1,551.00
Total	**14,457.51**	**12,730.04**	**150.00**	-	**27,337.55**

31 March 2019	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	489.58	7,980.33	-	-	8,469.91
Borrowings	8,218.49	5,627.95	112.77	-	13,959.21
Subordinated liabilities	-	-	-	14,480.73	14,480.73
Other financial liabilities at amortised cost	2,500.25	-	-	-	2,500.25
Total	**11,208.32**	**13,608.28**	**112.77**	**14,480.73**	**36,909.85**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

1 April 2018	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Debt securities	1,665.80	2,603.53	4,655.96	-	8,925.29
Borrowings	7,558.43	7,578.93	466.98	-	15,604.34
Subordinated liabilities	-	-	-	14,159.60	14,159.60
Other financial liabilities at amortised cost	2,267.68	-	-	-	2,267.68
Total	**11,491.91**	**10,182.46**	**5,122.94**	**14,159.60**	**40,956.91**

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 2020	As at 31 March 2019	As at 1 April 2018
Variable rate borrowing	11,344.98	7,884.92	7,005.97
Fixed rate borrowing	14,296.10	14,428.76	17,522.66
Total borrowings	**25,641.08**	**22,313.68**	**24,528.63**

Sensitivity

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

	As at 31 March 2020	As at 31 March 2019
Interest sensitivity*		
Interest rates – increase by 100 basis points	113.45	78.85
Interest rates – decrease by 100 basis points	(113.45)	(78.85)

* 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

39 Contingent liabilities and commitment

A. Contingent liabilities

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i) The Company had filed for compounding of offences relating to non-compliance with Section 295 and 297 of the Companies Act, 1956.*	-	-	-
(ii) The Company had filed appeals with relating to the demand raised by assessing officer for the financial year 2013-14 arising on account of disallowances of certain expenses. The Management is of the view that such disallowances are not sustainable and the matter will be decided in favour of the Company.*	-	32.72	32.72

*The matters have been closed during the year ended 31 March 2020

B. Future minimum lease payments with respect to non-cancellable operating lease amount to Rs. 181.40 (As at 31 March 2019: Rs. 109.24).

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 Events occurring after reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020, and the date of authorization of these financial statements.

42 Classification and provisions for loan portfolio owned

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Asset classification			
Loan outstanding			
Standard assets	38,178.78	34,731.24	28,021.14
Substandard assets	921.47	1,461.99	1,249.75
Doubtful assets	-	-	-
Less: Provision			
Standard assets	483.28	892.21	1,002.22
Substandard assets	652.71	1,344.97	1,205.34
Doubtful assets	-	-	-
Loan outstanding (net)			
Standard assets	37,695.50	33,839.03	27,018.92
Substandard assets	268.76	117.02	44.41
Doubtful assets	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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	31 March 2020		31 March 2019	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures	8,275.72	-	8,763.53	-
Secured	-	-	-	-
Unsecured	-	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans (secured)	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	17,746.56	-	13,897.62	-
(f) Other loans from financial institutions				
	26,022.28	**-**	**22,661.15**	**-**

Assets	31 March 2020	31 March 2019
b. Break-up of loans and advances:		
(a) Secured	22,580.01	18,390.88
(b) Unsecured	16,520.24	17,802.35
	39,100.25	**36,193.23**
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	-	-
(iii) Other loans counting towards AFC activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Assets	31 March 2020	31 March 2019
d. Break-up of investments :		
Current investments		
1. Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

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 (Contd.)

	31 March 2020	31 March 2019
Long term investments		
1. Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	1,716.55

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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

	Liabilities	Amount (standard assets net of provisions)		
		Secured	Unsecured	Total
	Category			
	For 31 March 2020			
1	Related Parties	-	-	-
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	22,580.01	16,520.24	39,100.25
		22,580.01	**16,520.24**	**39,100.25**
	For 31 March 2019	**Secured**	**Unsecured**	**Total**
1	Related Parties	-	-	-
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	18,390.88	17,802.35	36,193.23
		18,390.88	**17,802.35**	**36,193.23**

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 2020	31 March 2019	31 March 2020	31 March 2019
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	-	1,716.55	-	1,709.68

g. Other information

Particulars	31 March 2020	31 March 2019
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	921.47	1,461.99
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	268.76	117.02
iii) Assets acquired in satisfaction of debt	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

44 Additional disclosure required by the RBI

(i) Capital Risk Asset Ratio

Sl.No.	Items	As at 31 March 2020	As at 31 March 2019
(a)	Capital risk Asset Ratio (%)	60.79%	42.07%
(b)	Capital risk Asset Ratio (%) - Tier I Capital (%)	60.02%	41.68%
(c)	Capital risk Asset Ratio (%) - Tier II Capital (%)	0.77%	0.39%

Note: Capital Risk Asset Ratio as at 31 March 2019 was computed on numbers reported under previous GAAP and has not been adjusted for Ind AS adjustments.

(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 2020 (31 March 2019: 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 2020

Particulars	Assets		Liabilities
	Advances	Investments	Borrowings
1 day to 30/31 days (one month)	576.55	-	759.07
Over one month to 2 months	745.63	-	1,211.01
Over 2 months upto 3 months	3,484.56	-	899.04
Over 3 months to 6 months	8,565.59	-	3,158.54
Over 6 months to 1 year	11,772.86	-	6,878.85
Over 1 year to 3 years	12,318.05	-	12,730.04
Over 3 years to 5 years	711.50	-	150.00
Over 5 years	925.51	-	-
Total	**39,100.25**	-	**25,786.55**

Maturity pattern of certain Assets and Liabilities as on 31 March 2019

Particulars	Assets		Liabilities
	Advances	Investments	Borrowings
1 day to 30/31 days (one month)	4,791.05	189.51	861.87
Over one month to 2 months	3,869.97	289.75	765.60
Over 2 months upto 3 months	3,210.06	458.83	529.38
Over 3 months to 6 months	5,939.26	513.76	3,238.36
Over 6 months to 1 year	9,067.36	264.70	3,312.86
Over 1 year to 3 years	9,311.09	-	13,608.28
Over 3 years to 5 years	4.43	-	112.77
Over 5 years	-	-	-
Total	**36,193.23**	**1,716.55**	**22,429.12**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

(v) Disclosures relating to securitisation:

Particulars	As at 31 March 2020	As at 31 March 2019
Credit enhancements provided and outstanding (Gross)		
Interest subordination	-	-
Principal subordination	-	-
Cash collateral	-	-

The Company has not entered into any securitisation transaction in the current year and the previous year. Hence the disclosures are not applicable.

(vi) Assignment

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

(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.

(ix) Details of financing of parent company products:

The Company has not financed its parent company's products. Hence, the disclosures are not applicable.

(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 the 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

In the financial year ended 31 March 2019, CARE has assigned a rating of 'BBB- Negative' to the Non-Convertible Debenture facilities. Subsequent to the year ended 31 March 2019, CARE has revised the rating to 'BBB - Stable'. Thereafter, CARE has updated the rating to 'BBB- Positive' with effect from October 2019. The rating is subject to annual surveillance till final repayment/redemption of rated facilities.

(xiv) Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2020 (31 March 2019: Nil).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Impairment on loans	1,274.74	1,167.11
Provision for current tax	-	56.08
Provision for gratuity	11.43	8.79

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

Particulars	As at 31 March 2020	As at 31 March 2019
Concentration of Advances		
Total advances to twenty largest borrowers	9,686.44	10,298.86
Percentage of advances to twenty largest borrowers to total advances of the Company	24.77%	28.46%
Concentration of Exposures		
Total exposures to twenty largest borrowers/customers	9,686.44	10,298.86
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	24.77%	28.46%
Concentration of Exposures		
Total exposures to top four NPA accounts	835.47	700.16

(xvii) Sector-wise NPAs

Sector	As at 31 March 2020 Percentage of gross NPAs to total advances in that sector	As at 31 March 2019 Percentage of gross NPAs to total advances in that sector
Agriculture & allied activities	0.00%	0.00%
MSME	0.00%	0.00%
Corporate borrowers	2.36%	4.04%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Other personal loans	0.00%	0.00%

44 Additional disclosure required by RBI (cont'd)

(xviii) Movement of NPAs

Sl.No.	Particulars	31 March 2020	31 March 2019
i	Net NPAs to Net Advances (%)	0.71%	0.34%
ii	Movement of NPAs (Gross)		
i)	Opening balance	1,461.99	1,249.75
ii)	Additions during the year	921.47	1,392.50
iii)	Reductions during the year	(1,461.99)	(1,180.26)
iv)	Closing balance	921.47	1,461.99

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Sl.No.		Particulars	31 March 2020	31 March 2019
iii		Movement of Net NPAs		
	i)	Opening balance	117.02	100.03
	ii)	Additions during the year	268.76	111.46
	iii)	Reductions during the year	(117.02)	(94.47)
	iv)	Closing balance	268.76	117.02
iv		Movement of provisions for NPAs (excluding provision on standard assets)		
	i)	Opening balance	1,344.97	1,149.71
	ii)	Provisions made during the year	652.71	1,281.04
	iii)	Write-back of excess provisions	(1,344.85)	(1,085.79)
	iv)	Closing balance	652.82	1,344.97

(xv) Customer complaints

	31 March 2020	31 March 2019
No. of complaints pending at the beginning of the year	-	
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

(xvi) Details of investments

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

(xvii) Disclosure of restructured accounts

Type of Restructuring		Others For Year ended 31 March 2020				
Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April (opening figures)	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1.00	-	-	1.00
	Amount outstanding	-	349.82	-	-	349.82
	Provision thereon	-	4.13	-	-	4.13
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	-	-	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

Type of Restructuring		Others For Year ended 31 March 2020				
Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total
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	-	1.00	-	-	1.00
	Amount outstanding	-	349.82	-	-	349.82
	Provision thereon	-	4.13	-	-	4.13

Note: There are no restructured accounts in the financial year ended 31 March 2019.

45 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 2020

There were no instances of fraud reported for the year ended 31 March 2020.

Instances of fraud for the year ended 31 March 2019

There were no instances of fraud reported for the year ended 31 March 2019.

46 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.

47 Expenditure in foreign currency

Particulars	31 March 2020	31 March 2019
Income in foreign currency		
Miscellaneous income (service fees)	5.23	15.63
Expenditure in foreign currency		
Travel and conveyance	9.54	6.44

48 Value of import in foreign currency on CIF basis

There are no import of capital goods during the current and previous year.

49 Other RBI disclosures

(a) COVID-19 Regulatory Package - Asset Classification and Provisioning Disclosures as per RBI Circular DOR. No. BP.BC.63/21.04.048/2019-20 dated 17 April 2020.

	31 March 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium was extended, in terms of paragraph 2 and 3 of the circular:	1,639.71
(ii) Respective amount where asset classification benefits is extended:	1,639.71
(iii) Provisions made during the Q4 FY 2020 in terms of paragraph 5 of the circular*:	4.60
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of the circular	-

* Refer Note 18. Provision has been created as per RBI Circular only for those cases which are not secured by way of first default loss guarantee cover.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

(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

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
For 31 March 2020						
Performing Assets						
Standard	Stage 1	37,243.05	298.73	36,944.32	148.97	149.76
	Stage 2	585.91	180.42	405.49	2.34	178.08
Subtotal		37,828.96	479.15	37,349.81	151.32	327.83
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,271.29	656.84	614.45	127.13	529.71
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	37,243.05	298.73	36,944.32	148.97	149.76
	Stage 2	585.91	180.42	405.49	2.34	178.08
	Stage 3	1,271.29	656.84	614.45	127.13	529.71

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

50 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018, and the financial statements as at and for the year ended 31 March 2019.

A Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Shared-based payment

Ind AS 101 permits a first-time adopter not to apply Ind AS 102, Share-based payment to equity instruments that vested before date of transition to Ind AS. Accordingly, the Company has elected not to apply Ind AS 102 to options that vested before the date of transition to Ind AS.

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2018, are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, Financial Instruments are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

3 Impairment of financial assets

At the date of transition to Ind AS, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

4 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing,

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

50 First time adoption of Ind AS (cont'd)

Reconciliation between previous GAAP and Ind AS

Reconciliation of total equity as at 31 March 2019 and 1 April 2018

	Notes to first time adoption	31 March 2019	31 March 2018
Total equity (shareholder's funds) as per previous GAAP		**15,674.35**	**10,312.42**
Adjustments:			
Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost	Note 1	(101.29)	(83.80)
Recognition of expected credit loss due to credit impaired loans	Note 2	(1,895.33)	(1,970.50)
Impact of financial instruments	Note 3	(14,480.73)	(14,159.60)
Total adjustments		**(16,477.35)**	**(16,213.90)**
Total equity as per Ind AS		**(803.00)**	**(5,901.48)**

2 Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Notes to first time adoption	Year ended 31 March 2019
Profit after tax as per previous GAAP		
Adjustments:		
Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost	Note 1	(17.50)
Recognition of expected credit loss due to credit impaired loans	Note 2	75.17
Reclassification of gains on re-measurement of defined benefit obligation reclassified to	Note 4	15.80
Accounting for Employee Stock Option Plan using fair valuation model	Note 6	(3.72)
Total adjustments		**69.75**
Profit after tax as per Ind AS		**258.74**
Remeasurement of defined benefit obligations		(15.80)
Total comprehensive income as per Ind AS for the year		**242.94**

3 Reconciliation of Statement of cash flows for the year ended 31 March 2019

	Previous GAAP	Ind AS adjustments	Ind AS
Net cash flow from operating activities	(7,599.21)	-	(7,599.21)
Net cash flow from investing activities	1,157.20	-	1,157.20
Net cash flow from financing activities	2,929.29	-	2,929.29
Net increase in cash and cash equivalents	**(3,512.72)**	**-**	**(3,512.72)**
Cash and cash equivalents as at 1 April 2018	3,900.40		3,900.40
Cash and cash equivalents at the end of the year	**387.68**	**-**	**387.68**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

4 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per Indian GAAP and as per Ind AS at 31 March 2019 is as follows:

	Notes to first time adoption	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations				
Interest income	Note 1	5,719.90	0.02	5,719.92
Net gain on fair value changes		203.28	-	203.28
Other operating revenue		210.31	-	210.31
Total revenue from operations		**6,133.49**	**0.02**	**6,133.51**
Other income		3.42	-	3.42
Total income		**6,136.91**	**0.02**	**6,136.93**
Expenses				
Finance costs	Note 1	3,254.44	17.52	3,271.96
Fee and commission expense		157.16	-	157.16
Impairment on financial instruments	Note 2	1,242.28	(75.17)	1,167.11
Employee benefit expense	Note 6	732.00	19.52	751.52
Depreciation and amortisation expense		56.72	-	56.72
Other expenses		564.03	-	564.03
Total expenses		**6,007**	**38.13**	**5,968.50**
Profit before tax (5+6)		**130.28**	**-**	**168.43**
Tax expense :				
Current tax charge		56.08	-	56.08
Deferred tax charge/(benefit)		(114.79)	-	(114.79)
		(58.71)	**-**	**(58.71)**
Profit for the year		**188.99**	**38.15**	**227.14**
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss		-	(15.80)	(15.80)
Remeasurement gains/(losses) on defined benefit plans		**-**	**(15.80)**	**(15.80)**
Total other comprehensive income for the year		**188.99**	**53.95**	**242.94**

5 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS at 1 April 2018 is as follows:

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		3,900.40	-	3,900.40
Bank balances other than (a) above		725.35	-	725.35
Loans	Note 1 & 2	29,313.01	(2,187.26)	27,125.75

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Investments		2,410.38	-	2,410.38
Other financial assets		281.64	-	281.64
Total financial assets		**36,630.78**	**(2,187.26)**	**34,443.52**
Non-financial Assets				
Current tax assets (net)		923.92	-	923.92
Deferred tax assets (net)		-	-	-
Property, plant and equipment		178.26	-	178.26
Intangible assets		48.34	-	48.34
Other non financial assets		42.28	-	42.28
Total non-financial Assets		**1,192.80**	**-**	**1,192.80**
Total assets		**37,823.58**	**(2,187.26)**	**35,636.32**
LIABILITIES				
Financial liabilities				
Trade payables		32.04	-	32.04
Debt securities	Note 1	9,263.64	(13.37)	9,250.27
Borrowings (Other than debt securities)	Note 1	15,791.73	(119.59)	15,672.14
Subordinated liabilities	Note 1	-	14,159.60	14,159.60
Other financial liabilities		2,235.64	-	2,235.64
Total financial liabilities		**27,323.06**	**14,026.64**	**41,349.70**
Non-financial liabilities				
Provisions		37.38	-	37.38
Other current liabilities		150.73	-	150.73
Total non-financial liabilities		**188.11**	**-**	**188.11**
Equity				
Equity share capital	Note 3	4,489.18	(3,777.02)	712.16
Other equity	Note 5	5,823.24	(12,436.88)	(6,613.64)
Total equity		**10,312.42**	**(16,213.90)**	**(5,901.48)**
Total liabilities and equity		**37,823.59**	**(2,187.26)**	**35,636.33**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

50 First time adoption of Ind AS (cont'd)

6 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS at 31 March 2019 is as follows:

	Notes to first time	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		387.68	-	387.68
Bank balances other than (a) above		713.84	-	713.84
Loans	Note 1 & 2	36,233.39	(2,112.06)	34,121.33
Investments		1,716.55	-	1,716.55
Other financial assets		239.15	-	239.15
Total financial assets		**39,290.60**	**(2,112.06)**	**37,178.55**
Non-financial Assets				
Current tax assets (net)		1,438.45	-	1,438.45
Deferred tax assets (net)		114.79	-	114.79
Property, plant and equipment		164.48	-	164.48
Intangible assets		80.32	-	80.32
Other non financial assets		44.17	-	44.17
Total non-financial Assets		**1,842.21**	**-**	**1,842.21**
Total assets		**41,132.81**	**(2,112.06)**	**39,020.76**
LIABILITIES				
Financial liabilities				
Trade payables		42.82	-	42.82
Debt securities	Note 1	8,776.90	(13.37)	8,763.53
Borrowings (Other than debt securities)	Note 1	13,999.69	(102.07)	13,897.62
Subordinated liabilities	Note 3	-	14,480.73	14,480.73
Other financial liabilities		2,457.43	-	2,457.43
Total financial liabilities		**25,276.84**	**14,365.29**	**39,642.13**
Non-financial liabilities				
Provisions		23.90	-	23.90
Other current liabilities		157.73	-	157.73
Total non-financial liabilities		**181.63**	**-**	**181.63**
Equity				
Equity share capital	Note 3	3,061.41	(1,661.02)	1,400.39
Other equity	Note 5	12,612.94	(14,816.33)	(2,203.39)
Total equity		**15,674.35**	**(16,477.35)**	**(803.00)**
Total liabilities and equity		**41,132.82**	**(2,112.06)**	**39,020.76**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020.

(All amounts in Rs. lakhs unless otherwise stated)

7 Notes to first time adoption

Explanation of major impact on adoption on Ind AS on the reported financial statements of the Company as on the date of transition is as under:

1 Financial assets and financial liabilities

Under previous GAAP, transaction costs charged to customers was recognised upfront while under Ind AS such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Similarly, under previous GAAP transaction costs incurred on borrowings was amortised to statement of profit and loss over the period of the loan while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest rate method.

2 Expected credit loss

Under previous GAAP, the provision on loan assets was maintained as per RBI prudential norms. However, expected credit loss allowance has now been made as per the requirements of Ind AS 109.

3 Impact of financial instruments

Under previous GAAP, equity shares and CCPS issued by the Company have been classified as equity. However under Ind AS, these equity shares and CCPS (including security premium) are considered as financial liability and have been accounted for as "Subordinated liabilities" and has been measured at fair value with consequent increase in fair value been recognized in the statement of profit or loss. Accordingly, equity as at 1 April 2018, and 31 March 2019, have been reduced with a corresponding adjustment to subordinated liabilities.

4 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes actuarial gain/loss on re-measurement of defined benefit obligation. The concept of other comprehensive income did not exist under previous GAAP.

5 Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

6 Accounting for Employee Stock Option Plan ('ESOP') using fair valuation model

Under previous GAAP, the Company had recorded the ESOP Cost using intrinsic value per option. However, under Ind AS, the Company has recorded the ESOP cost using fair valuation model.

51 The World Health Organisation ('WHO') declared the outbreak of "severe acute respiratory syndrome corona virus 2 (SARS-CoV-2)" or generally known at COVID-19 as a global pandemic on 11 March 2020. In the view of severe health hazard associated with COVID-19, the Government of India declared a lockdown effective from 25 March 2020 to 14 April 2020, which has now been extended up to 17 May 2020.

On 27 March 2020 and 17 April 2020, the RBI, announced COVID-19 Regulatory Package on asset classification and provisioning. The lending institutions, including NBFCs, have been permitted to grant a moratorium of three months for the payment of all instalments to all of their customers who are classified as standard on 29 February, 2020. For such accounts where the moratorium is granted, the asset/stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

The extent to which the COVID-19 will impact the Company's operations will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of COVID-19 pandemic and any action taken by the government to contain its spread, mitigate the economic impact and the time it takes for economic activities to resume at normal levels.

The Company has recognized provisions as on 31 March 2020, towards its loan assets, based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic conditions. 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

Manish Gujral
Partner
Membership No: 105117

Place: Mumbai
Date: 12 May 2020

For and on behalf of the Board of Directors
Jain Sons Finlease Limited

Vineet Chandra Rai
Chairman
DIN: 00606290

Nikesh Kumar Sinha
Managing Director
DIN: 08268336

Kiran Agarwal Todi
Chief Financial Officer

Monika Thadeshwar
Company Secretary

Place: Mumbai
Date: 12 May 2020

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