DHANVARSHA FINVEST LIMITED

Regd. Office: 2nd Floor, Building No. 4, D J House, Old Nagardas Road, Andheri (East), Mumbai 400 069
CIN: L24231MH1994PLC334457
www.dfltd.in

NOTICE

NOTICE is hereby given that the **Twenty Seventh Annual General Meeting** of the members of **Dhanvarsha Finvest Limited** will be held on **Monday, September 20, 2021 at 11:00 a.m.** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:

   (a) the audited standalone financial statement(s) of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement(s) of the Company for the financial year ended March 31, 2021, together with Auditors report thereon.

2. To declare a final dividend of Re. 0.05/- per equity share, for the year ended March 31, 2021.

3. To appoint a Director in place of Mr. Karan Neale Desai (DIN: 05285546), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT Mr. Karan Neale Desai (DIN: 05285546), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

4. To approve, confirm and ratify the appointment of Statutory Auditors of the Company, to fill the casual vacancy caused due to resignation and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139(8), 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai (Firm Registration Number: 100986W with Institute of Chartered Accountants of India), as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration Number: 103523W/W100048 with Institute of Chartered Accountants of India), to hold office from August 13, 2021, till the conclusion of this Twenty Seventh Annual General Meeting of the Company, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby approved, confirmed and ratified."

5. To appoint Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), M/s. Bansal Bansal & Co, Chartered Accountants, Mumbai (Firm Registration Number: 100986W with Institute of Chartered Accountants of India) be and are hereby appointed as the Statutory Auditors of the Company for a term of 3 (three) consecutive years from the conclusion of this Twenty Seventh Annual General Meeting of the Company till the conclusion of Thirtieth Annual General Meeting of the Company to be held in the year 2024, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

6. To approve the appointment of Mrs. Minaxi Mehta (DIN: 03050609) as a Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of the Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time), and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on June 10, 2021, the approval of members of the Company, be and is hereby accorded to the appointment of Mrs. Minaxi Mehta (DIN: 03050609), who was appointed as an additional director of the Company with effect from June 10, 2021 under the provisions of Section 161 of the Companies Act, 2013 and whose term of appointment expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received notice in writing, be and is hereby appointed as a Director of the Company, liable to retire by rotation, and shall be eligible for sitting fees, reimbursement of expenses, and profit-related commission as may be permissible under law from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to take such steps and to do all such acts, deeds, things as may be necessary, proper or expedient to give effect to this resolution."

7. To approve the appointment of Mr. Atwood Porter Collins (DIN: 09239511) as a Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee, Mr. Atwood Porter Collins (DIN: 09239511), who was appointed as an Additional Director of the Company with effect from July 31, 2021 under the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors of the Company, and whose term of appointment expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received notice in writing, be and is hereby appointed as a Director of the Company, liable to retire by rotation, and shall be eligible for sitting fees, reimbursement of expenses, and profit-related commission as may be permissible under law from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to take such steps and to do all such acts, deeds, things as may be necessary, proper or expedient to give effect to this resolution."

8. To approve the re-appointment of Mr. Karan Neale Desai (DIN:05285546), as Joint Managing Director of the Company and remuneration payable to him and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on June 10, 2021, the approval of members of the Company, be and is hereby accorded to the re-appointment and remuneration of Mr. Karan Neale Desai (DIN:05285546), as Joint Managing Director of the Company for a period of 3 (three) years effective from August 11, 2021 to August 10, 2024 (both days inclusive) on such terms and conditions including remuneration as set out in Item No. 8 of the explanatory statement annexed to the Notice convening this Meeting."

9. To approve material related party transactions with Wilson Holdings Private Limited and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23 and all other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter called "the Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) and/or re-enactment thereof for the time being in force), the consent and approval of the Members of the Company, be and is hereby accorded to the Board of Directors ("the Board") which term shall be deemed to include a Committee of the Board) to enter into arrangements/transactions/contracts with Wilson Holdings Private Limited, a related party as defined in Listing Regulations and the Act, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit, provided however that the aggregate amount/value of all such arrangements/ transactions/contracts that may be entered into by the Company with Wilson Holdings Private Limited and remaining outstanding at any one point in time shall not exceed ₹ 50,00,00,000/- (Rupees Fifty Crores Only) during any one financial year.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation / renegotiation / modification / ratification / amendments to or termination thereof, of the subsisting arrangements / transactions / contracts or any future arrangements/transactions/contracts and to make or receive/pay monies or to perform all other obligations in terms of such arrangements/ transaction/contracts, filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

10. To approve sub-division of equity shares of the Company and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT pursuant to the provisions of Section 61(1)(d) of Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), and the provisions of the Memorandum of Association and Articles of Association of the Company, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations, circular, notifications, etc. issued thereunder and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies under any law for the time being in force, the consent of the members, be and is hereby accorded to sub-divide each equity share of the nominal value of ₹ 10/- each (Rupees Ten only) in the Capital of the Company into 5 Equity Shares of ₹ 2/- each (Rupees Two only) and all the equity shares of ₹ 10/- each (Rupees Ten only) of the Company, be sub-divided accordingly, with effect from the Record Date as may be fixed by the Board for the purpose.

    RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, all the issued, subscribed and paid-up equity shares of nominal value of ₹ 10/- each (Rupees Ten only) of the Company existing on the Record date to be fixed shall stand sub-divided into such equity shares of nominal value of ₹ 2/- each (Rupees Two only) fully paid up.

    RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of ₹ 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the "Record Date" to be fixed by the Company and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of members who hold the equity shares / opt to receive the sub-divided equity shares in dematerialized form, the sub-divided equity shares of nominal value of ₹ 2/- (Rupee Two only) each shall be credited to the respective beneficiary account of the members with their respective depository participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing equity shares of the Company.

    RESOLVED FURTHER THAT the Board of Directors of the Company (which expression shall also include a duly authorized Committee thereof), be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the aforesaid resolution."

11. To approve alternation of Capital Clause in Memorandum of Association of the Company and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution(s) as an **Ordinary Resolution**:

    "RESOLVED THAT pursuant to the provisions of section 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder including the statutory modification(s) or re-enactment(s) thereof for the time being in force and the relevant provisions of the Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and the other Rules, Regulations, Circular, Notifications, etc. issued there under, consent of the Members of the Company be and is hereby accorded to approve the sub-division of the nominal value of equity shares of the Company from the existing nominal value of ₹ 10/- each (Rupees Ten only) to nominal value of ₹ 2/- each (Rupees Two only), thereby keeping the paid share capital intact and consequently, the existing Clause V of the Memorandum of Association of the Company be and hereby deleted and substituted by the following new Clause V:

    Clause V of the Memorandum of Association:

    V. "The authorised share capital of the Company is ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 25,00,00,000 Equity Shares of ₹ 2/- (Rupees Two only) each."

    RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board", which expression shall also include a duly authorized Committee thereof), be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the aforesaid resolution."

12. To approve alteration in Articles of Association of the Company and in this regard, to consider and if thought fit to pass with or without modification(s) the following resolution(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder, the approval of the members of the Company, be and is hereby accorded for altering the Articles of Association of the Company by way of deletion/addition of the following clause of the Articles of Association in conformity with the Companies Act, 2013 and rules made thereunder –

"Delete the existing article 79 with respect to 'the seal' and replace it with the new article under the title 'Indebtedness of the Company' as under-

i) In the event that the Company intends to incur indebtedness greater than 3 times of the net worth of the Company but lesser than 4.5 times of the net worth of the Company, the Company shall require prior approval by a simple majority of the Board.

ii) In the event that the Company intends to incur indebtedness greater than 4.5 times of the net worth of the Company, the Company shall require unanimous prior approval of the Board."

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary, be and is hereby authorised to do all such acts, deeds and things as are necessary to give effect to the resolution."

By order of the Board of Directors
For Dhanvarsha Finvest Limited

Sd/-
Fredrick Pinto
Company Secretary
ACS No. 22085

Place: Mumbai
Date: August 13, 2021

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular bearing no. 02/2021 dated January 13, 2021 read together with circular bearing no. 20/2020 dated May 05, 2020 and circulars bearing no. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular bearing no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read together with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The deemed venue for 27th AGM shall be the Registered office of the Company situated at 2nd Floor, Bldg. No. 4, DJ House, Old Nagardas Road, Andheri (East), Mumbai – 400 069.

4. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on a Poll instead of himself/herself and a Proxy need not be a member of the Company. However, pursuant to MCA Circulars and SEBI Circulars, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. Explanatory Statement pursuant to the provisions of Section 102 of the Act, in respect of special businesses to be transacted at the AGM is annexed to this Notice. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.dfltd.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

6. Relevant documents referred to in accompanying Notice and the explanatory statement, registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to contact@dfltd.in.

7. Pursuant to Section 113 of the Act, the representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.

   Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a certified true copy of the board resolution and power of attorney (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the AGM. The said resolution/authorisation shall be sent to the Company through email at the designated email address of the Company i.e. contact@dflltd.in.

8. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for financial year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. For any communication, the shareholders may also send requests to the designated email address of the Company i.e. contact@dflltd.in.

9. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.

10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

11. Members seeking any information/desirous of asking any questions at the AGM with regard to the accounts or any matter to be placed at the AGM are requested to send email to the designated email address of the Company i.e. contact@dflltd.in at least 4 (Four) days before the AGM.

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

13. Pursuant to Section 91 of the Act and Regulation 42 of the Listing Regulations, Register of Members and Share Transfer Books will remain close from Monday, September 13, 2021 to Monday, September 20, 2021 (both days inclusive) for the purpose of AGM and payment of final dividend to the shareholders of the Company.

    (a) For Shares held in demat form: To all the Beneficial owners as at the end of the day on Friday, September 10, 2021 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depositories Services (India) Limited.

    (b) For Shares held in physical form: To all the members after giving effect to transmission and transposition of shares in respect of valid request lodged with the Company as of the close of business hours on Friday, September 10, 2021.

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

15. Members who hold shares in the dematerialized form and want to change/correct the bank account details, should send the same immediately to their concerned depository participant and not to the Company. Members are also requested to give the MICR Code of their bank to their depository participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such demat shares. The members who hold shares in physical form are requested to immediately notify any change of address to the Registrar and Share Transfer Agent of the Company in respect of their holding in physical form.

16. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, amended Regulation 40 of the Listing Regulations pursuant to which after December 05, 2018, transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. Therefore, the members who are holding physical shares are requested to dematerialize their holdings at the earliest.

17. All the members are requested to register their e-mail id with the Registrar and Share Transfer Agent of the Company for the purpose of service of documents under Section 20 of the Act, by e-mode instead of physical service of documents.

18. The members holding the shares in physical form can avail of the nomination facility in terms of Section 72 of the Act, by furnishing Form SH. 13 (in duplicate) to the Company or the Registrar and Share Transfer Agent of the Company. The said form will be made available on request. In case of shares held in dematerialized form, a nomination form will have to be lodged by the members with their Depository Participants.

19. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The members holding shares in electronic form are, therefore, requested to submit their PAN to the depository participants with whom they maintain their demat accounts. The members holding shares in physical form should submit their PAN to the Secretarial Department of the Company or the Registrar and Share Transfer Agent of the Company.

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

21. The AGM will be held through VC/OAVM and hence Route Map and Attendance Slip are not annexed to this Notice.

22. In case a person becomes a member of the Company after dispatch of AGM Notice and is a member as on the cut-off date for e-voting, i.e., Monday, September 13, 2021, such person may obtain the user ID and password from the Share Transfer Agent of the Company by email request on subodh@mcsregistrars.com.

23. After the AGM, the recorded transcript of the AGM shall also be uploaded on the website on the Comany i.e. www.dfltd.in

23. Information and other instructions relating to e-voting are as under:

    In compliance with Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is pleased to provide its members with facility of 'remote e-voting' to exercise their right to vote at the AGM of the Company by electronic means.

    The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

    The Company has appointed Ms. Manisha Maheshwari (ACS No. 30224 CP No. 11031 with Institute of Company Secretaries of India) or failing her Mr. Satyanarain N. Bhandari (FCS 761 CP No.366 with Institute of Company Secretaries of India), M/s. Bhandari & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

    The Scrutinizer shall, after the conclusion of e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or to a person authorised by the Chairperson in writing, who shall counter-sign the same and declare the result of the voting forthwith. The result of e-voting will be declared within forty-eight hours of the conclusion of the AGM and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: www.dfltd.in and on the website of MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent at www.mcsregistrars.com. The Scrutinizer's decision on the validity of the vote shall be final and binding.

The instructions for members for voting electronically are as under: -

(i) The voting period begins on Friday, September 17, 2021 (9.00 a.m.) and ends on Sunday, September 19, 2021 (5.00 p.m.). During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 13, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, September 13, 2021 (end of day), being the cut-off date fixed for determining voting rights of members, are entitled to participate in the e-voting process. A person who is not a member as on the cut-off date should treat this Notice for information purpose only

(iii) The Members who have already voted prior to the AGM would not be entitled to vote at the AGM.

(iv) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

(v) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

(vi) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

(vii) In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.dfltd.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

(viii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

Instructions for Shareholders attending the AGM through VC/OAVM and e-voting during meeting are as under:

1. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

2. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and registered email Id in their demat accounts in order to access e-voting facility.

   Pursuant to aforesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	(i) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. (ii) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-Voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. (iii) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. (iv) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	(i) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company's name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. (ii) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. (iii) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

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

3. Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

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

   2) Click on "Shareholders" module.

   3) Now enter your User ID

      a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. · If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

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

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

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

10) Click on the EVSN for the relevant Company Name – Dhanvarsha Finvest Limited on which you choose to vote.

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

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

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

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

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

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

17) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; contact@dflltd.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

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

Process for those Shareholders whose E-mail ID/Mobile no. are not registered with the Company/ Depositories:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Registrar and Transfer Agent at subodh@mcsregistrars.com or Company at contact@dflltd.in.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4 & 5:

The Members of the Company at the Annual General Meeting ("AGM") held on September 18, 2019, had approved the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, ("Haribhakti") (Firm Registration Number: 103523W/W100048 with Institute of Chartered Accountants of India) as the Statutory Auditors of the Company to hold office from the conclusion of the 25th AGM till the conclusion of the 30th AGM.

Haribhakti & Co. LLP vide its letter dated August 13, 2021 resigned as the Statutory Auditors of the Company in order to comply with RBI circular bearing reference no. DoS.CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, read with Frequently Asked Questions dated June 11, 2021 on Appointment of statutory auditors for Banks and NBFCs, resulting into a casual vacancy in the office of the Statutory Auditors of the Company.

Pursuant to Section 139(8) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on August 13, 2021 accepted the resignation of Haribhakti and after obtaining consent of M/s. Bansal Bansal & Co, Chartered Accountants, Mumbai (Firm Registration Number: 100986W with Institute of Chartered Accountants of India) under Section 141 of the Act, appointed M/s. Bansal Bansal & Co, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Haribhakti with effect from August 13, 2021 till the conclusion of this 27th AGM, subject to the approval and ratification by the Members of the Company at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. Bansal Bansal & Co, Chartered Accountants is a well known firm of Chartered Accountants having 7 partners with office in Mumbai. The firm also holds a Peer Review Certificate No. 011751 dated July 2, 2019 issued by the Peer Review Board of the Institute of Chartered Accountants of India valid till July 1, 2022.

The Board of Directors of the Company on the recommendation of the Audit Committee at its Meeting held on August 13, 2021, also recommend the appointment of M/s. Bansal Bansal & Co., as the Statutory Auditors of the Company to hold office for a period of three years, from the conclusion of this 27th AGM, till the conclusion of 30th AGM of the Company to be held in the year 2024, subject to the approval of the Members of the Company at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Company has received the consent letter and eligibility certificate from M/s. Bansal Bansal & Co, Chartered Accountants, to act as the Statutory Auditors of the Company in place of Haribhakti along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act. The proposed fees payable to M/s. Bansal Bansal & Co., shall be fixed by the Board of Directors of the Company. The proposed fee payable to M/s. Bansal Bansal & Co. Chartered Accountants, shall be fixed by the Board of Directors of the Company. There may not be material change in the fee payable to M/s. Bansal Bansal & Co. from that paid to erstwhile statutory auditors of the Company.

The Board accordingly recommends the ordinary resolutions set out at Item No. 4 and 5 of this notice for approval of the Members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 and 5 of the Notice.

Item No. 6:

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, in their meeting held on June 10, 2021, approved the appointment of Mrs. Minaxi Mehta, as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and Article 66(i) of the Articles of Association of the Company with effect from June 10, 2021 to share her rich experience and expertise for the benefit of the Company. Her term of appointment as an Additional Director expires at ensuing AGM. The Company has received necessary notice along with deposit as required under Section 160 of the Companies Act, 2013 proposing her candidature as a Director.

Mrs. Minaxi Mehta has informed the Company that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Mrs. Minaxi Mehta has diverse business and philanthropic experience across different sectors. She has served as Director/Designated Partner in Companies/LLPs such as Prolific Ventures Private Limited, Pureag Corporation LLP and Minaxi Mehta Welfare Foundation. Pureag Corporation LLP is a Limited Liability Partnership (LLP) firm that manufactured food products and beverages. Prolific Ventures Private Limited is engaged in the business of providing all types of import- export, trade consultancy and media contact services.

Brief information of Mrs. Minaxi Mehta is given in the Annexure attached to the Notice.

The Board of Directors consider that Mrs. Minaxi Mehta's appointment as a Director will be of advantage to the Company and accordingly, the Board recommends her appointment for acceptance by the members.

Except Mrs. Minaxi Mehta and her relatives, none of the Directors/ Key Managerial Personnel of the Company / their respective relatives in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 6 of the Notice.

Item No. 7:

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, vide resolution passed by circulation dated July 28, 2021, approved the appointment of Mr. Atwood Porter Collins, as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and Article 66(i) of the Articles of Association of the Company with effect from July 31, 2021 to share his rich experience and expertise for the benefit of the Company. His term of appointment as an Additional Director expires at ensuing AGM. The Company has received necessary notice along with deposit as required under Section 160 of the Companies Act, 2013 proposing his candidature as a Director.

Mr. Atwood Porter Collins has informed the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Atwood Porter Collins has over 22 years' experience investing in global financial services companies with over 15 years of investing experience in India. He was Co-founder and Portfolio Manager of Seawolf Capital LLC, an equity hedge fund investing in global financial services companies based in New York City from 2011-2018. Prior to co-founding Seawolf Capital, Mr. Collins was a Partner of the FrontPoint Financial Services Fund where he was featured in the Michael Lewis book and the movie 'The Big Short' for accurately predicting the Global Financial Crisis of 2008. Winning substantial critical acclaim for foreseeing excess leverage in the US financial system well before 2008, Mr. Collins and his team made several presentations to US Government offices on resurrecting the economy post the crisis.

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

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

Brief information of Mr. Atwood Porter Collins is given in the Annexure attached to the Notice.

The Board of Directors consider that Mr. Atwood Porter Collins, appointment as a Director will be of advantage to the Company and accordingly, the Board recommends his appointment for acceptance by the members.

Except Mr. Atwood Porter Collins and his relatives, none of the Directors/ Key Managerial Personnel of the Company / their respective relatives in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 7 of the Notice.

Item No. 8:

Pursuant to the resolution dated August 10, 2018 passed by the Board of Directors of the Company and shareholder resolution dated September 28, 2018 passed at the 24th AGM of the Company, Mr. Karan Neale Desai (DIN: 05285546) was appointed as Managing Director and Chief Executive Officer of the Company for a period of 3 (Three) years with effect from August 11, 2018 till August 10, 2021 (both days inclusive).

Subsequently, the designation of Mr. Karan Neale Desai (DIN: 05285546) was changed to Joint Managing Director of the Company vide resolution dated December 17, 2019 passed by the Board of Directors of the Company and shareholder resolution dated September 21, 2020 passed at 26th AGM of the Company.

Now, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their Board Meeting held on June 10, 2021, approved the re-appointment and remuneration to Mr. Karan Neale Desai (DIN: 05285546), as Joint Managing Director of the Company for a period of 3 (Three) years with effect from August 11, 2021, subject to the approval of members of the Company.

Mr. Karan Neale Desai is the Joint Managing Director of the Company. He holds a Master's degree in International Business & Management from Westminster Business School, London and a Bachelor in Commerce degree from Narsee Monjee College, Mumbai.

With 15 years of industry experience, Mr. Karan Neale Desai brings significant financing and operational experience to the Company. Mr. Desai spent a decade in investment banking, having started his career with Bank of America's offshore operation in debt finance, before joining PwC in the Transactions Advisory team and lastly served as the Head of Corporate Finance at Centrum Capital Limited. Over his investment banking career, Mr. Desai was involved in a number of equity fund raising and M&A transactions across sectors including automotive, FMCG, infrastructure and hospitality among others.

Prior to joining the Company, Mr. Desai served as Chief Operating Officer at a healthcare services platform called the HEAL Institute which was funded by marquee investors including Mr. Parth Jindal, Mr. Jaspal Bindra, Mr. Chandir Gidwani and Centrum Group's VC fund Kalpavriskh. The said company ran a chain of high-end sports science and physiotherapy centres in Maharashtra.

The material terms and conditions as approved by the Board of Directors and contained in the agreement entered into between Mr. Karan Neale Desai and the Company are as follows:

I. Period:

The period of appointment is three (3) years with effect from August 11, 2021 up to August 10, 2024 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

II. Details of Fixed Remuneration, benefits and other terms & conditions Other benefits:

Sr. No.	Remuneration per annum	Amount (in ₹)
1	Basic	3,000,000
2	House Rent Allowance	1,500,000
3	Special Allowance	2,640,000
4	Employer's PF Contribution	360,000
	Gross Salary	**7,500,000**

1. Gratuity as per the Payment of Gratuity Act, 1972.
2. Personal Accident Insurance as per the policy of the Company.
3. Term Life Insurance, medical and health related benefits and Insurance as per Company policy.
4. Leave and encashment of leave as per the policy of the Company.

Other terms and conditions:

1. Annual remuneration review is effective April 01 each year, as per the policy of the Company. The Nomination and Remuneration Committee ("NRC") of the Board will review and recommend the remuneration payable to the Joint Managing Director during his tenure.
2. The aggregate of the fixed remuneration and perquisites as aforesaid in any financial year during his tenure shall not exceed ₹ 1,50,00,000/- per annum and shall be within the limit as prescribed under Section 197, Section 198 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, read with Schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
3. When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Karan Neale Desai, in accordance with the applicable provisions of Schedule V of the Companies Act, 2013.
4. Mr. Karan Neale Desai shall not be subject to retirement by rotation during his tenure as the Joint Managing Director of the Company, except in special circumstances to ensure compliance with applicable provisions of the Companies Act, 2013.
5. Mr. Karan Neale Desai shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Board.

III. Variable Payment & Incentive:

Mr. Karan Neale Desai will be eligible for the performance related variable bonus as and when recommended by the Nomination and Remuneration Committee / Board in line with the performance of Mr. Karan Neale Desai and the Company subject to a maximum ceiling of 50% of Gross Salary for respective year per annum. He will also be eligible for the grant of Employee Stock Options as may be decided by the Nomination and Remuneration Committee / Board. Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

A copy of the agreement executed between the Company and Mr. Karan Neale Desai (DIN: 05285546) is available for inspection by the members of the Company in physical or in electronic form at the registered office of the Company situated at 2nd Floor, Building No. 4, D J House, Old Nagardas Road, Andheri (East), Mumbai 400 069 on all working days (except Saturday) during business hours up to date of the ensuing AGM.

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

Except Mr. Karan Neale Desai and his relatives, none of the Directors/ Key Managerial Personnel of the Company / their respective relatives in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 8 of the Notice.

Item No. 9:

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the Members of a public listed Company through a resolution and all related parties shall abstain from voting on such resolution.

"Material Related Party Transaction" under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2020-21 is ₹ 30.06 crores. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 3 crore (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the prior approval of the Members will be required for the same.

It is therefore proposed to obtain the Members' approval for the following arrangement/transaction/contract which may be entered into by the Company with its related party from time to time:

Date of contract / arrangement	August 1, 2017
Name of the party with which contract is entered into	Wilson Holdings Private Limited
Name of the interest Directors/Parties	Mrs. Minaxi Mehta
Relation with Director / Company / Nature of Concern or Interest	Common Promoter
Nature of contract / arrangement	Inter Corporate Loan
Principal terms and conditions:	Amount up to ₹ 50 Crores
Interest Rate	11.50% p.a.
Manner of determining the pricing and commercial terms	Interest payment – quarterly
Tenure	Up to October 01, 2022

Note: The Company has entered into loan agreement dated August 01, 2017 and amended agreement dated May 13, 2020 respectively with Wilson Holdings Private Limited, promoter of the Company, for availing unsecured loan not exceeding ₹ 50 crores (including interest thereon) on the terms and conditions mentioned in the aforesaid loan agreement/(s).

The copies of the agreements executed between the Company and Wilson Holdings Private Limited are available for inspection by the members of the Company in physical or in electronic form at the registered office of the Company situated at 2nd Floor, Building No. 4, D J House, Old Nagardas Road, Andheri (East), Mumbai 400 069 on all working days (except Saturday) during business hours up to date of the ensuing AGM.

The limit mentioned above with the related parties is kept same as approved by the Members in the previous Annual General Meeting.

The aforesaid Related Party Transaction do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee and Board have approved the aforesaid Related Party Transaction at their respective meetings held on August 13, 2021 in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and noted that this transaction shall be in the Ordinary course of business and at arm's length basis.

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

Except Mrs. Minaxi Mehta and her relatives, none of the Directors/ Key Managerial Personnel of the Company / their respective relatives in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 9 of the Notice.

Item No. 10:

In order to improve the liquidity of the Company's equity shares in the stock market with higher floating stock in absolute numbers and to make it affordable to the small investors, the Board of Directors of the Company at their meeting held on August 13, 2021, considered it desirable to sub-divide the nominal value of the equity share capital of the Company from ₹ 10/- per share to ₹ 2/- per share as proposed in the resolution subject to the approval of the members of the Company and all authorities concerned.

The Record Date for the aforesaid sub-division of the equity shares will be fixed by the Company after the approval of the members of the Company is obtained. The Company's shares are listed on BSE Limited.

Upon approval of the members of the Company for sub-division of shares, in case the shares are held in physical, the old share certificates of face value of ₹ 10/- each will be cancelled on the record date and the new share certificates will be sent to the shareholders. In case the shares are in dematerialized form, the sub-divided shares will be directly credited to the shareholders demat account on the record date in lieu of their existing shares.

Accordingly, the Board recommends the resolution as set out in Item No. 10 as an Ordinary Resolution of the accompanying notice for the approval of the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

Item No. 11:

The proposed sub-division of the equity shares of the Company of ₹ 10/- each into smaller denomination of ₹ 2/- each requires amendment to the Memorandum of Association of the Company.

Accordingly Clause V of the Memorandum of Association is proposed to be amended as set out in Item No. 11 of the Notice reflecting the corresponding changes in the Authorised Share Capital of the Company consequent to the proposed sub-division i.e. from ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 equity shares of ₹ 10/- each (Rupees Ten only) to ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 25,00,00,000 equity shares of ₹ 2/- each (Rupee Two only).

Accordingly, the Board recommends the resolution as set out in Item No. 11 as an Ordinary Resolution for the approval of the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

Item No. 12:

Pursuant to Companies (Amendment) Act, 2015 use of Common seal has now become optional for companies. Further, the Company being a Non-Banking Financial Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities.

Secondly, the Board wants to incorporate indebtedness clause in the Articles of Association to ensure operational convenience and bringing better governance and transparency in business operations of the Company.

In view of the same, it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing and inserting the related clauses in AOA.

Accordingly, the Board recommends the resolution as set out in Item No. 12 as Special Resolution for the approval of the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is concerned or interested in the Resolution except to the extent of their shareholding in the Company, if any.

By order of the Board of Directors
For Dhanvarsha Finvest Limited

Sd/-
Fredrick Pinto
Company Secretary
ACS No. 22085

Place: Mumbai
Date: August 13, 2021

Details of directors seeking appointment/re-appointment in the Twenty Seventh Annual General Meeting

As per Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of the Institute of Company Secretaries of India (ICSI).

Name of Director	Mrs. Minaxi Mehta	Mr. Atwood Porter Collins	Mr. Karan Neale Desai
Category of Director	Promoter - Non Executive Non Independent	Non Executive Non Independent	Executive
Date of Birth (age)	October 27, 1948 (72 years)	June 27, 1975 (46 years)	September 30, 1983 (37 years)
Nationality	Indian	American	Indian
Date of first Appointment on the Board	June 10, 2021	July 31, 2021	June 3, 2017
Shareholding in the Company (%) (as on March 31, 2021)	Significant Beneficial ownership of 26% in the Company	-	0.24%
Board Meetings attended during the financial year 2020-21	-	-	10
Qualification	Commerce Graduate	Graduate in Economics	Commerce graduate from Narsee Monjee College, Mumbai and Master's degree in International Business & Management from Westminster Business School, London
Expertise in specific functional areas	Experience across different sectors such as manufacturing, import-export, trade consultancy and media contact services.	over 22 years' experience investing in global financial services companies.	Experience in finance and business operations.
Last drawn remuneration (including sitting fees and commission)	-	-	₹ 53.20 Lakhs
Directorship held in other listed entities.	Nil	Nil	Nil
Membership of Committees of the Board of other listed entities.	Nil	Nil	Nil
Relationship, if any between Directors inter-se.	None	None	None

Note: Except Mrs. Minaxi Mehta, none of the Non-Executive Directors holds any equity shares in the Company as March 31, 2021.

www.dfltd.in

Dhanvarsha

Dhanvarsha Finvest Ltd.

ANNUAL REPORT | 2021

CONTENTS

STRATEGIC OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Forward Looking Statements

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rakesh Sethi	Independent Director-Chairperson
Mr. Rajiv Kapoor	Independent Director
Mr. Krishipal Raghuvanshi	Independent Director
Mr. Nirmal Vinod Momaya	Independent Director
Mrs. Manjari Kacker	Independent Director
Mrs. Minaxi Mehta	Non-Executive Non-Independent Director
Mr. Atwood Porter Collins	Non-Executive Non-Independent Director
Mr. Karan Neale Desai	Executive Director
Mr. Rohanjeet Singh Juneja	Executive Director

Management Team

Mr. Sanjay Kukreja
Chief Financial Officer

Mr. Mahendra Kumar Servaiya
Principal Officer and Credit Head

Mr. Lalit Mohan Chendvankar
Chief Compliance Officer

Ms. Namita Pradhan
Head - Human Capital Management

Mr. Sunil Ranpara
Senior Vice – President - Collections

Ms. Priyanka Singh
Chief Impact Officer

Mr. Sahil Lakshmanan
Chief Business Officer

Ms. Radhika Seshadri
Vice President – Business Analysis & Financial Planning

Mr. Vivek Dugar
Assistant Vice-President - Sales

Mr. Arvind Jirapure
Vice President - Operations

Registered Office Address

2nd Floor, Building No. 4, DJ House,
Old Nagardas Road, Andheri (East),
Mumbai - 400 069, Maharashtra

Statutory Auditors

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

Lenders

State Bank of India
Bank of India
Central Bank of India
A.K. Capital Finance Limited
HDFC Limited
National Bank for Agriculture and Rural Development (NABARD)
Mas Financial Services Limited
Northern Arc Capital Limited

Debenture Trustee

Catalyst Trusteeship Limited
Address: GDA House, First Floor,
Plot No. 85 S. No. 94 & 95,
Bhusari Colony (Right),
Kothrud Pune

Internal Auditors

Grant Thornton Bharat LLP
Chartered Accountants
Address: L- 41 Connaught Circus Delhi - 110001

Registrars & Share Transfer Agent

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

BOARD OF DIRECTORS

Mr. Rakesh Sethi
Independent Director - Chairperson

Mr. Rakesh Sethi is a Gold Medalist in Master of Commerce from the Osmania University, Hyderabad. He has been a career banker and has held several top positions during his 38 years of experience in banking industry. Some of his accomplishments include being the Executive Director with Punjab National Bank ("PNB") from January 1, 2011, to March 11, 2014 (appointment by the Government of India), Chairman and Managing Director of Allahabad Bank from March 12, 2014 to April 30, 2017, and in various capacities in Andhra Bank. He is a veteran banker and has worked in various segments in banking industry including but not limited to Corporate Banking, Foreign Exchange, Credit, Risk Management, Deposit Planning, Corporate Communications, Government Business etc.

Mr. Rajiv Kapoor
Independent Director

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

Mr. Krishipal Raghuvanshi
Independent Director

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

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

Mr. Nirmal Vinod Momaya
Independent Director

Mr. Nirmal Vinod Momaya, possess over 27 years of professional experience in finance, taxation, audit and management consultancy. He holds a bachelor's degree in Commerce and is a Chartered Accountant. He has been recently appointed as Managing Director in Camlin Fine Sciences Limited.

Mrs. Manjari Kacker
Independent Director

Mrs. Manjari Kacker, served as Member of Indian Revenue Services batch of 1974 and retired as a Member of Central Board of Direct Taxes, in the rank of Special Secretary to the Government of India. She holds a master's degree in Chemistry and a diploma in Business Administration. She has over 40 years of experience in the field of taxation, finance, administration, and vigilance. She also served as the Functional Director (Vigilance and Security) in Air India and represented India in international conferences.

Mrs. Minaxi Mehta
Non - Executive Non - Independent Director

Mrs. Mehta has diverse business and philanthropic experience across different sectors, having served as Director/Designated Partner in Companies/LLPs such as Prolific Ventures Private Limited, Pureag Corporation LLP and Minaxi Mehta Welfare Foundation. Pureag Corporation LLP is a Limited Liability Partnership (LLP) firm that manufactured food products and beverages. Prolific Ventures Private Limited is engaged in the business of providing all types of import- export, trade consultancy and media contact services.

Minaxi Mehta Welfare Foundation was founded to conduct various social and philanthropic activities. Since inception, it has undertaken charitable activities of providing integrated drip based solar water pumping systems and installation of Water ATMs (water purifying machines) at various places including police stations in the state of Maharashtra. It is classified as a non-govt company and is registered with Registrar of Companies, Mumbai.

Mrs. Mehta also serves as member of the Managing Committee of Shri Vile Parle Kelavani Mandal (SVKM), established in 1934, which imparts high-level education to over 35,000 students across India today.

Mr. Atwood Porter Collins

Non-Executive Non-Independent Director

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

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

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

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

Mr. Karan Neale Desai

Executive Director

Mr. Karan Neale Desai is the Joint Managing Director of the Company. He holds a Master's degree in International Business & Management from Westminster Business School, London and a Bachelor in Commerce degree from Narsee Monjee College, Mumbai.

With 15 years of industry experience, he brings significant financing and operational experience to the Company. Mr. Desai spent a decade in investment banking, having started his career with Bank of America's offshore operation in debt finance, before joining PwC in the Transactions Advisory team and lastly served as the Head of Corporate Finance at Centrum Capital Limited. Over his investment banking career, Mr. Desai was involved in a number of equity fund raising and M&A transactions across sectors including automotive, FMCG, infrastructure and hospitality among others.

Prior to joining Dhanvarsha, Mr. Desai served as Chief Operating Officer at a healthcare services platform called the HEAL Institute which was funded by marquee investors including Mr. Parth Jindal, Mr. Jaspal Bindra, Mr. Chandir Gidwani and Centrum Group's VC fund Kalpavriskh. The company ran a chain of high-end sports science and physiotherapy centres in Maharashtra.

Mr. Rohanjeet Singh Juneja

Executive Director

Mr. Rohanjeet Singh Juneja, is the Joint Managing Director of the Company. He is an investment banker and hedge fund manager with over 17 years of experience in research, strategy, portfolio management, financial analysis, mergers and acquisitions etc. He started his career as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. Post Front Point Partners, he was associated with Seawolf Capital LLC as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India and USA. He also worked on companies in similar sectors located in Australia, Brazil and Canada. He was also associated with WGC Management Services Private Limited as Head of Research where he was part of the core group that led strategy for an affordable housing and education finance company that are now part of Blackstone Group and Warburg Pincus, respectively.

SENIOR MANAGEMENT

Sanjay Kukreja
Chief Financial Officer

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

Mahendra Kumar Servaiya
Principal Officer and Credit Head

Mr. Servaiya is one of the most experienced members of the core team with over three decades of banking experience. He last served as an AGM in the Credit team of Union Bank. At Dhanvarsha, Mr. Servaiya takes care of communication and compliance filings for KYC PMLA to Financial Intelligence Unit - India and heads the Credit function of the Company.

Lalit Mohan Chendvankar
Chief Compliance Officer

Mr. Lalit Chendvankar is a qualified company secretary and LL.B. with nearly 16 years of experience in steering Secretarial, Compliance and Legal functions. He has previously associated as Head- Corporate Affairs, Company Secretary and Legal with MIRC Electronics Limited, a well-known name in the Consumer Durables industry. He has robust experience in handling Mergers & Acquisitions, IPOs, Corporate Restructuring, Corporate Advisory Services, Private Equity investments and Foreign Investments.

Namita Pradhan
Head Human Capital Management

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

Sunil Ranpara
Senior Vice President – Collections & Litigations

Mr. Ranpara heads the Collections vertical and has more than 15 years of experience in Collections, Recovery & Litigations at renowned institutions like Capital First Ltd. He is an experienced mortgage specialist with a demonstrated history of working in financial services in India. He is a commerce graduate and has completed his LLB. He has been consistently commended and awarded for his performance during his past stints.

Priyanka Singh
Chief Impact Officer

Ms. Singh has extensive experience across financial services, fintech, and consulting. Her forte is executing projects across business functions – be it customer outreach, operations, and technology, in her past roles. She has over 7 years of experience liasoning with global stakeholders across industries such as I-Banking, TMT, Automobiles and P2P Lending. She has worked as a stakeholder spanning verticals such as product development, marketing and new business initiatives to impact revenue generation and align departments towards a common goal. Academically, she comes with a blend of M.B.A. (Finance, Technology and Humanities. Current area of focus is to solve business problems and achieve quality outcomes by leveraging technology for the underserved and underbanked masses.

Sahil Lakshmanan
Chief Business Officer

Mr. Lakshmanan is a our Chief Business Officer and is responsible for the digital and new business initiatives. He has over 15 years of global experience across verticals like business development, product development, analytics and marketing. His versatile background comes from working across sectors such as Fintech, Insurance, Banking, Wealth Management etc. He has completed his M.B.A. (Finance and Strategy) from H.E.C. Paris.

Radhika Seshadri

Vice President – Business Analysis & Financial Planning

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

Vivek Dugar

Assistant Vice President – Sales

Mr. Dugar has been associated with the Wilson Group since the last 4 years and is considered as one of the core pillars for setting up the foundation of Dhanvarsha. He is responsible for spear heading the Sales function across India. He has a proven track record of consistently growing the business for DFL in a short span of time. He was previously associated with a Telecom company as Product Manager and was responsible for Continuous Technology Enhancement for the company's clients based out of Singapore, China, Hong Kong, etc. He holds a degree in Bachelor of Technology - Electronics from SRM University.

Arvind Jirapure

Operations Head

Mr. Jirapure has spent 21 years in various operational roles across top firms including Magma Fincorp Limited, Religare Finvest Limited. He is responsible for handling operations team and nodal officer for customer grievances. He holds a bachelor's degree in management and MBA – Banking and Finance.

MESSAGE FROM CHAIRPERSON

Dear Shareholders,

The COVID-19 pandemic has been an incredibly challenging for the world at large. It has compelled people all over the world to make changes in their way of working and living. During the year gone by, the safety and health of our employees has been of utmost importance to the Company.

The pandemic continues to be an incomparable challenge that the country and the world is facing. However, it has been aptly said that only in times of adversity do true leaders' shine. Despite the dislocation from the global pandemic in the last 15 months, Your Company takes pride in the substantial traction on the liability side of our balance sheet having taken your company's net worth up 3x to approximately INR 100Crore and adding 11 lenders to the roster which include the likes of HDFC Ltd., SBI, NABARD, Bank of India, Northern Arc, Central Bank of India, A.K. Capital, MAS Financial, CSB Bank and two foreign lenders.

Your Company boasts of a diversified product offering today including Atma Nirbhar business loans, gold loans, medical loans, and education loans. Disbursements on a quarter-over-quarter basis increased from INR 4.82 Crores in Q1 2021 to INR 20.6 crores in the second quarter, INR 22.1 crores in the third quarter and finally INR 40.5 crores in the fourth quarter to close the year at an annual disbursement of INR 88 crores versus INR 8.78 crores in the preceding12months.

Your Company was able to do that because of the single-minded focus on the liability side of the balance sheet, collaborations with captive channel partners many of whom provide the company a first loss default guarantee and a robust collections platform. On the pertinent topic of risk and impact of COVID -19 on the portfolio - today loans backed by gold as collateral are 17% of the loan book. The percentage of loans to the essential good segment which comprises of health, wellnes, technology, convenience and medical stores, food and drinksis 41% of the portfolio. Loans backed by a first loss default guarantee are 17% of the loan book.

As you know the lending landscape is evolving rapidly as companies try newer ways to reach out to the last mile customer. Your Company has spent a substantial amount of time to increasingly digitize the systems and processes to ensure that the business volumes grow strongly and at the same time ensure safety of team members.

We also want to emphasise that your Company believes in strong governance with the board today comprises of nine members of which five are independent directors. When we emerge from the pandemic, I have no doubt that the world will recognise and celebrate Companies that are exemplars of good governance and sustainable growth. You can count on your Company as being one of them.

If the history of the last century is anything to go by, every crisis be it a world war, the Great Depression or the Global Financial crisis was followed by a period of strong growth and considerable innovation. We expect the same this time around as well even though at the time of writing it is not possible to forecast when we will emerge from the current pandemic. We need to be prepared for both the growth and the changes that will follow and be equipped to capitalize on the opportunities that emerge.

I would like to extend my gratitude to all our regulators, esteemed partners, customers, and shareholders for continuing to put their faith in us. Finally, I would like to thank the management and all my colleagues and their families, more so during these unprecedented times, working with unstinted dedication and passion, even while juggling the demands of working from home. Your Company has always believed in balanced and sustainable growth and is well placed to continue the momentum built over the years.

Yours Sincerely,
Rakesh Sethi
Chairperson

Message from the Joint Managing Directors

Dear Shareholders,

Financial Year 2020-21 was an interesting year to say the very least for the world as a whole, and especially for the financial services sector in India. COVID 19 unleashed misery across the country in the 1st quarter of FY 21 in particular with strict lockdowns and practically complete business shutdowns crippling industry and the economy overall. Scenes of migrant labour walking across states to get home just for basic sustenance and shut shops and marketplaces will remain burnt in our memories for a long time to come. The lending business faced the challenge of cash flow management, having to selectively offer loan repayment moratoriums to clients as per the RBI guidelines.

But as they say, every crisis also creates new opportunities and forces us to introspect and innovate new ways of doing business and achieve success! Dhanvarsha has always been a company that focused on building social capital by empowering its predominantly small business clientele with easy, affordable and sustainable access to credit. Staying true to its promise, the Company's loan book has grown from INR 372.38 million to INR 1044.28 million on a year on year basis as on March 31, 2021; an astounding growth of 180% in very difficult times! Our customer base has grown from 403 customers as on March 31, 2020 to 5,935 customers on March 31, 2021 which is a 14.7x growth highlighting the increasing granularity of our portfolio.

We achieved this by thinking on our feet and embracing the challenges faced by the world, country, and sector to continue growing our business in a sustainable manner. Some of the key initiatives taken by us in FY 21 include:

1. **Huge uptick in technology adoption:** Given that physically meeting customers was exceptionally challenging during the various stages of lockdown, the Company started deploying various technology solutions such as credit discussions on video (Video PD), digital signing of legal agreements, etc. These measures helped us to grow our business, without risking the health and safety of our team members or clients. The Company continues to invest heavily in building its technology capabilities to build scale.
2. **Birth of the co-origination business:** Powered by a strong Balance Sheet, the Company entered into multiple tie-ups with various NBFC and fintech partners to co-originate business with them across sectors including MSME, Education and for Salaries borrowers. In this model, both partners jointly agree the product policy, post which, Dhanvarsha's partner helps source and underwrite the borrower, also providing support in collections and a certain percentage of cash funded guarantee to Dhanvarsha to de-risk the portfolio. Having started as a pilot project during the peak of the phase 1 lockdown, this vertical accounted for INR 174.68 million of the Company's AUM on March 31, 2021 (~17% of AUM). We believe that this low risk model will continue to scale and constitute ~20% of our volumes going forward.
3. **Gold Loans Business:** The Company took a decision to venture into the Gold Loans business in the middle of FY 21 basis the strategic call to build a large secured loans portfolio going forward. We started our first gold loan's branch in Mumbai towards the end of August 2020 and closed FY 21 with a total count of 10 branches across Mumbai and the NCR region. In 7 months, the Company built AUM of INR 178.20 million in this product as on March 31, 2021 and we continue to grow this business aggressively. The gold loans market in India was pegged at approximately INR 9 lakh crores in FY 2020, of which only 38% was controlled by the organised sector. We foresee a tectonic shift in this market, with both the market size continuing to grow, coupled with a huge shift from unorganised to organised players.
4. **Building a strong liabilities franchise:** Despite the challenges from the global pandemic and the consequent impact on business, Dhanvarsha has made tremendous progress by being able to cater to the needs of our customers in these dire times. We have been able to do so because the organization has been at the forefront of raising equity and debt capital from extremely reputable investors and lenders making the liability side of our balance sheet extremely robust. From March 2020 when the Company had one lender as HDFC Ltd, we have expanded our lender roster to 11 lenders in March 2021 which include the likes of HDFC, SBI, NABARD, Bank of India, Central Bank of India, MAS Financial, Northern Arc, AK Capital, CSB, Citrus Global Arbitrage Fund, and Calypso Global Fund. While expanding the lender base significantly, we have been able to maintain a very low leverage ratio (debt to equity of 0.8x) by raising equity capital from the promoter group and key management in November 2020. In February 2021, the Company was very proud to announce an impending capital infusion from Aviator Emerging Market Fund which include an esteemed list of international investors such as Porter Collins and Vincent Daniel. The entire management team is thrilled to have such investors who have faith and belief in our vision of financial inclusion and sustainable development for small business entrepreneurs. The most recent capital infusion was completed in April 2021 and this investment in the Company is a testament to the unrelenting dedication of our promoter group and employees who have built this Company.

While the economy witnessed a contraction on a full year basis in FY 21, what is encouraging for business is that there was growth of 1.6% in Q4 FY 21, which was the second successive quarter when the economy showed signs of revival. The government has taken a series of steps to provide overall relief and impetus to commerce and industry including relaxations in timelines for filing statutory returns, announcement of economic stimulus packages and a continued emphasis on "Make in India" via the Atmanirbhar Bharat stimulus packages. At 47.85 crore vaccinations currently, India has one of the largest vaccine drives ongoing globally, and this will hopefully ensure that the spread of the virus stays in control, thereby kickstarting the country's economic engine once again!

Your Sincerely,

Rohanjeet Singh Juneja
Joint Managing Director

Karan Neale Desai
Joint Managing Director

Financial Highlights

₹ In Lakhs

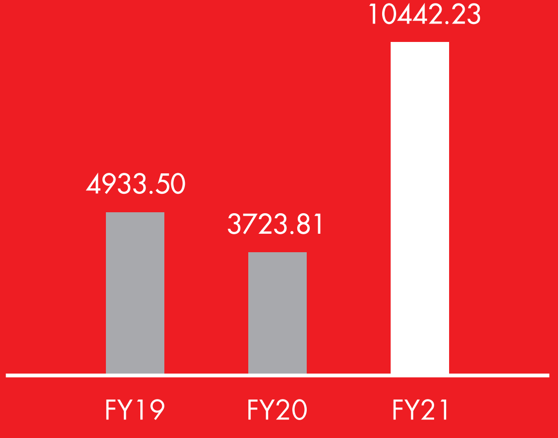
Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
	Audited	Audited	Audited	Audited	Audited
	Consolidated	Standalone	Consolidated	Standalone	Standalone
Net worth	9,991.37	9,936.25	3,115.31	3,119.12	2,664.74
Cash And Cash Equivalents	4,752.90	4,673.14	348.78	347.47	379.59
Current Investments	1,103.25	1,818.67	128.41	133.41	-
Assets Under Management	9,970.19	9,970.19	3,285.52	3,285.52	4,516.47
Total Debts To Total Assets	0.43	0.44	0.32	0.32	0.47
Debt Service Coverage Ratio	1.66	1.41	4.29	4.31	1.47
Interest Income	1,224.41	1,222.83	612.80	612.80	928.37
Interest Expense	423.13	423.13	168.59	168.59	517.67
Interest Service Coverage Ratio	1.96	1.69	4.58	4.60	1.50
Provisioning & Write-Offs	43.67	43.67	33.67	33.67	290.22
Bad debts	7.34	7.34	12.40	12.40	148.59
Bad Debts To Account Receivable Ratio	0.07	0.07	0.38	0.38	3.29
Profit After Tax (PAT)	130.10	68.45	406.08	409.89	213.43
Gross NPA (%)	2.97	2.97	5.07	5.07	2.90
Net NPA (%)	2.61	2.61	4.63	4.63	2.63
Tier I Capital Adequacy Ratio (%)	65.48%	65.72%	50.51%	65.99%	52.37%

Note

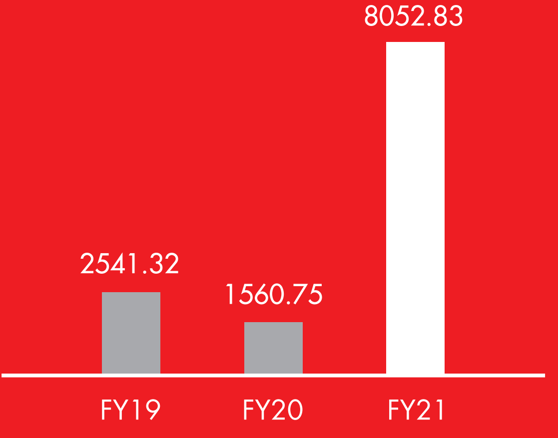
DFL Technologies Private Limited - Wholly Owned Subsidiary of the Company was incorporated on October 17, 2019 and hence consolidated figures are not available for March 2019.

KEY PERFORMANCE INDICATORS

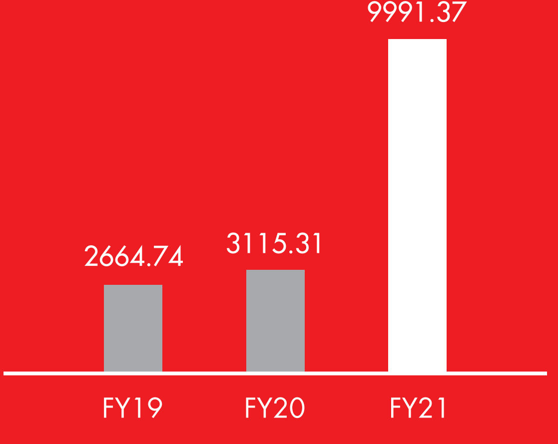
Gross Assets under Management (Rs. in Lakhs)
FY21 INR 10,442.23 || CAGR +45%



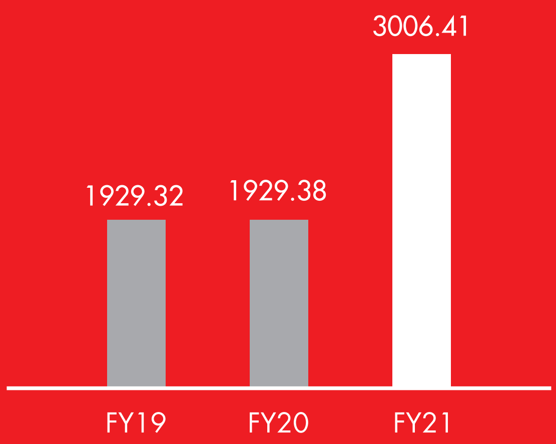
Borrowings (Rs. in Lakhs)
FY21 INR 8,052.83 || CAGR +78%



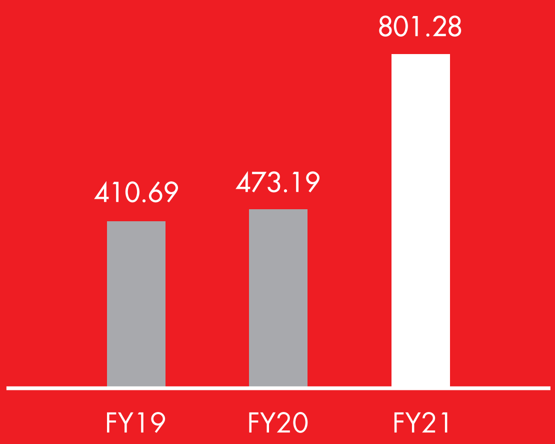
Net Worth (Rs. in Lakhs)
FY21 INR 9,991.37 || CAGR +94%



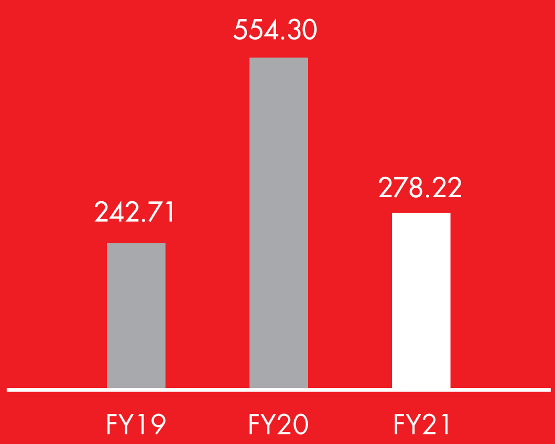
Total Revenues (Rs. in Lakhs)
FY21 INR 3,006.41 || CAGR +25%



Net Interest Income (Rs. in Lakhs)
FY21 INR 801 || CAGR +40%



Pre tax Profit (Rs. in Lakhs) FY21
INR 278.22 || CAGR +27%



Directors' Report

Dear Members,

Dhanvarsha Finvest Limited

Mumbai.

Your Directors are pleased to present the Twenty Seventh Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2021. The Company is registered with the Reserve Bank of India ("RBI") as a Non-Banking Financial Company ("NBFC") and is classified as a Non-Deposit Accepting Non- Systemically Important Non-Banking Financial Company (NBFC- NSI-ND).

In compliance with the applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this report covers the Financial Statements and other developments during the financial year ended March 31, 2021 and upto the date of the Board Meeting held on August 13, 2021 to approve this report, in respect of Dhanvarsha Finvest Limited.

This was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals in India and across the world. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed at the Company. Our technological investments, timely and decisive steps towards remote working ensured business continuity even as the pandemic unfolded across locations of our presence. The Company extended wholehearted support to vulnerable sections of society during this period in a number of ways.

Dissemination of Annual Reports in Electronic Mode

Pursuant to circulars issued by the Ministry of Corporate Affairs (MCA) on April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 read with Securities and Exchange Board of India ("SEBI") circulars dated May 12, 2020 and January 15, 2021, relaxation has been granted to the companies in respect of sending physical copies of annual report to the shareholders and requirement of proxy for general meeting held through electronic mode till December 31, 2021.

In accordance with the circulars, the financial statements (including Board's Report, Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility Report, Auditor's Report and other documents annexed herewith) are being sent only through electronic mode to those shareholders whose email addresses are registered with the Registrar and Share Transfer Agent of the Company viz., MCS Share Transfer Agent Limited or Depository Participants, and whose names appear in the register of members as on Friday, August 20, 2021. The Company has also made arrangements for those shareholders who have not registered their email address to get these registered by following the procedure prescribed in the notice of the Twenty Seventh Annual General Meeting ("AGM").

The Annual Report for the Financial year March 31, 2021 is also available on the website of the Company at www.dfltd.in.

Standalone and Consolidated Financial Results:

A summary of the Company's financial performance of the Company both on a standalone and consolidated basis, for the financial year ("FY") 2020-21 as compared to the previous Financial Year 2019-20 is given below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Gross Total Income	2,441.98	1,929.52	3,006. 41	1,929.38
Profit before Finance Cost, depreciation, share of loss of Joint Venture, exceptional items and taxation	716.48	775.30	828.42	771.61
Finance Cost	423.13	168.59	423.13	168.59
Depreciation	119.84	48.65	127.07	48.72
Profit before exceptional items and tax	173.51	558.06	278.22	554.30
Exceptional items	-	-	-	-
Profit before tax	173.51	558.06	278.22	554.30
Less: Taxation – Current tax	71.59	172.52	117.41	172.52
Less: Deferred Tax	32.15	(17.03)	29.39	(16.99)

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Less: Short or excess provision for income tax	1.32	(7.32)	1.32	(7.32)
Net profit for the year	68.45	409.89	130.10	406.10
Add: Other Comprehensive Income	1.41	(1.20)	1.41	(1.20)
Total Comprehensive Income	69.86	408.69	131.51	404.90
Add: Balance brought forward from the previous year	615.96	329.70	612.18	329.71
Balance available for appropriation	685.82	738.39	743.68	734.60
Statutory Reserves under Section 45IC of the Reserve Bank of India Act, 1934	13.69	81.74	13.69	81.74
Balance to be carried forward	672.13	656.65	729.99	652.87
Basic Earnings Per Share (EPS) (₹)	0.47	3.04	0.88	3.01
Diluted EPS (₹)	0.37	2.86	0.69	2.83
Proposed Dividend	7.65	14.34	7.65	14.34

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

The financial statement containing the Balance Sheet, Profit and Loss and Auditors' Report on the financial statements have been sent to those members who have registered their email ids with the Company.

Review of Business Operations and State of Affairs of the Company

During the year under review, the Company's total income, on a consolidated basis, amounted to ₹ 3,006.41 lakhs compared to ₹ 1,929.38 lakhs in the previous year and total income, on a standalone basis, amounted to ₹ 2,441.98 lakhs compared to ₹ 1,929.52 lakhs in the previous year. The operating profit of ₹ 828.42 lakhs during the year, driven by volume growth, reduction in cost of funds and better cost management compared to ₹ 771.61 lakhs in the previous year. Profit before tax on consolidated basis stood at ₹ 278.22 lakhs compared to ₹ 554.30 lakhs in the previous year and Profit after tax on consolidated basis stood at ₹ 130.10 lakhs compared to ₹ 406.10 lakhs in the previous year.

The Loan assets under management (AUM) grew 180% year-on-year to ₹ 10,442.23 lakhs as compared to ₹ 32,723.81 lakhs in the previous year.

The financial statements are prepared in accordance with Indian Accounting Standards for the financial year ended March 31, 2021 and forms part of this Annual Report.

Impact of Covid-19 Pandemic

The Covid-19 pandemic which is a once in a lifetime occurrence has brought with it an unimaginable suffering to people and to almost all sections of the economy. The nationwide lockdowns to curtail the transmission of disease, had put the global economy in extreme stress of the level not seen since the Great Depression and would have a long-lasting economic impact.

The dynamic and evolving nature of the pandemic with its resurgence (second wave) at the close of the year once again creates uncertainty, including economic impact. Hopefully, the outreach of vaccination drives across the country, additional efforts to set up medical infrastructure and obtaining required medical supplies, in addition to continued adherence to Covid-19 specific protocols will help in overcoming this testing situation.

Like the greater economy, the pandemic coupled with the lockdown and relief measures provided by RBI had a bearing on the performance of the Company. The impact of the above on the performance of the Company and the measures adopted by the Company to steer through the pandemic have been discussed in detail and is forming part of the financial statements of the Company. You may refer to the Management Discussion and Analysis for the same.

Transfer to Reserve Fund

Under section 45-IC (1) of Reserve Bank of India Act, 1934, non-banking financial companies (NBFCs) are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 13.69 lakhs to its reserve fund.

Credit Rating

The Board wishes to inform that owing to high capital adequacy, strong promoter support, tightened credit acceptance criteria and robust asset liability management, the credit rating was upgraded during the year. This re-affirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet all its financial obligations.

The details of ratings assigned by credit rating agencies and migration of ratings during the year are as follow:

Rating Agency	Programme	Rating Assigned	Migration in ratings during the year
Care Ratings Limited	Long Term Bank Facilities	CARE BBB; Stable [Triple B; Outlook: Stable]	Assigned
Infomerics Valuation and Rating Private Limited	Long Term Fund Based Facilities – Term Loans	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Upward revision
Infomerics Valuation and Rating Private Limited	Proposed Long Term Bank Facilities	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Upward revision
Infomerics Valuation and Rating Private Limited	Proposed Long Term Facilities-Proposed NCDs	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Upward Revision
Infomerics Valuation and Rating Private Limited	Long Term Facilities- Non-Convertible Debentures	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Assigned
Infomerics Valuation and Rating Private Limited	Short-Term Bank Facilities – Overdraft	IVR A3+ (IVR Single A Three Plus)	Assigned

Dividend on Equity Shares

The directors recommend, for consideration of the members at the ensuing ("AGM") of the Company, payment of dividend of ₹ 0.05/- per equity share i.e. 0.5% of face value of ₹ 10/- each. The total dividend for financial year 2020-21 is ₹ 6.75 lakhs, to be paid out of the profits of the Company and that the said dividend be paid subject to the approval of the members of the Company in the ensuing AGM of the Company. Accordingly, the dividend payout ratio will be 5%.

Pursuant to the provisions of regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification/(s) and re-enactment thereof till date) ("Listing Regulations"), the Company has formulated and adopted a dividend distribution policy of the Company approved by the Board of Directors of the Company.

The dividend recommended is in accordance with the principles and criteria set out in the dividend distribution policy.

Dividend paid for financial year 2019-20 was ₹ 0.10/- per equity share i.e. 1% of face value of ₹ 10/- each. The amount of dividend and tax thereon aggregated to ₹ 14.34 lakhs. Accordingly, the dividend payout ratio was 10%.

In view of the amendment to the Income Tax Act, 1961 through the Finance Act, 2020, imposition of dividend distribution tax has been abolished. The dividend, if declared, at the ensuing AGM of the Company will be taxable in the hands of the members of the Company.

Pursuant to Regulation 43A of the Listing Regulations the Company has adopted a Dividend Distribution Policy which is annexed as **Annexure I** to this report and is available on the website of the Company i.e. www.dfltd.in.

Covid Relief Measures by Reserve Bank of India

RBI issued guidelines on March 27, 2020 (as amended) permitting all commercial banks, co-operative banks, All-India Financial Institutions and NBFCs to give moratorium to customers in respect of installments falling due between March 1, 2020 to August 31, 2020. Accordingly, the Company offered moratorium to its customers based on Board approved Policy. RBI, through its circular dated August 6, 2020, provided a resolution framework for Covid-19 related stress and allowed a onetime restructuring of certain categories of loans from September 1, 2020 till December 31, 2020.

Further, during the financial year ended 2020-21, the Company had, pursuant to the Scheme issued by the Government of India dated October 23, 2020 and circular issued by RBI dated October 26, 2020 on Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to the borrowers in specified loan accounts for the period between March 1, 2020 to August 31, 2021(the 'Scheme'), granted the ex-gratia benefit to all the eligible borrowers.

Share Capital of the Company

During the financial year 2020-21, the total paid up equity share capital of the Company increased from ₹ 13,50,77,560/- to ₹ 15,29,24,290/-.

The movement of equity share capital during the year was as under:

Particulars	No. of equity shares allotted	Cumulative Number of shares	Cumulative outstanding capital (no. of equity shares with face value of ₹ 10/- each)
Number of shares/Capital at the beginning of the year	-	1,35,07,756	13,50,77,560
Allotment of shares to Wilson Holdings Private Limited on April 3, 2020 pursuant to the conversion of warrants	7,75,200	1,42,82,956	14,28,29,560
Allotment of shares to employees on June 15, 2020 pursuant to exercise of options granted under Employee Stock Option Plan 2018	29,272	1,43,12,228	14,31,22,280
Allotment of shares to employees on July 31, 2020 pursuant to exercise of options granted under Employee Stock Option Plan 2018	17,228	1,43,29,456	14,32,94,560
Allotment of shares to employees on August 22, 2020 pursuant to exercise of options granted under Employee Stock Option Plan 2018	8,581	1,43,38,037	14,33,80,370
Allotment of shares to Wilson Holdings Private Limited on November 3, 2020	9,25,426	1,52,63,463	15,26,34,630
Allotment of shares to employees on November 11, 2020 pursuant to exercise of options granted under Employee Stock Option Plan 2018	28,966	1,52,92,429	15,29,24,290

The Board of Directors of the Company in their meeting held on November 03, 2020, allotted 17,96,944 convertible warrants having face value of ₹ 111.30/- on preferential basis to various promoter and non-promoter individuals/entities for an aggregate amount of ₹ 19,99,99,867.20/-. These warrants shall be convertible into equivalent number of equity shares of the Company at a conversion price of ₹ 111.30/- per equity share within 18 months from the date of allotment. These convertible warrants have been allotted against the subscription price equivalent to 25% of the issue price and balance exercise price equivalent to 75% of the conversion price of the equity shares shall be payable by the warrant holder(s) at the time of exercising options of conversion of the warrants.

The Board of Directors of the Company at their meeting held on November 03, 2020, allotted 40,43,126 unsecured compulsorily convertible debentures on preferential basis to Wilson Holdings Private Limited for an aggregate amount of ₹ 44,99,99,923.80/-. These securities shall be convertible into equivalent number of equity shares of the Company at a conversion price of ₹ 111.30/- per equity share within 18 months from the date of allotment.

Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority.

Since there was no dividend declared and paid from financial year 2012-2013 till the financial year 2016-2017, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of the Section 124 of the Companies Act, 2013. Therefore, there is no funds which required to be transferred to IEPF established by the Central Government pursuant to provisions of the Section 125 of the Companies Act, 2013.

During the year, the Company did not have any equity shares which were required to be transferred to IEPF.

Employees Stock Option Schemes (ESOS)

The Company has in force the following Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

1. Dhanvarsha ESOP Plan-2018 ("ESOS Scheme 2018")
2. DFL Employees Stock Option Scheme- 2021 ("ESOS Scheme 2021")

Further, no stock options were granted to the employees during the year under the ESOS Scheme 2021.

During the year under review, 2,85,000 stock options granted under ESOS Scheme.

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

There is no material change in Employees' Stock Option Scheme during the year under review and the Scheme is in line with SBEB Regulations. A certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SBEB Regulations and the resolution passed by the members of the Company would be placed at the ensuing AGM for inspection by members of the Company through electronic means. The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the SBEB Regulations are provided on the website of the Company i.e. www.dfltd.in and the same is available for inspection by the members of the Company at the Registered office of the Company on all working days, except Saturdays and Public Holidays, during business hours and through electronic means. Members of the Company can request the same by sending an email to contact@dfltd.in till the AGM.

Particulars relating to ESOS Scheme 2018 is mentioned in **Annexure – II**.

Subsidiary Company

DFL Technologies Private Limited is the wholly owned subsidiary company of the Company.

Accordingly, pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with applicable rules thereunder, Regulation 33 of the Listing Regulations and applicable Indian Accounting Standards ("Ind AS"), the Board of Directors of the Company approves the Consolidated Financial Statements of the Company and its subsidiary. Copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the subsidiary company are not attached to the accounts of the Company for financial year 2020-21. The Company will make these documents / details available upon request by any member of the Company. These documents / details will also be available for inspection by any member of the Company at its registered office and at the registered office of the subsidiary company during business hours on working days and through electronic means. Members of the Company can request the same by sending an email to contact@dfltd.in till the AGM. The Company's financial statement including the accounts of its subsidiary which forms part of this Annual Report are prepared in accordance with the Companies Act, 2013 and Ind AS 110.

A report on the performance and financial position of the subsidiary of the Company, as per the Companies Act, 2013 is provided in the prescribed Form AOC-1 as **Annexure III** of this report and hence not repeated here for the sake of brevity.

The subsidiary company is not a material subsidiary of the Company as per Regulation 16 of the Listing Regulations, for the financial year 2020-21. However, for the sake of better corporate governance practice, Mrs. Manjari Kacker, Independent Director on the Board of the Company is also an Independent Director of DFL Technologies Private Limited. The Policy on determining the material subsidiary is available on the website of the Company, i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/Policy_on_Determining_Material_Subsidiary.pdf.

Leverage Ratio

The Company being NBFC registered with RBI and classified as (NBFC- NSI-ND), is required to maintain a leverage ratio which as per regulatory norms shall not be more than 7 times. The Leverage Ratio of the Company as on March 31, 2021 was 0.95 which is well within the limits prescribed by RBI.

Management Discussion and Analysis

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

Business Responsibility Report

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

Board of Directors

The Board of Directors of the Company comprises of the following directors:

(i) Mr. Rakesh Sethi- Chairperson & Independent Director

(ii) Mr. Rajiv Kapoor- Independent Director

(iii) Mr. Krishipal Raghuvanshi- Independent Director

(iv) Mr. Nirmal Vinod Momaya- Independent Director

(v) Mrs. Manjari Kacker- Independent Director

(vi) *Mrs. Minaxi Mehta – Non- Executive Non-Independent Director

(vii) **Mr. Atwood Porter Collins - Non- Executive Non-Independent Director

(viii) Mr. Karan Neale Desai- Joint Managing Director

(ix) Mr. Rohanjeet Singh Juneja- Joint Managing Director

*Mrs. Minaxi Mehta (Promoter) is appointed as Non-Executive Non-Independent Director w.e.f June 10, 2021

**Mr. Atwood Porter Collins is appointed as Non-Executive Non-Independent Director w.e.f July 31, 2021

During the year under review, Mr. Ashish Sharad Dalal, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, Mr. Karan Neale Desai, Joint Managing Director of the Company, shall be liable to retire by rotation at the ensuing AGM of the Company and being eligible for re-appointment.

The Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee, at its meeting held on June 10, 2021, appointed Mrs. Minaxi Mehta (DIN: 03050609) as an Additional Director – Non-Executive Non-Independent (Promoter) w.e.f. June 10, 2021, to hold office up to the date of ensuing AGM of the Company.

Further, the Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee, by resolution passed by circulation on July 28, 2021, appointed Mr. Atwood Porter Collins (DIN: 09239511) as an Additional Director – Non – Executive Non-Independent w.e.f. July 31, 2021, to hold office up to the date of ensuing Twenty Seventh AGM.

The Board of Directors of the Company had on August 11, 2018, appointed Mr. Karan Neale Desai (DIN: 05285546) as Joint Managing Director of the Company for a period of 3 years. Since the tenure of appointment of Mr. Karan Neale Desai expires on August 10, 2021, the Board of the Company had based on the recommendations of the Nomination and Remuneration Committee, pursuant to the provisions of Section 196, 197 read with Schedule V to the Companies Act, 2013, approved the re-appointment of Mr. Karan Neale Desai as Joint Managing Director of the Company for a further period of 3 years from August 11, 2021 to August 10, 2024, at a remuneration approved by the Board of the Directors, subject to approval of the Members at the ensuing AGM of the Company.

The notice convening the AGM includes brief information and proposal for appointment of Mrs. Minaxi Mehta as Non-Executive – Non-Independent Director (Promoter), Mr. Atwood Porter Collins as Non-Executive Non- Independent Director and re-appointment of Mr. Karan Neale Desai as Joint Managing Director.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Further, the Company has obtained the certificate from M/s. Bhandari & Associates, Practicing Company Secretaries, pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2021, have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

Secretarial Standards

Pursuant to various relaxations provided by MCA due to onset of Covid Pandemic, the Institute of Company Secretaries of India had also granted relaxations from few provisions of Secretarial Standard ("SS")-1 and SS-2. In view of the same, the Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 amended from time to time, your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

Corporate Governance

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

The requisite certificate from M/s. Bhandari & Associates, Practicing Company Secretaries (Ms. Manisha Maheshwari, Partner, Membership No. ACS – 30224 & C.P. No: 11031), confirming the compliance with the conditions of the Corporate Governance as stipulated under Regulation 34(3) and Schedule V to the Listing Regulations is annexed to this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the financial year 2020-21. A declaration to this effect signed by the Joint Managing Directors is included in this Annual Report.

Contracts and Arrangements with Related Parties

The Company has put in place a policy for Related Party Transactions (RPT Policy), which has been approved by the Board of Directors. The policy provides for identification of Related Party Transactions (RPTs), necessary approvals by the Audit Committee / Board / Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has obtained the shareholder's approval on Material Related Party Transaction in the previous Annual General Meeting.

During the year, the Company has entered into contract/ arrangement / transaction with related parties, which could be considered material in accordance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the policy of the Company on materiality of RPTs. The policy for determining 'material' subsidiaries and the policy on materiality of RPTs and dealing with RPTs as approved by the Board may be accessed on the website of the Company i.e. www.dfltd.com. You may refer to Note no. 44 of the Standalone Financial Statement, which contains related party disclosures. Since all RPTs entered into by the Company were on an arm's length basis and in the ordinary course of business. The Company has not entered into any transaction requiring disclosure in Form AOC-2, hence the same is not provided.

Considering the Company is being NBFC and its nature of business and operations, the Company will be/continue entering into various Related Party Transactions in the ordinary course of business and accordingly the Company has sought approval from shareholders for Material Related Party Transactions and details of same can be sought from the Notice Convening the Annual General Meeting of the Company.

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of ₹ 500 crores or more or turnover of ₹ 1000 crores or more or net profit of ₹ 5 crores or more during immediately preceding financial year shall constitute Corporate Social Responsibility Committee and shall ensure that it spends, in every financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

During the financial year 2020-2021, the requirement of compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, was not applicable to the Company.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Internal Auditors tested the design and effectiveness of the key controls. During the year under review, no reportable material weakness in the design or operations was observed.

Annual Return

As required under Section 92(3) of the Companies Act, 2013 and the rules made thereunder and amended from time to time, the Annual Return of the Company as prescribed in Form MGT-7 is available on the website of the Company i.e. www.dfltd.in.

Key Managerial Personnel

The Company has below mentioned persons as Key Managerial Personnel in terms of the requirement of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, within the meaning of Section 2 (51) of Companies Act, 2013:

Sr. No.	Name of the Person	Designation
1.	Mr. Karan Neale Desai	Joint Managing Director
2.	Mr. Rohanjeet Singh Juneja	Joint Managing Director
3.	Mr. Narendra Tater	Chief Financial Officer*
4.	Mr. Vijay Mohan Reddy	Company Secretary & Compliance Officer**
5.	Mr. Sanjay Kukreja	Chief Financial Officer***
6.	Mr. Fredrick Pinto	Company Secretary & Compliance Officer****

* Mr. Narendra Tater has resigned as Chief Financial Officer of the Company w.e.f. close of business hours on July 31, 2020.

** Mr. Vijay Mohan Reddy has resigned as Company Secretary and Compliance Officer of the Company w.e.f. close of business hours on July 31, 2020.

*** Mr. Sanjay Kukreja has been appointed as Chief Financial Officer of the Company w.e.f. August 1, 2020.

**** Mr. Fredrick Pinto has been appointed as Company Secretary and Compliance Officer w.e.f. August 1, 2020.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and as per Regulation 17 of the Listing Regulations, the Company has devised a policy for performance evaluation of Independent Directors, Board of Directors, Committee and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. A structured questionnaire was prepared after taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees, culture and governance.

The performance evaluation of the Chairperson, Joint Managing Directors and Independent Directors was carried out by the entire Board of Directors of the Company excluding the directors being evaluated. The Board of Directors expresses their satisfaction with the evaluation process. The Board of Directors of the Company appreciated the performance of the Joint Managing Directors and stated that they have, exceeded the expection of the Board, in such difficult times.

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

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

Public Deposits

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

Auction for recovery for Loan against Gold

During the year under review, the Company started lending against Gold ornaments. Further, during the year, the Company had not conducted any auctions for recovery of the outstanding from Loan against Gold.

Statutory Auditors and Auditors' Report

As per the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Haribhakti & Co. LLP., Chartered Accountants (Firm Registration No.103523 W/W 100048 with Institute of Chartered Accountants of India), Mumbai, was appointed as Statutory Auditors of the Company at the twenty fifth AGM of the Company held on September 18, 2019, to hold office until the conclusion of the thirtieth AGM of the Company. However, vide letter dated August 13, 2021, M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai, has expressed their inability to continue as the Statutory Auditors of the Company in order to comply with RBI circular bearing reference no. DoS.CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 read with Frequently Asked Questions dated June 11, 2021 on Appointment of statutory auditors for Banks and NBFCs resulting in a casual vacancy in the office of the Statutory Auditors of the Company as per Section 139 (8) of the Companies Act, 2013.

Based on the recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on August 13, 2021, noted and accepted the resignation letter of M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai. The Board of Directors of the Company also placed on record its appreciation to M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai for their contribution to the Company with their audit processes and standard of auditing.

In this regard, after obtaining consent and eligibility certificate from M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, under Section 141 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on August 13, 2021, appointed M/s. Bansal Bansal & Co., Chartered Accountants (Firm Registration No.100986W with Institute of Chartered Accountants of India), Mumbai, as the Statutory Auditors of the Company under Section 139(8)(i) of the Companies Act, 2013, to fill the casual vacancy consequent to the resignation of M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai.

As required by Section 139(8)(i) of the Companies Act, 2013 and rules made thereunder, the appointment of the Statutory Auditors to fill up the casual vacancy, is also to be ratified and approved at a general meeting of the Company. Accordingly, the Board of Directors recommends the appointment of M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, for the ratification and approval of the members of the Company at the ensuing AGM of the Company.

Further, the Board of Directors of the Company, based on the recommendation of the Audit Committee and subject to the approval of the members of the Company, approved the appointment of M/s. Bansal Bansal & Co., Chartered Accountants, (Firm Registration No.100986W) with Institute of Chartered Accountants of India), Mumbai, as the Statutory Auditors of the Company for a period of 3 (three) years from the conclusion of the ensuing AGM of the Company till the conclusion of the thirtieth AGM of the Company to be held in the year 2024 at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the

Board of Directors of the Company and M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai.

Appropriate resolution(s) seeking ratification/approval of members for the appointment of M/s. Bansal Bansal & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company is appearing in the Notice convening the ensuing AGM of the Company.

The audit for the financial year 2020-21 was conducted by M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai and there are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Haribhakti & Co. LLP., Chartered Accountants, Mumbai, in their audit report. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is annexed with the financial statements in the Annual Report.

Secretarial Auditors

M/s. Bhandari & Associates., Practicing Company Secretaries (Firm Registration No. P1981MH043700 with the Institute of Company Secretaries of India), was appointed to conduct the secretarial audit of the Company for the financial year 2020-2021, as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 amended from time to time. The Secretarial Audit Report for financial year ended March 31, 2021, is annexed herewith marked as **Annexure – V** to this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2020-2021 for all applicable compliances as per SEBI Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report for the financial year 2020-2021 has been submitted to the stock exchanges in compliance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 as amended from time to time.

Reporting of Frauds by the Auditors

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

Disclosures

Meetings of the Board

The Board met 10 (Ten) times during the year and other details of meetings of the Board of Directors of the Company held during the financial year / tenure and the attendance of Directors forms part of the Corporate Governance Report.

Audit Committee

The constitution of the Audit Committee as on March 31, 2021, is given below:

Sr. No.	Name of the Member	Designation
1.	Mr. Nirmal Vinod Momaya	Independent Director, Chairperson
2.	Mr. Krishipal Raghuvanshi	Independent Director, Member
3.	Mrs. Manjari Kacker	Independent Director, Member
4.	Mr. Rajiv Kapoor	Independent Director, Member

Further, the Audit Committee has been reconstituted on June 10, 2021 and the composition of the same as on date is as follows:

Sr. No.	Name of the Member	Designation
1.	Mr. Nirmal Vinod Momaya	Independent Director, Chairperson
2.	Mrs. Manjari Kacker	Independent Director, Member
3.	Mr. Rajiv Kapoor	Independent Director, Member
4.	Mrs. Minaxi Mehta	Non-Executive Non-Independent Director

Nomination and Remuneration Committee

As at March 31, 2021, the Nomination and Remuneration Committee consists of the following Independent Directors:

Sr. No.	Name of the Member	Designation
1.	Mrs. Manjari Kacker	Independent Director, Chairperson
2.	Mr. Nirmal Vinod Momaya	Independent Director, Member
3.	Mr. Rakesh Sethi	Independent Director, Member

Stakeholders Relationship Committee

As at March 31, 2021, the Stakeholders Relationship Committee consists of the following members:

Sr. No.	Name of the Member	Designation
1.	Mr. Rajiv Kapoor*	Independent Director, Chairperson
2.	Mr. K. P. Raghuvanshi	Independent Director, Member
3.	Mrs. Manjari Kacker	Independent Director, Member

*Pursuant to resignation of Ashish Sharad Dalal, the Committee was reconstituted on November 11, 2020, and Mr. Rajiv Kapoor was appointed as the Chairperson of the Stakeholders Relationship Committee

Further, the Stakeholders Relationship Committee has been reconstituted on June 10, 2021, and the composition of the same as on date is as follows:

Sr. No.	Name of the Member	Designation
1.	Mrs. Manjari Kacker	Independent Director, Chairperson
2.	Mr. Krishipal Raghuvanshi	Independent Director, Member
3.	Mr. Karan Neale Desai	Executive Director, Member

Whistle Blower Policy/ Vigil Mechanism

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

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

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

The policy has also been uploaded on the website of Company i.e. www.dfltd.in. the link is https://www.dfltd.in/assets/pdf/new-pdf/Whistle_Blower_Policy.pdf.

Code of Conduct for Prevention of Insider Trading

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

The Insider Trading Policy of the Company laid down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of dealings by the employees of the Company. The Insider Trading Policy of the Company as amended from time to time, is available on the website of the Company i.e. www.dfltd.in.

Particulars of Loan given, Investment made, Guarantee given and Securities provided by the Company

Particulars of loans given, investments made and guarantees given along with the purpose for which the loan or guarantee is proposed to be utilized by the recipient under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 amended from time to time, are provided in the respective notes in the financial statement.

Significant and Material order passed by the Regulatory or Courts

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

Material changes and commitments affecting financial position between end of the financial year and date of this report

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

Listing Fee

The equity shares of the Company are listed on BSE Limited. The Listing fee for the financial year 2021-2022 for BSE Limited has been paid by the Company.

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

Pursuant to Regulation 34(3) read with Schedule V to the Listing Regulations, the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2021 are as under:

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the beginning of the financial year	Nil	Nil
2	Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the financial year		
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the financial year		
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the financial year		

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification/(s) and re-enactment/(s) thereof till date), the disclosures pertaining to the remuneration and other details as required is appended as **Annexure - VI** to this Board Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 crore or more or employed for part of the year and in receipt of ₹ 8.5 lakh or more per month, under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/(s) and re-enactment/(s) thereof till date), is available for the inspection at the registered office of the Company.

Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished to them.

Internal Control System

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

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and amended from time to time, are set out in the **Annexure - VII**.

Prevention of Sexual Harassment

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

Your Directors further state that during the year under review, there were no case filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Applications under the Insolvency and Bankruptcy Code, 2016

There was no application made by the Company or upon the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 by / against the Company as on March 31, 2021.

The details of difference between amount of the valuation

During the year under review, there were no settlements made by the Company for any loan / borrowing taken from the Banks or Financial Institutions and hence no comment with regard to the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

General

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. None of the Executive Directors of the Company receive any remuneration or commission from any of its subsidiary.

Your Directors state that during the financial year 2020-21:

1. There is no change in nature of business of the Company.
2. The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Companies Act, 2013 and the rules framed there under.

Registration with Reserve Bank of India

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

Appreciation

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

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

For and on behalf of the Board of Directors

	sd/-	**sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Place: Mumbai	(Joint Managing Director)	(Joint Managing Director)
Date: August 13, 2021	DIN: 08342094	DIN: 05285546

Annexure - I

DIVIDEND DISTRIBUTION POLICY

1. Background and Preamble

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

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

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

2. Applicability

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

3. Objective

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

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

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

4. Dividend

(a) Interim Dividend

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

(b) Final Dividend

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

5. Eligibility criteria mentioned by RBI

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

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

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

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

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

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

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

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

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

6. Parameters to be considered before recommending dividend

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

Internal Parameters

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

(ii) Profits earned during the financial year

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

(iv) Long term growth plans of the Company.

(v) Retained Earnings.

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

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

(viii) Any other relevant factors and material events.

External Parameters

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

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

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

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

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

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

8. Utilisation of Retained Earnings

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

9. Process Payment of Dividend

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

10. Unclaimed/Unpaid Dividend

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

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

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

12. Reporting with RBI

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

13. Conflict in Policy

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

14. Amendments

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

ANNEXURE – II

DISCLOSURES PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014.

A. Relevant disclosures in terms of the "Guidance Note on accounting for employee share-based payments" issued by the Institute of Chartered Accountants of India (ICAI) has been appropriately disclosed in the note 50 of the financial statements for the year ended March 31, 2021, mentioned in the Annual Report 2020-21.

B. Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with AS-20, has been appropriately disclosed in the note 34 of the financial statements for the year ended March 31, 2021, mentioned in the Annual Report 2020-21.

C. Details relating to Employee Stock Option Scheme

Particulars	**Dhanvarsha ESOP Plan 2018**
Date of shareholders' approval	September 28, 2018
Total number of options approved under the Scheme	1,890,000
Vesting requirements	Minimum vesting period of one year from the date of grant.
Exercise price or pricing formula	The options will be issued at a predetermined exercise price. The exercise price shall be decided by the Nomination and Remuneration Committee in line with SEBI (SBEB) Regulations and any other applicable guidelines.
Maximum term of options granted	Eight (8) years from the date of grant.
Source of shares (primary, secondary or combination)	Primary
Variation in terms of option	None
Method used to account for the Scheme	Fair Value Method
Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not Applicable
Option movement during FY21	
Number of options outstanding at the beginning of FY21	18,38,562
Number of options granted during FY21	2,85,000
Number of options forfeited / lapsed during FY21	3,64,073
Number of options vested during FY21	54,775
Number of options exercised during FY21	54,775
Number of shares arising because of exercise of options	54,775
Money realized by exercise of options (₹) if scheme is implemented directly by the Company	₹ 16,43,250/-
Loan repaid by Trust from exercise price received	Nil
Number of options outstanding at the end of FY21	17,04,714
Number of options exercisable at the end of FY21	17,04,714
Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to	
Senior managerial personnel	Details provided in Note A.
any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during FY21	Details provided in Note B.

Particulars	**Dhanvarsha ESOP Plan 2018**
identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Details provided in Note C.
A description of the method and significant assumptions used during FY21 to estimate the fair value of options including the following information:	
The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends; the risk-free interest rate and any other inputs to the model	Please refer Note 50 to financial statements mentioned in the Annual Report 2020-21.
The method used and the assumptions made to incorporate the effects of expected early exercise	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

Note A: Details of Stock Options Granted to Senior Management Personnel during FY21

Name of Employee	**Karan Neale Desai**	**Rohanjeet Singh Juneja**
Designation	Joint Managing Director	Joint Managing Director
No. of Options	75,000	75,000
Exercise Price (₹)	50/-	50/-

Note B: Details of Employees who have been received grant amounting to 5% or more of Options Granted during FY21

Name of Employee	Sahil Lakshmanan
Designation	Chief Business Officer
No. of Options	1,35,000
Percentage (%)	5.73%

Note C: Details of Employees who have been Granted Options equal to or exceeding 1% of the issued capital of the company at the time of grant:

Name of Employee	Karan Neale Desai	Rohan Juneja	Sahil Lakshmanan	Mahendra Servaiya	Sunil Ranpara	Arvind Jirapure
Designation	Joint Managing Director	Joint Managing Director	Chief Business Officer	Principal Officer	VP – Collections	AVP-Operations
No. of Options	6,75,000	6,75,000	1,35,000	85,816	72,279	26,171
Percentage (%)	28.69	28.69	5.73	3.65	3.07	1.11

For and on behalf of the Board of Directors

sd/-
Rohanjeet Singh Juneja
(Joint Managing Director)
DIN: 08342094

sd/-
Karan Neale Desai
(Joint Managing Director)
DIN: 05285546

Place: Mumbai
Date: August 13, 2021

ANNEXURE III

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2021

Part "A": Subsidiaries

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

Sr. No.	Particulars	Details
1.	Name of the subsidiary	DFL Technologies Private Limited
2.	The date since when subsidiary was acquired	October 07, 2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
5.	Share capital	7,00,00,000
6.	Reserves & surplus	76,24,580
7.	Total assets	9,74,59,220
8.	Total Liabilities	1,98,34,640
9.	Investments	NIL
10.	Turnover	5,80,98,980
11.	Profit before taxation	1,05,82,030
12.	Provision for taxation	41,18,300
13.	Profit after taxation	64,63,420
14.	Proposed Dividend	NIL
15.	Extent of shareholding (in percentage)	100%

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

1. Names of subsidiaries which are yet to commence operations and write NIL.
2. Names of subsidiaries which have been liquidated or sold during the year and write NIL.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

For and on behalf of the Board of Directors₹

sd/-
Rohanjeet Singh Juneja
(Joint Managing Director)
DIN: 08342094

sd/-
Karan Neale Desai
(Joint Managing Director)
DIN: 05285546

sd/-
Fredrick M. Pinto
Company Secretary
ACS No. 22085

sd/-
Sanjay Kukreja
Chief Financial Officer

Date: August 13, 2021
Place: Mumbai

ANNEXURE IV

Appointment and Evaluation Policy

1. Scope

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

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

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

2. Responsibility of NRC and Board

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

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

a) Appointment Criteria and Qualifications

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

(i) Qualifications of Independent Director:

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

(ii) Positive attributes of Independent Directors:

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

b) Removal of Director, KMP or Senior Management

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

c) Retirement

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

2.2 Remuneration

(i) **Directors:**

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

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

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

(iii) The remuneration of the Manager / Chief Executive Officer / Managing Director / Whole Time Director is broadly divided into fixed and incentive pay reflecting short term and long-term performance objectives appropriate to the working of the Company.

In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following: ·

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

b) Non-Executive Independent Director:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

e) Recommend appointment / reappointment of directors to the; and

f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

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

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

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

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

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

4. Evaluation Factors

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

A. Parameters for evaluating the performance of the Board

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

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

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

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

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

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

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

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

- ➢ Managing relationship with the members of the Board, management and other stakeholders;
- ➢ Demonstration of leadership qualities;
- ➢ Relationship and communication within the Board;
- ➢ Ease of raising of issues and concerns by the Board members; and
- ➢ Personal attributes i.e. Integrity, Honesty, knowledge etc.

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

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

- ➢ Achievement of financial/business targets prescribed by the Board;
- ➢ Developing and managing / executing business plans, operational plans, risk management and financial affairs of the organization;
- ➢ Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;

- Development of clear mission / vision statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders;
- Establishment of an effective organization structure to ensure that there is management focus on key functions necessary for the organization to align with its mission; and
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.

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

5. Fit and Proper Status on Continuous Basis

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

6. Review/Revision of Policy

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

ANNEXURE V

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

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

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

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

   # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

vi. The rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non-Systemic, Non-deposit taking Non-Banking Financial Company with Classification as 'Investment & Credit Company', are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of:

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

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

The Stock Exchange, BSE Ltd. has levied a fine on the Company vide their email dated January 18, 2021 and February 05, 2021 for delay in submitting disclosure of related party transactions as per Regulation 23(9) of the Listing Regulations for half-year ended 30th September, 2020 and the Company has paid the same.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the

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

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has undertaken following material events / actions –

1. The members' approval has been obtained through Postal Ballot, on June 19, 2020 for altering the Memorandum of Association of the Company by inserting a new sub-clause in Main Objects of the Company.
2. The members' approval has been obtained through Postal Ballot, on August 02, 2020 for making offer or invitation to subscribe to Secured / Unsecured Redeemable Non-Convertible Debentures including but not limited to subordinate debt, bonds, and/ or other debt securities, etc., on a private placement basis up to ₹ 90 crore, in one or more tranches, during the period of one year from the date of passing of this Special Resolution by the Members.
3. The members' approval has been obtained at Annual General Meeting held on September 21, 2020 for-
    a. Authorising the Board to give loans, give any guarantee, or provide security in connection with a loan, in the ordinary course of business and acquire the securities of any other bodies corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹ 200 crore.
    b. Creation, offer, issue and allotment on preferential basis, in one or more tranches, to Wilson Holdings Private Limited, up to maximum of 925,427 Equity Shares of face value of ₹ 10/- each, fully paid up, at an issue price of ₹ 111.30/- per Share upon the conversion of the unsecured loan outstanding as on date.
    c. Creation, offer, issue and allotment, to Wilson Holdings Private Limited, by way of preferential allotment on private placement basis, 40,43,127 unsecured compulsorily convertible debentures of the Company having a face value of ₹ 111.30/- aggregating to ₹ 45 crore, with right to convert the CCDs within a period of 18 months from the date of allotment, at a conversion price of ₹ 111.30/- per Equity Share.
    d. Creation, offer, issue and allotment up to 17,96,946 Convertible Warrants having face value of ₹ 111.30/- per warrant, for an aggregate amount not exceeding ₹ 20 crore, with right to convert the Warrants within a period of 18 months from the date of allotment at a conversion price of ₹ 111.30/- per Equity Share.
4. The members' approval has been obtained at Extra-ordinary General Meeting held on 4th March, 2021 for-
    a. Creation, offer, issue and allotment, in one or more tranches, by way of preferential allotment on private placement basis, 20,50,000 unsecured compulsorily convertible debentures having a face value of ₹ 400/- for an aggregating ₹ 82 crore, to various non-promoter investors with right to convert the CCDs within a period of 18 months from the date of allotment, at a conversion price of ₹ 400/- per Equity Share.
    b. Introduction and implementation of DFL Employees Stock Option Scheme – 2021 through employee welfare trust to be set up by the Company and the Board of Directors of the Company to be authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, a maximum of 18,90,000 Employee Stock Options.
    c. Authorising the Board of Directors of the Company to create, grant, offer, issue and allot, in one or more tranches such number of Employee Stock Options under 'DFL Employees Stock Option Scheme – 2021' within the limit prescribed therein to or for the benefits of the permanent employees including Directors, of any subsidiary company(ies) of the Company.

For **Bhandari & Associates**
Company Secretaries

sd/-

Manisha Maheshwari
Partner
ACS No. 30224 |C. P. No. 11031

Mumbai|August 18, 2021
UDIN: A030224C000803062

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

Annexure 'A'

To,
The Members,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

Our Secretarial Audit Report for the Financial Year ended 31st March, 2021 of even date is to be read along with this letter.

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

For **Bhandari & Associates**
Company Secretaries

sd/-

Manisha Maheshwari
Partner
ACS No. 30224 |C. P. No. 11031

Mumbai|August 18, 2021
UDIN: A030224C000803062

ANNEXURE – VI

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

S No.	Requirements	Disclosure	
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Rakesh Sethi	0.26 : 1
		Mr. Ashish Sharad Dalal	0.17 : 1
		Mr. Rajiv Kapoor	0.29 : 1
		Mr. Krishipal Raghuvanshi	0.3 : 1
		Mr. Nirmal Vinod Momaya	0.28 : 1
		Mrs. Manjari Kacker	0.33 : 1
		Mr. Karan Neale Desai	1.38 : 1
		Mr. Rohanjeet Singh Juneja	1.36 : 1
ii.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year	NIL CFO (13%)	
iii.	The percentage increase in the median remuneration of employees in the financial year	18%	
iv.	The number of permanent employees on the rolls of the Company	97 as of March 31, 2021	
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the salaries of employees other than the managerial personnel – 9% Average increase in the managerial remuneration – (negative 15%) The increase of manpower was more in the non-managerial staff	
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes	

For and on behalf of the Board of Directors

sd/-
Rohanjeet Singh Juneja
Joint Managing Director
(DIN:08342094)

sd/-
Karan Neale Desai
Joint Managing Director
(DIN:05285546)

Date: August 13, 2021
Place: Mumbai

ANNEXURE VII

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

[PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2021 is given here below and forms part of Directors' Report.

CONSERVATION OF ENERGY

The Company is engaged in providing financial services and, as such, its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power;
- Introduction of Tablets in branches;
- Replacement of conventional lighting with Light Emitting Diode (LED) lights;
- Automatic power shutdown of idle monitors;
- Creating environmental awareness by way of distributing the information in electronic form;
- Minimising air-conditioning usage;
- Shutting off all the lights when not in use;
- Education and awareness programs for; and
- Constant reminders to employees to switch off all the computers and other equipements that isn't being used.

The Management frequently puts circulars on the corporate intranet, Workplace, for its employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

TECHNOLOGY ABSORPTION AND INNOVATION

Technology at Dhanvarsha is the core element which drives business growth and forms the backbone of our organisation. Technology is used as a strategic tool which comprises industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. With highly secured information systems and with adequate controls which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers and effectively monitor and control risks. The Company remains committed to investing in technology to provide a competitive edge and contribute in business that is scalable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:-

(a) The foreign exchange earnings: NIL

*(b) The foreign exchange expenditure: INR 9.21 Lakhs

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

RESEARCH AND DEVELOPMENT (R & D) – N.A.

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

Amount of expenditure incurred on Research and Development: NIL

For and on behalf of the Board of Directors

	sd/-	**sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Place: Mumbai	(Joint Managing Director)	(Joint Managing Director)
Date: August 13, 2021	DIN: 08342094	DIN: 05285546

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. INDIAN ECONOMIC OVERVIEW

The economic fallout of the pandemic led nation-wide lockdown on the Indian economy has been rather severe, with GDP registering 4.20% growth in FY2020-21. Private consumption is estimated to contract by 9.50% in FY2021-22 owing to demand shrinkage based on income loss, mobility restrictions and supply constraints. Government consumption is estimated to rise by 5.80% due to increased expenditure as part of pandemic relief packages. Although, since the unlocking (June 2020 onwards) there has been a resumption in economic activity, the pace and extent of the same have been wavering. Some parameters have been witnessing progressive, albeit gradual advances, while for some segments, the improvements have been losing steam. Although business and commercial activity is expected to be higher in the coming months with the resumption of economic activity and optimism surrounding the vaccine, uncertainty abounds on all these fronts. Concerns over the new strain of the virus and associated restrictions might overshadow the optimism of a faster vaccine fuelled economic recovery.

As Covid-19 pandemic continued to spread and wreak havoc, the global economy ran into serious headwinds. Stock market indices around the world plunged, regaining some ground only recently after central banks had announced vigorous stimulus measures. In India, BSE Sensex and NIFTY lost more than a third of its value at one time. As a crisis of confidence gripped the markets, banks and NBFCs suffered even greater erosion in their share prices.

The latest GDP numbers support the economy's narrative of a strong sequential recovery. However, the nature of the ongoing recovery and its ability to sustain after returning to pre-COVID-19 levels remain uncertain. The eight core sector industries' index has shown a positive momentum with minor dips in the short-term. The outlook for the future remains optimistic with recovery in business activities.

(Source: Economic Survey 2020 - 21)

2. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Financial Services Sector India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are continuously leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited for bridging the financing gap.

Over the last decade, NBFCs have witnessed phenomenal growth. From being around 9.3% of the balance sheet size of banks in 2009, these are ~20% of the size of banks. NBFCs are the largest net borrowers of funds from the financial system with gross payables of INR 9.37 lakh crore as of September 30, 2021.

Given their large interconnection with the financial system and the importance of the NBFCs in credit intermediation, RBI has been enhancing the regulatory oversight of large NBFCs. Keeping in mind potential systemic risks that NBFCs might pose to the financial system, RBI in its 'Discussion Paper on Revised Regulatory Framework for NBFCs: A Scale-Based Approach' (12 January 2021) seeks to balance regulatory arbitrage in favour of NBFCs and the recent growth trajectory of NBFCs by adopting a new approach towards regulating NBFCs.

During the year, RBI implemented the recommendations of the Expert Committee on MSMEs and the Internal Working Group on Agricultural Credit to improve inclusiveness and to enhance flow of credit to these sectors. Revised Master Directions on priority sector lending (PSL) were issued to align it with emerging national priorities. Co-lending was introduced to improve the flow of credit to the unserved and underserved sectors of the economy at an affordable cost.

After a growth moderation in FY21, NBFCs are estimated to witness a 9.5 per cent jump in their assets under management in FY22. It estimated the growth to slow down to 4-5 per cent for NBFCs in FY21, driven largely by the impact of the coronavirus pandemic. The system liquidity has improved considerably while the majority of large non-banks have strengthened their capital buffers and the sector has started witnessing disbursement growth.

The wide differential among NBFCs' funding costs is likely to push the sector to consolidate, especially in the sectors with a thin margin profile and limited product differentiation. Stress due to the pandemic has moderated due to government schemes which have led to lower softer delinquencies and moderate addition to Gross Non-Performing Assets (GNPAs). The overall stressed assets will be higher than a recent RBI estimate of 8 per cent. Many large NBFCs raised capital before Covid-19 and during the pandemic, resulting in strengthened capital buffers to absorb the above stress along with carrying Covid-related provision. Going forward, the NBFCs will also look at taking advantage of the co-lending opportunities presented by regulations and try to earn fee incomes from the stream.

(Source: India Ratings & Research)

Micro, Small and Medium Enterprises (MSME) Sector:

MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly to the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly to the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. In India, the sector has gained significant importance due to its contribution to Gross Domestic Product (GDP) of the country and exports. India has approximately 6.30 crores MSMEs. The number of registered MSMEs grew 18.50% Y-o-Y to reach 25.13 lakhs (2.50 lakhs) units in 2020 from 21.21 lakhs (2.10 lakhs) units in 2019. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade.

Over the last decade, NBFCs have been significant credit providers to MSMEs especially at the lower end. Well established regional NBFCs with in-depth knowledge of micro markets and low-cost distribution networks provide access to credit to MSMEs beyond the tier I cities, while focusing on credit underwriting tailored to informal and smaller MSMEs. MSME lending segment has seen maximum disruption through new business models including the evolution of fintech lenders seeking to use innovative approaches to credit underwriting and offering innovative products with a lower turn-around time. NBFCs serve MSMEs through:

(a) differentiated credit underwriting approach that takes into account multiple sources of data (formal and informal) in the absence of credit ratings/formal data, seasonality of cashflows, industry and cluster risks, as well as a 360-degree view of the borrower;

(b) designing product offerings that are best suited to their target segments keeping in mind the customers working capital cycle/cash flow requirements; and

(c) reduced turn-around times from credit appraisal to disbursement through standardised processes and use of technology.

The NBFCs' difference in approach to underwriting MSME credit has been made possible by their focus or specialisation in MSME-lending by sector, geography, client segment, or a combination of these factors and their calibrated operations and streamlined distribution networks designed to best serve their customers.

(Source: The Economic Times)

During the year under review, the Unsecured SME loans to businesses AUM grew by 409% over FY2020 to ₹ 34.6 crore. The business is present in over 7 locations in India.

Gold financing:

Gold industry has traditionally been a pillar of strength and support for the Indian economy. The yellow metal holds a significant position in the hearts and homes of Indians, making India the largest gold consumer globally. For time immemorial gold has been one of the most reliable and auspicious liquid assets for Indians. With an emotional sentiment attached to the metal, Indians rarely sell their gold jewellery but pledge it as a collateral with financiers for securing short-term loans.

The growth of the organized gold loan industry is driven by gaining market share from informal lenders – who form two-third of the market; better customer acceptance; and possibility for a continual increase in ticket sizes. The gold loan penetration is still low in India at 5-6% of the household gold stock. FY21 saw some banks grow their gold loan AUMs by growing their branch network, focusing on unserved and under-banked consumers, who value quick turnaround time over the price of the loan.

The year 2020 saw a lot of Indian household resorting to pledging their gold reserves. This helped meet their short-term liquidity needs induced by the pandemic. RBI revisited its guidelines for banks' lending gold loans by increasing its Loan to Value (LTV) from 75% to 90% (till March 31, 2021). This was aimed to help stressed borrowers to unlock more value. The gold loan industry's AUM grew at a compounded rate of 8% between 2015 and 2020, registering an AUM of ₹ 3,262 billion (Source: CRISIL). The gold loan market in FY21 is expected to perform better than the other retail loans. This anticipation of better performance is mainly on account of rising gold prices leading to: additional disbursements, growing share of digital loans, widening branch network, large demand from MSMEs and individuals, increased traction from farmers, minimal documentation and faster processing, among others. The AUM for gold finance is expected to reach ₹ 4,180 billion in FY22, a growth of ~28% from FY20.

(Source: CRISIL)

During the year under review, gold loan AUM started and grew in FY2020 to ₹ 17.9 crore. The business is present in over 10 locations in India.

Loan against property:

Most of the players in Loan Against Property (LAP) were cautious in terms of disbursements in FY 21 and this scenario is expected to change in FY 22. As per ICRA sectoral outlook report 2022, NBFC growth is expected to revive in FY 22 to 7-9%. NBFCs with healthy portfolio mix of low average ticket size and Self Occupied Residential Properties (SORP) asset class are placed in better position to grow substantially.

(Source: OECD, Fitch)

During the year under review, LAP AUM grew by 12% over FY2020 to ₹ 32.3 crores. The business is present in over 7 locations in India.

Personal Loan:

Personal loan availment from NBFCs has gained momentum in last few years due to their ease of availability and also due to change in the behavioural consumption pattern among people. With the advent of newer technological platforms and ease of credit norms to avail personal loans, increasing number of people are showing affinity to avail the same. Personal loans, which are typically consumption loans borrowed without any security to meet expenses, have witnessed a 23% year-on-year rise in the number of women borrowers in the first nine months of 2020-21 (FY21) (till December 2020).

(Source: CRIF High Mark Report)

During the year under review, personal loan AUM grew by 2316% over FY2020 to ₹ 19.6 crore.

3. OPPORTUNITIES AND THREATS

Opportunities:

(a) Co-lending via NBFCs is the optimum solution to liquidity conversion from banks to lesser served priority sectors through credit funding. It leads to consumption growth and acts as an excellent way of spreading risk. It prevents the entire loan from falling onto NBFCs' balance sheet as banks lend to the borrowers directly.

(b) India's gold loan market is expected to touch ₹ 4.1 trillion by 2022 (Source: CRISIL). FY19 and FY20 saw gold loan companies aggressively expanding their branch network. This was especially witnessed across the northern and eastern states of the country, which was relatively underpenetrated right until 2018. Despite the pandemic and economic slowdown, the gold loan segment witnessed strong demand and disbursal growth. The lower credit eligibility makes gold loans accessible to all. This loan segment saw a surge in demand from small businesses and individuals during the pandemic to manage their liquidity needs.

(c) Leverage the strong parentage of being one of the largest financial conglomerates in India.

(d) Brand equity to garner higher acceptability among the underprivileged section of the society.

(e) Higher and ever-increasing government regulations and tightening of norms to restrict competition and deter entry of unorganised players, thus benefiting the leaders in the industry.

(f) Increasing geographical reach and higher customer base creating opportunity to penetrate further into the hinterland.

(g) Increasing disposable income, change in consumption pattern and shift in mindset to spend bringing in higher demand for consumer loans.

(h) With government's initiatives to increase spend in the MSME segment to increase start-up businesses and thus demand for MSME loans.

Threats

(a) Increasing competition from the global and local competitors in terms of product development and technology innovations leaving very thin margin of errors.

(b) Regulatory and compliance related changes in the sector affecting NBFCs.

4. BUSINESS AND FINANCIAL PERFORMANCE

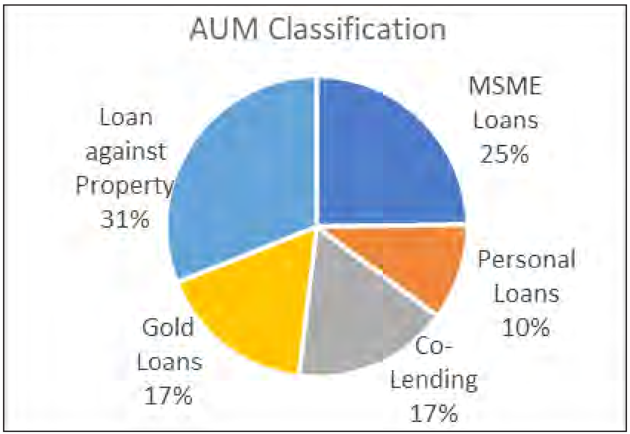
It has been a challenging year for the world at large with the pandemic gripping in and the entire world came to a standstill. Despite this dislocation from the global pandemic, the Company takes pride in substantial traction on the liability side of the balance sheet having taken our net worth up 3x to ₹ 100 Crores and adding 11 reputed lenders to our roster which include HDFC Ltd., SBI, NABARD, Bank of India, Northern Arc, Central Bank of India, A.K. Capital, MAS Financial, CSB Bank and two foreign lenders.

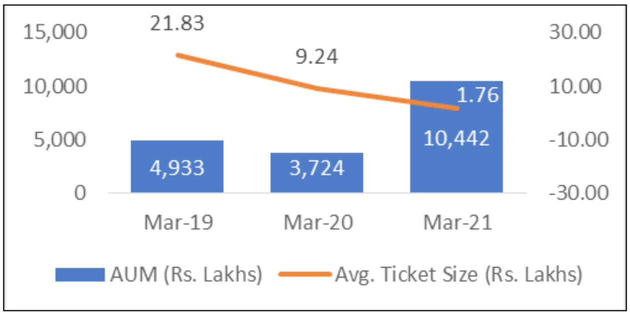
In March 2021, the credit rating of our Company was upgraded to IVR BBB (Stable Outlook) by Infomerics Ratings. In June 2021, CARE ratings re-affirmed ratings to CARE BBB (Stable outlook).

The key financial parameters for the Financial Year ended March 31, 2021:

- Assets under Management of ₹ 104.5 crore compared to ₹ 37.2 crore as on March 31, 2020
- Gross income stood at ₹ 30.1 crore while Net Profit after tax is ₹ 1.3 crore. Gross income was up 56% over previous year. This was on account of 100% growth in interest income driven by robust growth in disbursements thus leading to a strong loan book.
- The average ticket size of loans declined from ₹ 9.2 lakhs in March 2020 to ₹ 1.8 Lakhs in March. 2021

Particulars (in ₹ Crores)	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Total revenue	30.06	19.29
Profit before interest and depreciation	8.28	7.72
Less: Interest and finance charges	4.23	1.69
Less: Depreciation and amortization	1.27	0.49
Profit Before Tax	2.78	5.54
Less: Provision for taxation	1.48	1.48
Profit After Tax	1.30	4.10





The Company believes in growing a strong loan book and an unrelenting focus on 4 C's – Credit, Capital, Collections & Collaborations. The Company has collaborated with various partners like reputed Banks, NBFC's, Associations, DSA's and other Retail Loan Channel Partners to drive business.

The Company's mission is to "build social capital" by aiming to provide credit solutions to India's large underserved and underbanked MSME segment.

Building Social Capital through a robust ESG Framework:

The Company is committed in its mission to build social capital through its philosophy and action plan called 'Lending Hand-Head-Heart' and gives prime importance to the concept of "Triple Bottomline" i.e., Planet, People and Profits. The last year has steeled our resolve to align our business practices and policies against a robust ESG (Environmental, Social and Governance) framework devised in consultation with an experienced global consulting firm.

The Company has introduced products that offer timely and sustainable access to a vast cohort of underserved borrowers spanning Tier 1 to 3 cities. The Company aims to enhance the social capital of the stakeholders and empower them to navigate a swiftly evolving lending landscape powered through technology. This will drive our 'socially responsible' business strategy to strengthen community ties with our stakeholders and prioritize risk avoidance.

Incorporating Digital:

The past financial year has accelerated the penetration and adoption of digital products and services. Consumers in India are now used to their smart phones being akin to a shopping cart. While lending itself has gone through its ups and downs, digital has emerged as a clear winner. The past year has forced lenders to rethink their digital strategy and digital from being one of the channels of customer origination has now become the channel of focus.

In the past year, the Company has made significant progress in upgrading its lending infrastructure to deliver on its digital vision of enabling social capital by providing lending capital in a matter of hours.

In the past year, the Company has made significant progress in upgrading its lending infrastructure to deliver on its digital vision of enabling social capital by providing lending capital in a matter of hours. Dhanvarsha provides gold loans in less than 30 minutes and unsecured loans in less than a day subject to receipt of necessary documents and adherence to KYC guidelines. The framework for to deliver on our digital vision remains the same, Omni-channel access; Smart Lending; Phygital onboarding and Data driven collections management.

Omni-channel access:

The customers of the Company today access the products of the Company through the dedicated website for loans https://dhanvarsha.co/ and our corporate website https://www.dfltd.in/ as well as our channel partner app and our consumer app. In addition to these digital assets, we have also built a branch network and as on June 2021, we have more than 300 financial inclusion stores, 25 experiential centers and 125 partner branches. The central idea is to enable the consumers of the Company to interact with the Company through any channel of their choice. The Company is excited to share that in the coming few months, the Company will also launch an exciting digital asset aimed at the blue and grey collar working class of India which will be an easy-to-navigate digital platform for the clients with an interface assisting them with credit health tool, a digital wallet and a card and micro loans that will get disbursed within minutes in a completely automated fashion with no human intervention.

Smart lending:

Consumers have become more and more discerning when it comes to the products they choose to consume. Hyper personalization of financial products is an important factor that increases product penetration. The tricky part is always how do you hyper personalize products and pricing without impacting core risk metrics. The answer lies in the ability to collect and leverage customer data to make smart lending decisions. The Company's underwriting leverages both traditional data i.e., credit bureau and financial statements like bank statements, GST, ITR, etc. as well as alternate data i.e., mobile footprint, bill payment behaviour and other digitally generated data. The Company has succeeded in partnering with best-in-class providers, to help the Company to analyse traditional data in a seamless and automated fashion and have also built a completely inhouse alternate data engine to analyse alternate data. These partnerships and inhouse assets help the Company to make credit decisions within minutes.

Digital onboarding:

Onboarding customers digitally is crucial post making the decision to lend. Digital onboarding reduces the cost of delivery, turnaround time and chances of fraud to a great extent. The Company has complete digital onboarding process through the partnerships with entities digital repayment setup, document execution, document pick up where needed etc.

Data driven collections:

The Company believes that most consumers are willing to repay their debts, however they often need reminders across multiple channels and payment integrations which allow them to take actions on the fly. Data also yields opportunities to pinpoint customers locations, identify changes in income and behaviour which can serve as early warning indicators. These indicators allow lenders to be proactive and not reactive when it comes to collections. While wanting to repay their debts is true for most customers there are always customers where there is no option but to approach the courts, in these cases it is critical to speed up and reduce the cost of legal proceedings. The Company is partnered with one of the most innovative digital collections and litigation suite providers in the country and this is helping the Company to reduce time and cost.

The Company understands that technology is the backbone to building a future ready lending organization. The Company's endeavours this past year have enabled the Company to lend to its customers within a matter of hours if not in minutes without affecting the delinquency rates. As always, the Company believes that technology enablement is a complex and constantly evolving journey and for FY23 the Company has targeted a massive project to transform and upgrade its entire lending infrastructure to become the lender of choice for MSME's.

5. OUTLOOK

In the next financial year (i.e. 2021-22), the domestic economy is projected to register positive growth in the range of around 9% to 11 %, fuelled up by the low-base effect. This number can be lower in case there is any improvement in the negative growth rate of FY21. A year into the post covid-19 world, the sector expected to get relief through privatisation and recapitalisation of PSBs, simplification of governance reforms, easing of credit access norms and a boost to digitisation.

The Government of India has envisioned to double the Indian economy to USD 5 trillion in five years. In order to achieve this goal, career opportunities for the young population has to be generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP. In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent.

The Company has collaborated and upgraded in strengthening its digital applications with an aim to reduce physical touchpoint with stakeholders especially in this pandemic situation. The Company's robust collection mechanism aided with a strong credit risk assessment framework will help the Company to steer through the strong currents of the covid-19 pandemic in FY 22.

Though the pandemic brought challenges on the NBFC sector, it gave rise to greater opportunities such as realignment of strategies, cost optimisation and more focus on digital mode for sustainable growth. With the second wave of Covid-19 leading to partial lockdown and restricted business activities, the upside is vaccination drives are in full swing across the country.

The gold loan sector is undergoing a makeover. A steady shift from the unorganised to the organised sector and from physical to digital and online products is being experienced. The gold loan industry is anticipated to continue growing in FY22. This growth is backed by the diminishing impacts of Covid-19, resulting in economic revival. The Company is strongly positioned to capitalise on this existing opportunity. It is ready to reap the benefits of digital capabilities and bring in cost optimisation by gradually shifting to paperless processes.

The outlook for FY 2021-22 looks promising especially in the retail segment, since macroeconomic indicators show that this segment is highly under penetrated. Disbursements and physical collections which were impacted during the onset of Covid-19 are back to pre-Covid levels. The Company is well prepared to seize opportunities and manage risks at every stage of its value chain. The Government and RBI have introduced several liquidity and stimulus measures to support the NBFC industry, which have slowly started to yield results. Disbursements are picking up sequentially across the NBFC sector, driven by moratorium exit, pent-up and seasonally strong demand. The NBFC industry remains an important functionary in the economic ecosystem to fulfil credit requirement of credit starved and new to credit customers by bringing them into formal financial services ecosystem.

6. RISKS AND CONCERNS

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

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a matured internal audit process for the Company as a whole covering the corporate office and the branches all over India. Agenda for the audit/ scope is finalized and approved by the Audit Committee. The audit is carried out by reputed audit firms across head office and branches. The accounts department of the Company co-ordinates with the internal auditors and auditees and ensures proper follow up for closure of audit concerns. Audit finding are placed in the audit committee and directions of the committee are followed to improve internal control and avoid recurrence of events.

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

We believe our people are the architects of our future. Their skills, knowledge and competencies underpin our offerings and form the backbone of our success. We are an institution built by passionate individuals who understand the personal and business aspirations of our customers. Our people are our biggest business differentiators whom we believe give us the winning edge. Just like the company's vision statement, we trust their ability to ensure that Dhanvarsha achieves its vision and mission of helping **build social capital**.

The pandemic has brought impactful changes in all our lives highlighting importance of social distancing, wearing of masks, use of sanitizers and maintaining cleanliness to mitigate spread of Covid-19 pandemic.. The Company continued to create awareness amongst employees to strictly follow the Social Distancing protocol and mitigate the health risks during the pandemic by adapting to new methods of efficient working, striking work-life balance, switching to Work from Home (WFH) whenever necessary. The importance of focusing on digitization and use of advanced techniques for customer services has gained much prominence. Our people are well prepared to adapt and switch to hybrid work culture – a combination of WFH and Work from Office/ field, as and when necessary, to face the challenge of dynamic pandemic conditions.

The 'Lockdown' gave many new learnings, ideas, and experience with respect to effective communication techniques, efficient time management, thereby improving overall efficiency, cost optimization. It has been our constant endeavour to provide our employees with a conducive environment to put forth their ideas and innovations. The Company took this opportunity to build a platform for all our employees to put forth their innovative ideas and present an implementation roadmap to the management team. The Company has received an immense response from all its employees and the winners were rewarded post successful implementation of the innovative ideas with prizes. In an ever-evolving business environment, skill and capability landscape needs to match the fast pace of change today.

During this year, to ensure that the Company remains a future ready organization, the Company has invested extensively in its technology and business teams especially in the new vertical of gold loans. With the help of our hiring partners, top MBA campuses and a strong internal referral system, we further strengthened our leadership team and simultaneously built a strong talent pool to support each function.

Dhanvarsha Contact Centre:

The Company believes in empowering its women employees and we continue expanding our women force in all forms and across several verticals within our ecosystem. Be it in the Board Room or in our Contact Centre, our workforce is having fiercely independent women and nothing makes us feel more grateful than seeing them grow and flourish.

In the fourth quarter of FY21, we set up our in-house Customer Facing Contact Centre which not only have inbound & outbound process to address customer queries and concerns, following stringent SOP's for pre & post disbursements, capturing the customer's overall experience but also comprises a team of Direct Sales resources, which onboards customers directly through tele-communications on leads generated through our performance marketing initiatives. More than 50% of the team comprises of experienced women professionals from varied fields and have been the frontline force of "Dhanvarsha Contact Centre" since inception of the vertical.

Your Company has 97 employees on its payroll as on March 31, 2021.

9. MATERIAL FINANCIAL & COMMERCIAL TRANSACTIONS INVOLVING SENIOR MANAGEMENT

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

Cautionary Statement

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

For and on behalf of the Board of Directors

	sd/-	**sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Place: Mumbai	(Joint Managing Director)	(Joint Managing Director)
Date: August 13, 2021	DIN: 08342094	DIN: 05285546

BUSINESS RESPONSIBILITY REPORT

As a fast-growing NBFC, we are committed to principle that Environment Social & Governance (ESG) goal(s) are not just a buzzword or a critical compliance due to company size, but a way of life at Dhanvarsha. It is embedded in the Company's DNA and reflects in the journey of products, processes and policies formulated and implemented from time to time. We were unconsciously doing a lot of activities that aligned ESG goals in last one year. We have consciously built a structure and framework to streamline our efforts.

Dhanvarsha's ESG framework has been drafted after rigorous assessment of global ESG standards and India-specific alterations to address our unique challenges effectively through product, policy, or process interventions. A prominent consulting firm handheld Dhanvarsha in the past few months to add nuance to the development of the ESG framework, refining the key performance metrics and planning a compliance roadmap to ensure that our goals evolve alongside business growth.

In line with our philosophy of building Social Capital guided by the principle of Lending Hand-Head-Heart, our report will lay down the responses to the practices and performance on few key principles defined by the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time ("Listing Regulations"). In adherence to the provisions of ("Listing Regulations"), it is mandatory for the top 1000 listed entities (as per market capitalization as on March 31) on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") to state a Business Responsibility Report ("BRR") in their Annual Report.

Dhanvarsha is committed to the UN Sustainable Development Goals (UN-SDGs), to pursue sustainable development, spread across three dimensions: Environmental, Socio-Economic and Governance. This has catalyzed the top-down efforts to update our values and policies and align governance mechanisms to lead business operations effectively in spirit of sustainability.

In the Covid-19 pandemic era, uncertainty is the new certainty, and we are operating in one of the most challenging times witnesses in last 6 decades at a global level. It has challenged us to do better and improve as we go along to run prudent operations and empower our stakeholders in this journey. In the last 12 months, we have spear-headed initiatives to enable access to credit by onboarding new-to-credit users with a bouquet of products and services to suit their diverse needs at personal and business front. Making financial inclusion meaningful for our external stakeholders has proved to be a daunting but rewarding experience. We are excited to charge forward with better, safer and more sustainable financial products to include millions of Indians within the ambit of financial services.

Being in the financial services sector, our business has limited impact on the environment. We are sensitive to the need to reduce paper consumption, make workspaces eco-friendly through design interventions and revamp processes to significantly reduce direct or derived carbon footprint across our business operations.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2021				
SECTION A : GENERAL INFORMATION ABOUT THE COMPANY				
Sr. No.	**Particulars**	**Reply**		
1.	Corporate Identity Number (CIN) of the Company	L24231MH1994PLC334457		
2.	Name of the Company	Dhanvarsha Finvest Limited ("DFL/Dhanvarsha/Company")		
3.	Registered Address	2nd Floor, Building. No. 4, DJ House, Old Nagardas Road, Andheri (East), Mumbai - 400 069		
4.	Website	www.dfltd.in		
5.	Email id	contact@dfltd.in		
6.	Financial Year reported	April 01, 2020 – March 31, 2021		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**NIC Code**	**Group**	**Description**
		K	649	Other financial service activities, except insurance and person funding activities
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	DFL is a financial services company offering financing through varied loan products such as gold loans, business loans, personal loans and loans against property etc.		

9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	DFL has its Registered Office and Corporate Office in Mumbai in the state of Maharashtra and as on June, 2021 Dhanvarsha has a rapidly expanding network of more than 300 financial inclusion stores, 25 experiential centers and 125 partner branches.
10.	Markets served by the Company – Local / State / National / International	DFL serves its customers in various local / states / national locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

Sr. No.	Particulars	Reply
1.	Paid up Capital (₹ in lakhs)	1,529.24
2.	Total Turnover (₹ in lakhs)	Consolidated: 3,006.41 Standalone: 2,441.98
3.	Total Profit after Taxes (₹ In lakhs)	Consolidated: 130.10 Standalone: 68.45
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not Applicable
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable

During the financial year 2020-2021, the Company was not required to comply with the requirement of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014

SECTION C: OTHER DETAILS

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

Yes, Dhanvarsha Finvest Limited has a wholly owned subsidiary viz. DFL Technologies Private Limited.

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

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

3. Do any other entity / entities (e.g., suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities (Less than 30%, 30%, 60%, More than 60%).

No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

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

Sr. No.	Name	Designation	DIN
1.	Mr. Rakesh Sethi	Independent Director	02420709
2.	Mr. Rajiv Kapoor	Independent Director	08204049
3.	Mr. Rohanjeet Singh Juneja	Joint Managing Director	08342094

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if any)	Not Applicable
2.	Name	Ms. Priyanka Singh
3.	Designation	Chief Impact Officer
4.	Telephone Number	+91 22 2826 4295
5.	E-mail ID	contact@dfltd.in

2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility (BR) policy / policies (reply with Y / N)

(a) Details of compliance

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

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

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

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

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

P5 - Businesses should respect and promote human rights.

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

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

P8 - Businesses should support inclusive growth and equitable development.

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

The principle wise responses are as follow:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	NA (Refer note 1)	Y	Y	Y	NA (Refer note 5)	NA (Refer note 6)	NA (Refer note 7)	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	Y	NA	NA	NA	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies adopted by the Company are in conformity with the applicable rules and regulations.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Policies wherever stated have been approved by the Board / Committee of the Board/Senior Management of the Company and followed by the Company.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	NA	Y	Y	Y	NA	NA	NA	Y
6	Indicate the link for the policy to be viewed online?	As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company i.e. www.dfltd.in.								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	Y	NA	NA	NA	Y
8	Does the Company have in-house structure to implement the policy/policies?	Yes, the Company implements all the policies in the Board Meeting held on quarterly basis that are held as per Companies Act, 2013.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	NA	Y	Y	Y	NA	NA	NA	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	NA	Y	Y	Y	NA	NA	NA	Y

Notes:

1. The Company is into financial services and hence this principle has a limited applicability. However, the Company complies with all applicable regulations in respect of its operations.
2. The Company has adopted various employee-oriented policies covering areas such as employee benefits, whistleblower mechanism, prevention of sexual harassment policy and code of conduct for employees at the workplace as per applicable laws.
3. The Company has prescribed processes to achieve the objectives described under this principle.
4. The Company has put in place code of conduct which focuses on best employment practices. The code of conduct is in adherence to the regulatory and business requirements. The said code of conduct is made available on the website of the Company i.e. www.dfltd.in.
5. The questions relating to principle 6 are not substantially relevant to the Company given that the Company operates into the financial services sector. The Company complies with the applicable environmental norms in respect to the areas of its operations. The Company along with its employees make continues efforts to ensure that there is an optimum utilization of the available resources with minimum or no wastages at all.
6. Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.
7. As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of ` 500 crores or more or turnover of ₹ 1000 crores or more or net profit of ₹ 5 crores or more during immediately preceding financial year shall ensure that it spends, in every financial year, at least 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The said requirements is not applicable to the Company for the financial year 2020-2021.
8. All policies and processes are subject to internal audit and internal reviews from time to time.

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									

6.	Any other reason (please specify):									
(a)	The Company is into Financial Services and hence this principle has a limited applicability.		√							
(b)	The questions relating to principle 6 are not substantially relevant to the Company given that the Company operates into the financial services sector.						√			
(c)	The Company does not fulfill the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014. Hence the said requirement is not applicable to the Company for the financial year 2020-21.							√		
(d)	Keeping in view the Company's nature of business i.e. financial services, such policy is not applicable to the Company.								√	

3. Governance related to BR:

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

The Business Responsibility Report is reviewed annually by the Board of Directors of the Company.

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

This Business Responsibility Report of the Company will be a part of the Annual Report for the financial year 2020-21. The same will also be available on the website of the Company i.e. www.dfltd.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company conducts its business with utmost integrity. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organization. The Company is committed to act professionally, fairly and with integrity in all its dealings. The Company, through its Code of Conduct, has adopted a 'zero tolerance' approach to bribery and corruption. The code is applicable to the Directors and employees of the Company as well as the Directors and employees of the subsidiary company.

The ethics form a core part of the Company's core principles. Moreover, the Company has a separate whistle blower policy. Further, the Company is abided to take suitable action if any, fraud has been communicated by the auditors of the Company. The Company in order to have at ethical business model of working also emphasis on non-cash transaction. The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training and conduct seminars for employees to abide by the Company's policies in true spirit.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2020-21, the Company had not received any complaint from the investors.

With respect to employees, the Company has a mechanism as provided under the Whistle Blower Policy / Prevention of Sexual Harassment Policy whereby employees can raise their concerns. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

Any complaints received from customers directly or through various regulators in the ordinary course of business are handled by a grievance redressal team or operations and legal team as per applicability and the resolution is within the prescribed timelines as required under the various regulations.

Principle 2

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

Considering the nature of business of the Company, the said principle may not be strictly applicable to the Company. However, the Company is committed to undertake endeavour to the best of its capability to serve the socio-economic opportunities through its products such as Atmanirbhar Loans, Upskilling and Medical Loans etc.

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

Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

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

   Not Applicable

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

   Please refer to the response under Principle 6. Since, the Company is not involved in manufacturing activity, the reporting on use of energy, water, raw material etc is not applicable. However, the information pertaining to various measures adopted by the Company in relation to conservation of energy are provided in "Annexure VII to the Director's Report".

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company being a financial services Company does not have any goods and raw material utilisation as part of its products and services. The Company's major material requirements are related to office infrastructure, administration and IT related equipment's and services. Although, there is very limited procurement requirement, the Company takes various initiatives to have responsible sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company wherever practically possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronizing them to supply / provide different services required by the Company for its day to day administration / operation.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by recycling paper, tissue, plastic bottles, and cardboard waste. Also, the old papers and documents are scrapped in such a manner such that they may be recycled.

Principle 3

Building and enhancing the talent pool has always been a top priority initiative. The Company has been successful in attracting varied talent that brings sound expertise, new perspectives and enthusiasm to the job. The Company has adopted various policies, procedures, manuals and conducted various training programs, throughout the year, for the protection and welfare of the employees. The Company promotes work-life balance approach. The Company has taken various initiatives for the welfare of the employees like leaves, insurance coverage, Health Checkups, Off sites etc.

1. Please indicate the Total number of employees.

The total number of employees of the Company as on March 31, 2021 is 97.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The total number of employees hired on temporary/ contractual/casual basis as on March 31, 2021 is 322.Please indicate the Number of permanent women employees – 14

3. Please indicate the Number of permanent women employees - 14

4. Please indicate the Number of permanent employees with disabilities.

There are no employees with disability in the Company and its subsidiary. However, DFL provides equal opportunity to all and does not discriminate on the basis of disabilities.

5. Do you have an employee association that is recognized by management?

No. However, mechanisms are in place for employees to represent their issues, if any, and the same are resolved amicably.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

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

Sr. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	The Company does not support child labour, forced labour or involuntary labour. There is no reported case of Child labour, forced labour or involuntary labour.	Not Applicable
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

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

The Company is taking continuous efforts in providing various platforms to all its employees (permanent, casual, contractual, temporary) to upgrade their innate skills and learn new things.

(a) Permanent Employees

All the permanent employees of the Company and its subsidiary (including women employees) have received training last year. Employees undergo fire drill and fire safety training and other skill up-gradation training every year.

(b) Permanent Women Employee

All the permanent women employees of the Company and its subsidiary have received training last year. Employees undergo fire drill and fire safety training and other skill up-gradation training every year.

(c) Casual/Temporary/Contractual Employees

All the Casual/Temporary/Contractual employees have undergone fire drill and fire safety training and other skill up-gradation training every year.

(d) Employees with Disabilities

The Company did not have any employee with disabilities in employment during the year.

Principle 4

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

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company engages with each of its stakeholders through a variety of forums and platforms. The Company was formed with a vision to empower, with financial access, the unserved and underserved entrepreneurs of India. The mission is to not just achieve broad-based financial inclusion in this great nation of ours. It is to achieve financial inclusion with a greater social purpose – to build social capital.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company follows the code of conduct which covers employees of the Company and its subsidiary. In addition, the Company's whistle blower program covers all its internal and external stakeholders.

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

   Please refer response to question number 2 under Principle 1.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   As mentioned under responses to Principle 2, given the nature of business of the Company this Principle is not largely relevant. However, the Company and its subsidiary are in compliance with applicable environmental regulations.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   As an environmentally responsible corporate, the Company has been striving towards imbibing green sustainable products, processes, policies, and practices. Energy conservation measures such as installation of energy efficient equipment are some of the key initiatives undertaken by us. The Company is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment. . The Company emphasizes on reducing dependency on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

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

   Since the Company is not a manufacturing entity, the above question is not applicable.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Since the Company is not a manufacturing entity, the above question is not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As mentioned above, the Company participates in several initiatives in the area of environment and sustainability. The Company has also taken several measures to minimise our environmental impact due to business travel. These measures include carpooling, video / audio conferencing facilities at all major offices. The Company has also moved to digitalization platform wherein the Company saves on paper and stationery.

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

Since the Company is not a manufacturing entity, the above question is not applicable.

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

Nil

Principle 7

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

No

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

No

Principle 8

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

Not Applicable. However, the Company has expanded its reach to Tier 2 and Tier 3 cities in different states of India through its financial inclusion centers and experiential outlets to impart knowledge of financial services and improve the access affordable financial products. In these initiatives, the Company engages with local talent at multiple levels. Moreover, the Company nurtures local talent through innovative hiring, training and upskilling efforts to ensure that community engagement is geared towards building social capital and promoting community well-being within the scope of a financial services company.

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

Not Applicable.

3. Have you done any impact assessment of your initiative?

Not Applicable.

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

Not Applicable

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not Applicable

Principle 9

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

   The Company has no unresolved consumer case(s). Customer complaints have a defined time to resolution as per internal policies and regulatory requirement as applicable in usual course of business and there are dedicated resources to resolve complaints as and when they are received. The Company and its subsidiary in their normal course of business resolve / reply to the customer grievances within the given timelines.

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

   Since the Company is not a manufacturing entity, the above question is not applicable.

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

   No.

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

   In the normal course of the Company's services to the customers, the customer service teams do ascertain the satisfaction of the customers as per the laid down systems and methodologies and also the management assesses the customer satisfaction level on important / critical areas from time to time. However, no such formal consumer survey / consumer satisfaction trend has been carried out by the Company.

For and on behalf of the Board of Directors

	sd/-	**sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Place: Mumbai	(Joint Managing Director)	(Joint Managing Director)
Date: August 13, 2021	DIN: 08342094	DIN: 05285546

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for the financial year ended March 31, 2021, on compliance of Dhanvarsha Finvest Limited (hereinafter referred to as the **"Company"**) with the corporate governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) as amended from time to time is given below.

In compliance with the applicable provisions of the Companies Act, 2013 (including any statutory modification/(s) or re-enactment/(s) thereof, for time being in force) and the Listing Regulations, this report covers the developments during the financial year ended March 31, 2021 and upto the date of the board meeting held on August 13, 2021 to approve this report, in respect of the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to conducting its business in accordance with applicable laws, rules and regulations. Your Company believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization.

The Company's philosophy on the corporate governance is based on the following principles:

- Integrity & ethics in all our dealings.
- Have a simple and transparent corporate structure driven solely by business needs.
- Be transparent with a high degree of disclosure & adequate control system.

The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders. The Company aims at enhancing long term shareholder value through sound decisions. Further, it aims at achieving excellence in corporate governance by conforming to the prevalent guidelines on corporate governance and excelling in, systems and controls through periodic review and improvements.

Your Company follows the provisions of the Corporate Governance specified in the Listing Regulations. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholders' value on a sustained basis.

2. BOARD OF DIRECTORS

(a) Composition of the Board of Directors

As per the provisions of Regulation 17 of Listing Regulations, the Board of Directors of the Company has optimum combination of executive and independent directors. The Board of Directors of the Company comprises of 9 (nine) directors out of which 5 (five) directors are Independent Directors, 2 (two) are Non-Executive Non-Independent Directors and 2 (two) are Executive Directors. Mr. Rakesh Sethi, Independent Director is the Chairperson of the Company.

Mrs. Manjari Kacker is appointed as Independent Director in compliance with Regulation 17(1)(a) of the Listing Regulations.

The composition of the Board of Directors of the Company comprises of the following:

Category	Name of the Director
Independent Directors	Mr. Rakesh Sethi (DIN:02420709) (Chairperson)
	Mr. Rajiv Kapoor (DIN:08204049)
	Mr. Krishipal Raghuvanshi (DIN:07529826)
	Mr. Nirmal Vinod Momaya (DIN:01641934)
	Mrs. Manjari Kacker (DIN:06945359)
Non-Executive Non-Independent Directors	*Mrs. Minaxi Mehta (DIN: 03050609)
	**Mr. Atwood Porter Collins (DIN: 09239511)
Executive Directors	Mr. Karan Neale Desai (DIN:05285546)
Joint Managing Director	Mr. Rohanjeet Singh Juneja (DIN: 08342094)

*Mrs. Minaxi Mehta (Promoter) is appointed as Non-Executive Non-Independent Director w.e.f June 10, 2021.

**Mr. Atwood Porter Collins is appointed as Non-Executive Non-Independent Director w.e.f July 31, 2021.

(b) Brief profiles of the Directors

The brief profile of the Directors is available on website of the Company i.e. www.dfltd.in. The brief profile of all Directors is also mentioned in the introductory part of the Annual Report. The Directorships of the Directors in other Listed companies as on March 31, 2021, are under:

Name of Director	Name of other Listed Companies	Category of Directorship
Mr. Rakesh Sethi	-	-
*Mr. Ashish Sharad Dalal	-	-
Mr. Rajiv Kapoor	-	-
Mr. Krishipal Raghuvanshi	-	-
Mr. Nirmal Vinod Momaya	Camlin Fine Sciences Limited	Executive Director
Mrs. Manjari Kacker	1.Reliance Infrastructure Limited 2. Arshiya Limited	Independent Director
**Mrs. Minaxi Mehta	-	-
***Mr. Atwood Porter Collins	-	-
Mr. Karan Neale Desai	-	-
Mr. Rohanjeet Singh Juneja	-	-

*Mr. Ashish Sharad Dalal, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

**Mrs. Minaxi Mehta (Promoter) is appointed as Non-Executive Non-Independent Director w.e.f June 10, 2021

***Mr. Atwood Porter Collins is appointed as Non-Executive Non-Independent Director w.e.f July 31, 2021

Note: The above list of Directorship of all the Directors in other listed Companies is as on March 31, 2021.

(c) Matrix chart of core skills/expertise/competencies of the Board members

Your Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates.

Pursuant to Listing Regulations, a matrix chart setting out the core skills/expertise/competence of the Board is mentioned below:

Sr. No.	List of core skills/ expertise/ competence	Mr. Rakesh Sethi	Mr. Rajiv Kapoor	Mr. Krishipal Raghuvanshi	Mr. Nirmal Vinod Momaya	Mrs. Manjari Kacker	Mrs. Minaxi Mehta	Mr. Atwood Porter Collins	Mr. Karan Neale Desai	Mr. Rohanjeet Singh Juneja
1.	Industry experience and Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Accounting & Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Capital Markets / Treasury	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Corporate Governance & Compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Business Development and Strategy Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓
7.	Risk Management System	✓	✓	✓	✓	✓	✓	✓	✓	✓
8.	CEO/ Senior Management Experience/ Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
9.	Marketing Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sr. No.	List of core skills/ expertise/ competence	Mr. Rakesh Sethi	Mr. Rajiv Kapoor	Mr. Krishipal Raghuvanshi	Mr. Nirmal Vinod Momaya	Mrs. Manjari Kacker	Mrs. Minaxi Mehta	Mr. Atwood Porter Collins	Mr. Karan Neale Desai	Mr. Rohanjeet Singh Juneja
10.	Risk and Compliance oversight	✓	✓	✓	✓	✓	✓	✓	✓	✓
11.	Human Resource Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
12.	Stakeholders Relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓

(d) Board Meetings and Directorship/ Committee Membership(s) of Directors

During the financial year 2020-2021, 10 (Ten) meetings of the Board of Directors of the Company were held. These 10 (Ten) meetings were held on April 03, 2020, May 13, 2020, June 15, 2020, July 31, 2020, August 07, 2020, August 22, 2020, September 11, 2020, November 11, 2020, December 24, 2020 and February 05, 2021. The maximum time gap between any two board meetings was less than 120 days.

As mandated by the Listing Regulations and amendments thereof, none of the Directors on the Board of the Company is member of more than 10 (Ten) specified committees and none is a Chairperson of more than 5 (Five) specified committees in which they are directors across all the Indian Public Limited companies except companies incorporated under Section 8 of the Companies Act, 2013.

None of the Directors of the Company holds directorship in more than 7 (Seven) listed companies of our Independent Directors serve as non-independent director of any company, on the board of which any non-independent director is an independent director.

The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other companies. The table below gives the details of the names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting (**"AGM"**), their Directorships, Committee Memberships and Chairmanships in Indian Public Limited companies. It excludes the directorships of private limited companies, foreign companies and Section 8 companies.

Name of Director	Category	Attendance Particulars		No. of Directorships and Committee Chairmanship / Membership (including the Company)				
		Number of Board Meetings Attended	Last AGM	Director ship	Chairmanship in Listed companies	Director ship in Listed companies	Committee Chairmanship	Committee Membership
Mr. Rakesh Sethi	Independent Director-Chairperson	10	No	2	1	1	0	0
*Mr. Ashish Sharad Dalal	Non- Executive Director	7	Yes	1	0	1	0	0
Mr. Rajiv Kapoor	Independent Director	10	Yes	1	0	1	1	2
Mr. Krishipal Raghuvanshi	Independent Director	10	Yes	1	0	1	0	2
Mr. Nirmal Vinod Momaya	Independent Director	9	Yes	2	0	2	1	1
Mrs. Manjari Kacker	Independent Director	10	Yes	3	0	3	1	3
**Mrs. Minaxi Mehta	Promoter Non-Executive Non-Independent Director	-	-	-	-	-	-	-
***Mr. Atwood Porter Collins	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
Mr. Karan Neale Desai	Executive Director	10	Yes	1	0	1	0	1
Mr. Rohanjeet Singh Juneja	Executive Director	10	Yes	1	0	1	0	0

*Mr. Ashish Sharad Dalal, Non-Executive Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

**Mrs. Minaxi Mehta (Promoter) is appointed as Non-Executive Non-Independent Director w.e.f June 10, 2021

***Mr. Atwood Porter Collins is appointed as Non-Executive Non-Independent Director w.e.f July 31, 2021

Notes:

1. The Committees considered for the above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.
2. The membership count also includes the count in which the director is Chairperson.
3. No recommendation of any Committee which is mandatorily required to have Board approval in 2020-21 was rejected / not accepted by the Board.
4. None of the Directors are inter se related.

Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors Present
April 03, 2020	8	8
May 13, 2020	8	8
June 15, 2020	8	8
July 31, 2020	8	8
August 07, 2020	8	8
August 22, 2020	8	8
September 11, 2020	8	8
November 11, 2020	7	6
December 24, 2020	7	7
February 05, 2021	7	7

(e) Board Level Performance Evaluation

The Nomination and Remuneration Committee of the Company has laid down the criteria for performance evaluation of the Executive Directors, Non-Executive Directors including Independent Directors and Committee of the Board and the Board as a Whole. The criteria for performance evaluation is as under:

For Executive Directors:

The criteria for evaluation of Executive Directors, inter alia, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to board in formulating policies and setting standards and following them, accessibility, ability to analyse strategic situations, ability to project positive image of the Company, compliance with regulatory requirements and handling critical situations concerning the Company.

For Non-Executive Directors (including Independent Directors):

The criteria for evaluation of the Non Executive Directors, inter alia, includes attendance at the meetings, study of agenda and active participation, contribution to discussions on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his / her experience and adherence to the code of conduct.

For Board as a whole:

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, teamwork, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members, proper mix of competencies and enough experience to conduct affairs effectively.

(f) Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company and it is uploaded on the website of the Company i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/code-of-conduct-for-directors-and-senior-managers.pdf. The Code of Conduct has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them. The declarations signed by the Joint Managing Directors of the Company as required under Listing Regulations is annexed herewith.

(g) Independent Directors

The Independent Directors plays an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the field of finance, management and public policy. The Independent Directors satisfy the criteria of independence as defined in the Listing Regulations and the Companies Act, 2013 and rules made thereunder. They perform the duties as stipulated in the Companies Act, 2013 and rules made thereunder.

Details of Appointment of the Directors are as mentioned below:

a. Mr. Rakesh Sethi was appointed as an Independent Director for a period of 5 (Five) years w.e.f. October 15, 2019, at the Twenty-Sixth Annual General Meeting of the Company.

b. Mr. Rajiv Kapoor was appointed as an Independent Director for a term of 5 (Five) years w.e.f. February 3, 2020, at the Twenty-Sixth Annual General Meeting of the Company.

c. Mr. Krishipal Raghuvanshi was appointed as an Independent Director for a term of 5 (Five) years w.e.f. August 24, 2018, at the Twenty-Fourth Annual General Meeting of the Company.

d. Mr. Nirmal Vinod Momaya was appointed as an Independent Director for a term of 5 (Five) years w.e.f. August 10, 2018, at the Twenty-Fourth Annual General Meeting of the Company.

e. Mrs. Manjari Kacker was appointed as an Independent Director for a term of 5 (Five) years w.e.f. September 28, 2018, at the Twenty-Fourth Annual General Meeting of the Company.

All appointments were made pursuant to the provisions of the Section 149 read with Schedule IV of the Companies Act, 2013 and rules made thereunder.

The Company has issued a formal letter of appointment to the Independent Directors containing their duties, terms and conditions of appointment. The same is also disclosed on the website of the Company i.e., www.dfltd.in. The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of the Directors) Rules, 2014 amended from time to time for the financial year ended March 31, 2021.

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the Company and business model of the Company. This is also disclosed on the website of the Company i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/familiarization-programmes-FY2018-19.pdf.

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, a separate meeting of Independent Directors of the Company was held on June 10, 2020, inter alia, to discuss the following:

- To review the performance of Non-Independent Directors, the various committees of the Board and the Board as a whole;
- To review the performance of the Chairperson of the Company; and
- To assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their overall satisfaction over the performance of the other Directors and the Board as a whole and some suggestions were being discussed with the Executive Directors.

The Independent Directors also expressed their satisfaction over the quality, quantity and timeliness flow of information between the Company management and the Board / Committees of the Board from time to time and performance of the Chairperson of the Company. The Board of Directors of the Company appreciated the performance of the Joint Managing Directors and stated that they have, exceeded the expectation of the Board, in such difficult times.

(h) Information supplied to the Board/ Committees

The Company Secretary prepares the Agenda in consultation with the Chairperson of the Board of Directors and the chairperson of various Committees. The Agenda of the meeting inter-alia includes the information as specified to be provided under Part–A of Schedule II of the Listing Regulations.

The Listing Regulations are made available to the Board. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, presentation and papers are circulated well in advance of the meetings to enable the Board and the Committees to deliberate and take informed decisions.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/ half yearly unaudited financial results/statements and the audited annual financial statements, annual operating plans and budgets, minutes of meetings of audit committee and other committees of the Board. It monitors overall operating performance and reviews such other items which require special attention of the Board of Directors of the Company. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the applicable laws and regulations.

3. Committees of the Board

In terms of the Companies Act 2013, Listing Regulations and RBI Master Directions, the Board of Directors has constituted various Committees. The composition of the various Committees along with their terms of reference are as under:

(a) Audit Committee

The composition, role and powers of the Audit Committee meet the requirements of Part C of Schedule II with reference to the Listing Regulations and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2021, the Audit Committee comprised of following Independent Directors:

(a) Mr. Nirmal Vinod Momaya, Chairperson

(b) Mr. Krishipal Raghuvanshi, Member

(c) Mrs. Manjari Kacker, Member

(d) Mr. Rajiv Kapoor, Member

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

Mr. Nirmal Vinod Momaya, Independent Director of the Company and Chairperson of the Audit Committee is a Chartered Accountant by profession. All the members of Audit Committee are Independent of the Company. All the members of the Audit Committee are financially literate and possess accounting and financial management expertise.

The Board has delegated the following powers to the Audit Committee: -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

The broad terms of reference of the Audit Committee are:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by the management.
   d. significant adjustments made in the financial statements and information arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions;
   g. modified opinions on the draft audit report.
5. reviewing with the management, the quarterly financial statements before submission to the Board for its approval;
6. reviewing with the management, the statement of uses / application of funds raised through an issue (public issue,

rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the Whistle Blower mechanism;
19. approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
22. Reviewing the following information:
    (1) Management Discussion and Analysis of the financial condition and results of operations;
    (2) Statement of significant related party transactions submitted by the management;
    (3) Management letters/letters on internal control weaknesses issued by the statutory auditors;
    (4) Internal audit reports relating to internal control weaknesses;
    (5) The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
    (6) Statement of deviations:
        (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations.
        (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of the Listing Regulations.

During the year under review, the Audit Committee of the Company met 5 (Five) times on June 15, 2020, August 22, 2020, September 11, 2020, November 11, 2020 and February 5, 2021. The necessary quorum was present at the meetings. The gap between two Audit Committee Meetings was not more than 120 days.

The constitution of the Audit Committee and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of the Committee as on March 31, 2021 is given below:

Name of the Member	Category of Directorship	Designation	No. of Meetings held	No. of Meetings Attended
Mr. Nirmal Vinod Momaya	Independent Director	Chairperson	5	4
Mr. Krishipal Raghuvanshi	Independent Director	Member	5	5
Mrs. Manjari Kacker	Independent Director	Member	5	5
Mr. Rajiv Kapoor	Independent Director	Member	5	5

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of the Statutory Auditors and Internal Auditors, if required.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 21, 2020.

Further, the Audit Committee has been reconstituted on June 10, 2021 and the composition of the same as on date is as follows:

Name of the Member	Category of Directorship	Designation
Mr. Nirmal Vinod Momaya	Independent Director	Chairperson
Mrs. Manjari Kacker	Independent Director	Member
Mr. Rajiv Kapoor	Independent Director	Member
Mrs. Minaxi Mehta	Non-Executive Non- Independent Director	Member

(b) Nomination and Remuneration Committee

The composition, role and powers of the Nomination and Remuneration Committee meet the requirements of Part D of Schedule II with reference to the Listing Regulations and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As at March 31, 2021, the Nomination and Remuneration Committee consists of the following Independent Directors:

(a) Mrs. Manjari Kacker, Independent Director, Chairperson

(b) Mr. Nirmal Vinod Momaya, Independent Director, Member

(c) Mr. Rakesh Sethi, Independent Director, Member

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

The members of the Company at the Annual General Meeting held on September 28, 2018, based on the recommendation of the Board has instituted "Dhanvarsha ESOP Plan - 2018" (**"ESOP 2018"**) to motivate, incentivize and reward employees. The Nomination Remuneration Committee administers the ESOP 2018. The ESOP 2018 follows Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefits Regulations").

The Company has in force the following Schemes which are prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"):

(a) Dhanvarsha ESOP Plan-2018 ("ESOS Scheme 2018")

(b) DFL Employees Stock Option Scheme- 2021 ("ESOS Scheme 2021")

Dhanvarsha ESOP Plan - 2018 and DFL Employees Stock Option Scheme- 2021 are hereinafter collectively together referred to as "ESOP Schemes."

The Nomination Remuneration Committee administers the ESOP Schemes.

The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employee.

2. To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

3. To ensure 'fit and proper' status and credentials of proposed/existing directors;

4. To formulate criteria for evaluation of performance of independent directors and the board of directors;

5. Review the performance of the Board of Directors and senior management employees based on certain criteria as approved by the Board of the Directors of the Company. In reviewing the overall remuneration of the Board of Directors and senior management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of the Company;

6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

7. Perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

During the year under review, the Nomination and Remuneration Committee of the Company met 3 (Three) times on June 10, 2020, July 31, 2020, and December 24, 2020. The necessary quorum was present at the meetings.

The constitution of the Nomination and Remuneration Committee and details of attendance of each member of the Committee at the aforesaid Meeting(s) of Committee as on March 31, 2021, is given below:

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mrs. Manjari Kacker	Independent Director	Chairperson	3	3
Mr. Rakesh Sethi	Independent Director	Member	3	3
Mr. Nirmal Vinod Momaya	Independent Director	Member	3	3
*Mr. Ashish Sharad Dalal	Non-Executive Non-Independent Director	Member	3	2

* Mr. Ashish Sharad Dalal, Non-Executive & Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 21, 2020. The Board of Directors of the Company has approved the Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

(a) Nomination and Remuneration Policy:

I. Appointment and removal of Directors, Key Managerial Personnel and Senior Management:

1. Appointment Criteria and Qualifications:

    a) A person being appointed as Director, Key Managerial Personnel (KMP) or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

    b) Independent Director:

        (i) Qualifications of Independent Director:

        An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the business of the Company.

        (ii) Positive attributes of Independent Directors:

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

2. Removal:

   Due to reasons for any disqualification mentioned in the Companies 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 Companies Act, rules and regulations.

3. Retirement:

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

II. Remuneration:

1. Directors:

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

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

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

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

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

   b) Non-Executive and Independent Director:

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

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

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

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

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

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

2. KMP & Senior Management Personnel:

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

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

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

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

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

III. Evaluation:

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

(a) Details of Remuneration paid to Directors during financial year 2020-21, are as under:

(₹ in lakhs)

Name of the Director	Designation	Salary & Perquisite	Commission	Sitting Fees	Contribution to PF and other Funds, Gratuity	Number of Stock Options	No. of equity shares held
Mr. Rakesh Sethi	Independent Director, Chairperson	-	0.66	9.50	-	-	-
Mr. Rajiv Kapoor	Independent Director	-	0.66	10.50	-	-	-
*Mr. Ashish Sharad Dalal	Non-Executive	-	0.66	6.00	-	-	-
Mr. Krishipal Raghuvanshi	Independent Director	-	0.66	10.75	-	-	-
Mr. Nirmal Vinod Momaya	Independent Director	-	0.66	10.25	-	-	-
Mrs. Manjari Kacker	Independent Director	-	0.66	12.00	-	-	-
Mr. Karan Neale Desai	Executive Director	50.7	-	-	2.5	5,63,651	36,349
Mr. Rohanjeet Singh Juneja	Executive Director	50.09	-	-	2.5	6,00,000	-

* Mr. Ashish Sharad Dalal, Non-Executive & Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

(b) Remuneration to Non-Executive/ Independent Directors:

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings).

With effect from April 03, 2020 as per the instructions of the Board of Directors of the Company the sitting fees payable to Independent Directors for attending board meetings of the Company were reduced from ₹ 1,00,000/- per meeting to ₹ 25,000/-per meeting. Similarly sitting fees payable to Independent Directors for attending committee meetings were reduced from ₹ 50,000/- per meeting to ₹ 25,000/- per meeting. The aforesaid reduction was carried out due to adverse effects of Covid-19 pandemic in India. However, w.e.f. July 31, 2020 the sitting fees payable to Independent Directors for attending Board meetings and committee meetings were reinstated to ₹ 1,00,000/- per meeting and ₹ 50,000/- per meeting respectively. The Independent Directors are also eligible for reimbursement directly related to the actual travel and out of pocket expenses if any incurred by them.

In addition, the Independent Directors are also eligible for commission as approved by the shareholders of the Company at the Annual General Meeting held on September 28, 2018. The amount of commission is based on the overall financial performance and as decided by the Board of Directors of the Company. The Company has not granted any stock options to Non-Executive Independent Directors.

Apart from the above, no other remuneration is paid to the Non-Executive/ Independent Directors. There are no pecuniary relationships or transaction of the Non-Executive Directors with the Company. The Company has obtained a Directors and Officers Liabilities Insurance policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company. None of the Independent Directors are holding any shares in the Company.

(c) Stakeholders Relationship Committee

The composition, role and powers of the Stakeholders Relationship Committee meet the requirements of Part D of Schedule II with reference to Regulation 20 of the Listing Regulations and Section 178 (5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

As at March 31, 2021, the Stakeholders Relationship Committee consists of the following members:

(a) *Mr. Rajiv Kapoor, Chairperson

(b) Mr. Krishipal Raghuvanshi, Member

(c) Mr. Karan Neale Desai, Member

*Further pursuant to resignation of Mr. Ashish Sharad Dalal, the Committee was reconstituted on November 11, 2020, and Mr. Rajiv Kapoor was appointed as the Chairperson of the Stakeholders Relationship Committee.

Further, the Stakeholders Relationship Committee has been reconstituted on June 10, 2021, and the composition of the same as on date is as follows:

Name of the Member	Category of Directorship	Designation
Mrs. Manjari Kacker	Independent Director	Chairperson
Mr. Krishipal Raghuvanshi	Independent Director	Member
Mr. Karan Neale Desai	Executive Director	Member

The Stakeholders Relationship Committee is entrusted with the responsibility of redressing the shareholders'/ investors' complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend and other queries/ complaints, if any. This committee also oversees the performance of the Registrar and Share Transfer Agent of the Company relating to the investor services and recommends measures for improvement.

The broad terms of reference of committee are as under:

1. Approval of transfer / transmission of shares / debentures and such other securities as may be issued by the Company from time to time;
2. Approval to issue of duplicate share certificates for shares / debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Approval to issue new certificates against sub-division of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
4. Approval to issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
5. To approve and monitor dematerialization of shares/ debentures / other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors / stakeholders grievances;
7. Review of measures taken for effective exercise of voting rights by shareholders;
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company and;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

During the year under review, the Stakeholders Relationship Committee of the Company met once i.e., on June 10, 2020. The necessary quorum was present at the meeting.

The constitution of the Stakeholders Relationship Committee and details of attendance of each member of the Committee at the aforesaid Meeting of Committee as on March 31, 2021, is given below:

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
*Ashish Sharad Dalal	Non-Executive Non-Independent Director	Chairperson	1	1
Mr. Rajiv Kapoor	Independent Director	Chairperson	1	1
Mr. Krishipal Raghuvanshi	Independent Director	Member	1	1
Mr. Karan Neale Desai	Executive Director	Member	1	1

* Mr. Ashish Sharad Dalal, Non-Executive & Non-Independent Director of the Company, resigned from the directorship of the Company w.e.f. close of business hours on November 10, 2020.

The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 21, 2020.

The name, designation and address of the Compliance Officer of the Company is as under:

Name and Designation	Mr. Fredrick Pinto, Company Secretary & Compliance Officer
Registered Office Address	Building No. 4 2nd Floor, DJ House Compound, Old Nagardas Road, Andheri (East), Mumbai - 400 069
Contacts	Tel: +91 - 22 - 2826 4295 E-mail: contact@dflltd.in

The Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

During the year 2020-21, the Company received no complaints from equity shareholders and non-convertible debenture holders and through SEBI's SCORES portal.

No pledge has been created over the equity shares held by the promoters as on March 31, 2021.

(d) Finance Committee

As at March 31, 2021, the Finance Committee consists of the following members:

(a) Mr. Rakesh Sethi, Chairperson

(b) Mr. Krishipal Raghuvanshi, Member

(c) Mr. Nirmal Vinod Momaya, Member

(d) Mrs. Manjari Kacker, Member

(e) Mr. Karan Neale Desai, Member

(f) Mr. Rohanjeet Singh Juneja, Member

The Finance Committee of the Company had the key responsibilities such as to look into the borrowings, if any, to be made from fund and non-fund based limits for the business requirements of the Company, to authorize officers of the Company to open/operate/close bank accounts, to approve the grant and execution of power of attorneys to the officers of the Company, besides the other powers granted to it by the Board from time to time.

The broad terms of reference of the Finance Committee are as under:

1. Review and approve the loan facilities and borrowings within the limits specified;
2. Review the facilities beyond their limits and thereafter propose to the Board;
3. Nominate and designate representative(s) to carry out the required documentation for the facilities approved by the Committee;

4. Review and approve placement of the Company's funds as per the Investment Policy approved by the Board, from time to time;

5. Review the annual budget and revisions made to the Business Plan and make specific recommendations to the Board on its adoption, including where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of the proposed funding levels as also adequacy of provision for reserves;

6. Review the funding mix from time to time to ensure mitigation of risk concentration in terms of specific lender or lender class;

7. Review of cash flows in comparison to the liquidity metric;

8. Review authorities to open, operate and close bank accounts;

9. Review authorities to open, operate and close escrow accounts with banks;

10. Review authorities to open, operate and close special accounts with banks;

11. Review authorities to open, operate and close safe custody accounts with banks;

12. Review authorities to open, operate and close time deposit accounts with banks;

13. Review authorities to open, operate and close depository accounts with registered intermediary / depository participants of National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL);

14. Review and approve execution / signing of indemnities and such other documents as may be necessary in favour of banks and financial institutions; and

15. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

During the year under review, the Finance Committee of the Company met once on March 25, 2021. The necessary quorum was present at the meeting.

The constitution of the Finance Committee and details of attendance of each member of the Committee at the aforesaid Meeting(s) of Committee as on March 31, 2021 is given below:

Name of the Member	Category	Status	No. of Meetings held	No. of Meetings Attended
Mr. Rakesh Sethi	Independent Director	Chairperson	1	1
Mr. Krishipal Raghuvanshi	Independent Director	Member	1	1
Mr. Nirmal Vinod Momaya	Independent Director	Member	1	0
Mrs. Manjari Kacker	Independent Director	Member	1	1
Mr. Karan Neale Desai	Executive Director	Member	1	1
Mr. Rohanjeet Singh Juneja	Executive Director	Member	1	1

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

4. Periodic review of compliances of all applicable law

Your Company follows a system whereby all the Acts, Rules and Regulations applicable to the Company are identified and compliance with such Acts, Rules and Regulations is monitored by dedicated teams on a regular basis. Verification of the compliances with the major Acts / Regulations is carried out by suitable external auditors / lawyers / consultants and their reports and implementation of their observations are reported to the Board / Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board / Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company and subsidiary in respect of various laws, Rules and Regulations applicable to the Company is placed before the Board on regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

5. General Body Meetings

The location, time and date where Annual General Meetings (AGM) of the Company

(in previous 3 years) were held are given hereunder: -

Financial Year	Location	Date	Time	No. of Special Resolutions passed at AGM
2019-2020	Through Video Conferencing / Other Audio-Visual Means ("OAVM") *	September 21, 2020	10.00 a.m.	8
2018-2019	Comfort Inn Sunset, Airport Circle, Hansol, Ahmedabad – 382 475	September 18, 2019	10.00 a.m.	1
2017-2018	The Fern An Ecotel Hotel, Thaltej, Ahmedabad – 380 054	September 28, 2018	11.00 a.m.	10

* The Annual General Meeting for the Financial year 2019-2020 was held through Video Conferencing / Other Audio Visual Means ("OAVM") in compliance with Circulars issued by the Ministry of Corporate Affairs ("MCA") vide circular bearing no. 20/2020 dated May 05, 2020 read with circulars bearing no. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and by the Securities and Exchange Board of India ("SEBI") vide circular bearing no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") due to COVID-19 pandemic.

Postal Ballot

During the year under review, following resolutions were passed through Postal Ballot process:

1. Postal Ballot June 19, 2020

   (a) Insertion of new objects clause and amendment in the Main Objects Clause of the Memorandum of Association of the Company.

   (b) Amendment to existing loan agreement of the Company with an option to convert loan to equity shares.

   The Board of Directors of the Company, at its meeting held on May 13, 2020, had appointed Ms. Manisha Maheshwari (ACS 30224, holding CP No. 11031 with Institute of Company Secretaries of India) or failing her Mr. S. N. Bhandari (FCS 761, holding CP No.366 with Institute of Company Secretaries of India) Partner of Bhandari & Associates, Practicing Company Secretaries, as Scrutinizer for conducting process of remote e-voting in accordance with the provisions of the Companies Act, 2013 and rules made thereunder amended from time to time and the MCA Circulars issued by the MCA in a fair and transparent manner.

   The above two resolutions were passed by the shareholders of the Company with requisite majority.

2. Postal Ballot August 02, 2020

   (a) Issuance and allotment of equity shares on Preferential basis to Wilson Holdings Private Limited, Promoter of the Company, consequent to conversion of unsecured loan.

   (b) Issuance of compulsorily convertible debentures on Preferential basis to Wilson Holdings Private Limited, Promoter of the Company.

   (c) Issuance of compulsorily convertible debentures on Preferential Basis to Turning Leaf Fund I Pte. Ltd.

   (d) Issuance of non-convertible debentures and other debt securities in one or more tranches.

   (e) Alteration to the Articles of Association of the Company.

   The Board of Directors of the Company, at its meeting held on June 15, 2020, had appointed Ms. Manisha Maheshwari (ACS 30224, holding CP No. 11031 with Institute of Company Secretaries of India), Partner of Bhandari & Associates, Practicing Company Secretaries, as Scrutinizer for conducting process of remote e-voting in accordance with the provisions of the Companies Act, 2013 and rules made thereunder amended from time to time and the Circulars issued by MCA in a fair and transparent manner.

   The above five resolutions were passed by the shareholders of the Company with requisite majority.

6. Disclosures

(i) Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

During the year under review, the Company has entered into following material related party transactions:

- The Company has entered into loan agreement dated August 01, 2017 and amended agreement dated May 13, 2020 with Wilson Holdings Private Limited, promoter of the Company, for availing and/or repayment of unsecured loan not exceeding ₹ 50 crores (including interest thereon) from Wilson Holdings Private Limited on the terms and conditions mentioned in the aforesaid loan agreement/(s).

  The aforesaid Related Party Transaction do not fall under the purview of Section 188 of the Companies Act, 2013 being in the ordinary course of business and at arms' length. However, the same are covered under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

  Except as mentioned hereinabove, there is no material related party transaction in the Company. However, the Company places all related party transactions before the Audit Committee and Board of Directors of the Company for their respective approvals. A register of contracts containing the transactions in which the directors are interested are placed regularly before the Board of Directors of the Company for their approval.

  The Company has adopted policy on Related Party Transactions and the same is available on the website of the Company i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/policy-related-party-transactions.pdf.

(ii) Subsidiary

DLF Technologies Limited (CIN:U67190MH2019PTC331368), a company incorporated under the Companies Act, 2013 and having its registered office situated Building No. 4, 2nd Floor, DJ House Compound, Old Nagardas Road, Andheri (East) Mumbai – 400 069, is a Wholly Owned Subsidiary (**"WoS"**) company of the Company. The WoS company is engaged in the business of developing technology IP of the Company and provide advisory and consultancy services, retail franchising, etc.

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by its unlisted WoS. The minutes of the board meetings along with a report on significant developments of the WoS are periodically placed before the Board.

The management of the WoS periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered by the WoS. As per the definition of the subsidiary company, WoS is not a material subsidiary of the Company under the Listing Regulations.

In accordance with the "Policy for determining material Subsidiary Companies" of the Company and the provisions of the Listing Regulations, the Company has complied with all the obligations relating to WoS of the Company, including the appointment of Independent Director of the Company on their Board as applicable. In compliance with the amendments to the Listing Regulations, this policy shall be reviewed by the Board at least once every three years. The policy for determining material subsidiary companies of the Company is available on the website of the of the Company i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/Policy_on_Determining_Material_Subsidiary.pdf.

(iii) Details of non-compliance

No strictures/ penalties were imposed on your Company by the Reserve Bank of India, or by any statutory authority on any matter related to the Securities markets during the last three financial years. However, the Stock Exchange, BSE Ltd. has levied a fine on the Company vide their email dated January 18, 2021 and February 05, 2021 respectively for delay in submitting disclosure of related party transactions as per Regulation 23(9) of the Listing Regulations for half-year ended September 30, 2020 and the Company has paid the same.

(iv) Vigil Mechanism/ Whistle Blower Policy

The Company has a Vigil Mechanism/ Whistle Blower Policy for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics. This mechanism provides adequate safeguards against victimisation of director(s)/employee(s) who avail this mechanism and also provide direct access to the Chairman of the Audit Committee in exceptional cases. Further, no personnel have been denied access to the Chairman of the Audit Committee. No complaints have been received under vigil mechanism for the financial year ended March 31, 2021.

The details of the establishment of such mechanism are disclosed by the Company on its website i.e. www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/Whistle_Blower_Policy.pdf.

(v) Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed company has formulated and adopted a new code for prevention of Insider Trading including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required.

In line with the recent amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has revised its code for prevention of insider trading including Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.

This Code is applicable to all directors and designated employees of the Company. This Code ensures prevention and dealing in shares of the Company by persons having access to unpublished price sensitive information. The Company monitors the transactions of insiders/designated employees in terms of the aforesaid rules periodically.

The Code of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information (UPSI) as amended from time to time is disclosed by the Company on its website i.e.www.dfltd.in and the link is https://www.dfltd.in/assets/pdf/new-pdf/policy-procedure-fair-disclosure-UPSI.pdf

(vi) Compliance with Mandatory and Non-Mandatory Provisions

The Company has adhered to all the mandatory requirements of the Corporate Governance norms as prescribed by Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company.

The status on the Compliance with the Non-mandatory (discretionary requirements) recommendations in the SEBI Listing Regulations is as under:

(a) Internal Audit:

The internal audit report is submitted every quarter before the Audit Committee meeting and even internal auditor is present during the Audit Committee meeting.

(b) Shareholder Rights:

The Company submits its quarterly and half-yearly Financial Results / Statements with BSE Limited in compliance with Regulation 33 of the Listing Regulations and also published in the newspapers 'Financial Express' and 'Mumbai Lakshwadeep' nationwide. The quarterly, half-yearly and yearly Financial Results / Statements are also uploaded on the website of the Company i.e. www.dfltd.in and therefore the Company does not sent the same to the shareholders of the Company separately.

The Adoption of other non–mandatory requirements under Regulation 34 of the Listing Regulations, are being reviewed by the Board from time to time.

The Board has accepted all the recommendations of the committees of the Board.

(vii) Disclosure from Board of Directors

The Board does hereby confirm that in their opinion, the Independent Directors fulfil the conditions specified in Listing Regulations and the Companies Act, 2013 and rules made thereunder and are independent of the management.

(viii) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under the Regulation 34(2)(e) and Part B of Schedule V to the Listing Regulations.

(ix) Details of Director seeking appointment/re-appointment as required under Regulation 36 (3) of the Listing Regulations and Secretarial Standard.

As required under the Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meeting issued by the Institute of Company Secretaries of the India, particulars of Director seeking appointment/reappointment are given in the explanatory statement annexed to the Notice of the ensuing Annual General Meeting of the Company.

(x) Details of total fees paid to statutory auditors

Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the statutory auditor of the Company, are as follows:

(₹ In Lakhs)

Particulars	**Financial Year 2020-2021**
Audit fees (including quarterly audits)	18.00
For other services (certifications, etc.)	11.35
For taxation matters	2.00
Out of pocket expenses	0.75
Total	**32.10**

(xi) Proceeds from Public Issues, Rights Issues and Preferential Issue, among others

Money raised through Preferential issue of equity shares, warrants and compulsory convertible debentures (CCDs) have been utilised for the purposes, as disclosed in the offer letter, for which it was raised and there has been no deviation as on date in the utilisation of the moneys so raised.

(xii) Compliance with Listing Regulations

The Company has complied with the requirements as specified in the Listing Regulations including Regulation 17(1) in respect of constitution of Board of Directors of the Company.

(xiii) Disclosure of accounting treatment

There was no deviation in adhering to the treatments prescribed in any of the Accounting Standards (AS) in the preparation of the financial statements of the Company.

7. Means of Communication

The Company has furnished quarterly financial results along with notes on a regular basis as per the format prescribed in the Regulation 33 of the Listing Regulations, within prescribed time to the stock exchange in respect of last three quarters in financial year 2020-2021. In terms of the circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020, issued by SEBI as amended from time to time, in respect of first quarter of financial year 2020-2021, the Company had to furnish the audited financial results on or before September 15, 2020 and accordingly, the meeting of the Board of Directors of the Company for considering the results of first quarter was held on September 11, 2020.

The quarterly financial results of the Company were published within 48 hours of the conclusion of the of the meeting of the Board of Directors of the Company in English Newspaper viz. “Financial Express” and” Mumbai Lakshadeep”, a newspaper published in the language of the region where the registered office of the Company is situated. The audited financial statements for financial year 2020-2021 were published in “Financial Express” and “Mumbai Lakshadeep”. The Company informs the stock exchange where its shares are listed, about the meeting of the Board of Directors of the Company at least 7 (Seven) days in advance pursuant to the Regulation 29 (2) of the Listing Regulations and also issues an advertisement in at least one national newspaper (Financial Express) and one in regional language newspaper (Mumbai Lakshadeep) about the meeting of the Board of Directors of the Company.

In terms of Regulation 46 of the Listing Regulations, the Company is maintaining its functional website i.e. www.dfltd.in, containing the basic information about the Company i.e. details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of designated employees who are responsible for assisting and handling the investors grievance, details of the agreements entered into with the media companies and/or their associates, terms and conditions of appointment of independent directors, composition of various committees of board of directors, code of conduct of board of directors and senior management personnel and various policies of the Company etc. The same information is updated on the website viz. www.dfltd.in within the prescribed time limit.

Details of Unclaimed Dividend / Shares of the Company

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"IEPF Rules"**), dividends, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (**"IEPF"**). Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years, are also liable to be transferred to the demat account of the IEPF Authority.

Since there was no dividend declared and paid for financial year 2013-2014, your Company did not have any funds as lying unpaid or unclaimed for a period of seven (7) years in terms of provisions of the Section 124 of the Companies Act, 2013. Therefore, there are no such unclaimed amounts or shares which are required to be transferred to (**"IEPF"**) established by the Central Government pursuant to provisions of the Section 125 of the Companies Act, 2013.

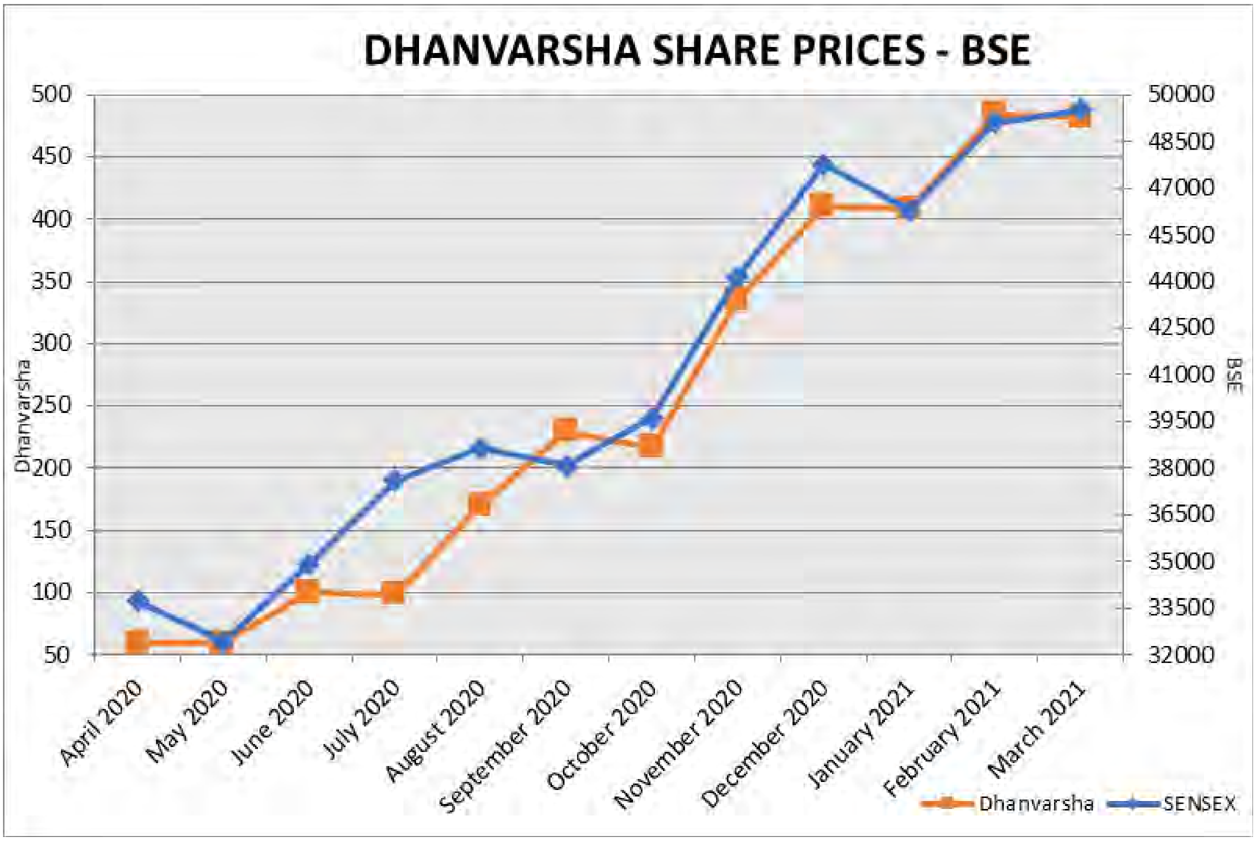
8. General Shareholders Information

Annual General Meeting Date, Time and Mode	Monday, September 20, 2021 at 11:00 a.m. through Video Conferencing / Other Audio Visual Means
Financial year	1st April – 31st March
Book Closure	Monday, September 13, 2021 to Monday, September 20, 2021 (both days inclusive)
Dividend payment date: [if declared]	September 26, 2021 (subject to normal working hours of the bank): (a) to all the Beneficial owners as at the end of the day on Friday, September 10, 2021 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depositories Services (India) Limited (b) to all the members after giving effect to transmission and transposition of shares in respect of valid request lodged with the Company as of the close of business hours on Friday 10, 2021.
Listed on Stock Exchange	BSE Limited Listing fee for the financial year 2021-2022 has been paid by the Company.
Address of Stock Exchange	BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
Correspondence for dematerialisation, transfer of shares, non –receipt of dividend on shares and any other query relating to the shares of the Company	Details of Registrar and Share Transfer Agent (RTA) MCS Share Transfer Agent Limited 209-A, C Wing, 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-operative Industrial Area, Behind Times Square, Andheri (East), Mumbai – 400 059.
Scrip code	540268
ISIN of the Company	INE615R01011
Website **Email ID**	www.dfltd.in contact@dfltd.in
Corporate Identification No. (CIN)	L24231MH1994PLC334457
Details of securities suspended	Not Applicable
Outstanding GDRs/ ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The details of the same forms part of the Corporate Governance Report
Credit Rating	The list of credit ratings for all instruments has been provided in the Directors' Report.
Debenture Trustee	Catalyst Trusteeship Limited Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098

Stock Market Data

Table below gives the monthly high and low quotations of shares traded at BSE Limited for the year ended March 31, 2021.

Month	BSE		
	High	Low	Volume
April, 2020	62.40	58.00	2,82,027
May, 2020	61.00	59.00	2,61,479
June,2020	115.00	58.95	5,49,276
July, 2020	121.15	88.10	2,80,783
August, 2020	181.80	95.50	7,20,901
September, 2020	316.00	167.10	2,08,562
October, 2020	295.90	205.00	94,293
November, 2020	336.10	204.50	2,27,569
December, 2020	448.80	318.95	2,34,180
January, 2021	451.05	370.50	7,62,358
February, 2021	500.00	366.00	9,75,172
March, 2021	515.00	465.50	6,08,921



9. Share Transfer System

The shares of the Company are compulsorily traded in dematerialised form. However, shares held in physical form are processed by the Registrar & Share Transfer Agent in co-ordination with the Company and the share certificates are returned within 15 (Fifteen) days from the date of receipt for transfer by the Company, provided that the transfer documents are complete in all respects. Invalid share transfers are returned within 15 (Fifteen) days of receipt. All requests for de-materialisation of shares are processed and confirmation are given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As per SEBI norms, with effect from April 1, 2019, only transmission or transposition requests for transfer of shares shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

10. Distribution Pattern and Shareholding Pattern

(a) Distribution of Shareholding as on March 31, 2021

Equity shares held	Shareholders	%	Shares	%
1-500	942	79.03	66,680	0.44
501-1000	52	4.36	38,338	0.25
1001-2000	84	7.05	1,35,457	0.88
2001-3000	13	1.09	34,979	0.22
3001-4000	9	0.76	30,040	0.20
4001-5000	8	0.67	38,062	0.25
5001-10000	15	1.26	1,21,731	0.80
10000 and Above	69	5.78	1,48,27,142	96.96
Total	**1,192**	**100.00**	**1,52,92,492**	**100.00**

(b) Shareholding Pattern of the Company as on March 31, 2021

Category		Number of shares	Percentage of Holding
A	**Promoter's Holding**		
1	Indian Promoter	93,82,826	61.36
2	Foreign Promoter	-	-
	Sub Total (A)	**93,82,826**	**61.36**
B	**Non-Promoter's Holding**		
	Institutional Investors		
1	Mutual Fund	-	-
2	Foreign Portfolio Investor	3,60,000	2.35
3	Financial Institutions / Banks	-	-
4	Others	-	-
	Total (Institutional Investors)	**3,60,000**	**2.35**
	Non-Institutional Investors		
1	Individuals	46,84,511	30.63
2	NBFCs registered with RBI	-	-
3	IEPF	-	-
4	Trusts	-	-
3	Hindu Undivided Family	-	-
4	Non-Resident Indians	54,728	0.36
5	Clearing Member	-	-
6	Bodies Corporate	8,10,364	5.30
7	Government Companies	-	-
	Total (Non-Institutional Investors)	**55,49,603**	**36.29**
	Sub Total (B)	**59,09,603**	**38.64**
	Grand Total (A + B)	**1,52,92,429**	**100.00**

11. Dematerialisation of shares and liquidity

As at March 31, 2021, 97.39% (1,48,92,729 equity shares) of paid up share capital was held in dematerialised form with NSDL and CDSL, while 2.61% (3,99,700 equity shares) was held in physical form. All promoters shareholdings are in dematerialised form. Trading in equity shares of the Company is permitted only in dematerialised form through NSDL and CDSL as per notifications issued by the SEBI.

12.Outstanding GDRs / ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs /ADRs as on March 31, 2021, which likely to have an impact on the equity share capital of the Company. However, during the year under review, the Company has issued following convertible securities which will have impact on equity:

a. The Board of Directors vide resolution passed by circulation dated April 14, 2021 allotted 15,98,727, 10% Unsecured Compulsorily Convertible Debentures at an issue price of ₹ 400/- for cash at par on preferential basis for an aggregate amount of ₹ 63,94,90,800 /- (Rupees Sixty-Three Crores Ninety-Four Lakhs Ninety Thousand and Eight Hundred only). These securities shall be convertible into equivalent number of shares of the Company at a conversion price of ₹ 400/- per equity share within 18 months from the date of allotment.

b. The Board of Directors vide resolution passed by circulation dated April 15, 2021, allotted 46,996, 10% Unsecured Compulsorily Convertible Debentures at an issue price of ₹ 400/- for cash at par on preferential basis for an aggregate amount of ₹ 1,87,98,400/- (Rupees One Crore Eighty-Seven Lakhs Ninety-Eight Thousand and Four Hundred only). These securities shall be convertible into equivalent number of shares of the Company at a conversion price of ₹ 400/- per equity share within 18 months from the date of allotment.

c. The Board of Directors in their meeting held on November 03, 2020, allotted 17,96,944 convertible warrants having face value of ₹ 111.30/- on preferential basis to various promoter and non-promoter individuals/entities for an aggregate amount of ₹ 19,99,99,867.20/-. These warrants shall be convertible into equivalent number of shares of the Company at a conversion price of ₹ 111.30/- per equity share within 18 months from the date of allotment. These convertible warrants have been allotted against subscription price equivalent to 25% of the issue price and balance exercise price equivalent to the 75% of the conversion price of the equity shares shall be payable by the warrant holder(s) at the time of exercising options of conversion of the warrants.

d. The Board of Directors at their meeting held on November 03, 2020, allotted 40,43,126 unsecured compulsorily convertible debentures on preferential basis to Wilson Holdings Private Limited for an aggregate amount of ₹ 44,99,99,923.80 /-. These securities shall be convertible into equivalent number of shares of the Company at a conversion price of ₹ 111.30/- per equity share within 18 months from the date of allotment.

e. The Board of Directors at their meeting held on November 03, 2020, allotted 9,25,426 equity shares on preferential basis to Wilson Holdings Private Limited pursuant to the conversion of un-secured loan amounting to ₹ 10,29,99,913.80/-.

13. Commodity price risk or foreign exchange risk and hedging activities

The Company is not exposed to foreign exchange risk.

14. Certification that none of the directors on the board of the company have been debarred or disqualified

The certificate in terms of Regulation 34(3) read with Part C of Schedule V to the Listing Regulations (including any amendments for the time being in force) confirming that none of the directors on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/MCA or any such statutory authority, was placed before the Board of Directors of the Company and is annexed to this Report.

15. Prevention of Sexual Harassment

The Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at Workplace.

Following are the details of number of instances / complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year - Nil

b. Number of complaints disposed of during the financial year - Nil

c. Number of complaints pending as on end of the financial year – Nil

16. Certificate from Company Secretary in Practice

The Company has obtained the certificate from M/s. Bhandari & Associates, Practicing Company Secretaries, pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2021, have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / MCA or any such statutory authority.

17. Certificate on Corporate Governance

The certificate received from the Secretarial Auditors of the Company, M/s. Bhandari & Associates, Practicing Company Secretaries confirming the compliance of conditions of corporate governance is annexed to this Report in terms of the provisions of Part E of Schedule V of the Listing Regulations.

For and on behalf of the Board of Directors

	sd/-	**sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Place: Mumbai	**(Joint Managing Director)**	**(Joint Managing Director)**
Date: August 13, 2021	**DIN: 08342094**	**DIN:05285526**

CEO/CFO CERTIFICATION

To,

The Board of Directors of Dhanvarsha Finvest Limited

We Karan Neale Desai, Joint Managing Director and Rohanjeet Singh Juneja, Joint Managing Director and Sanjay Kukreja, Chief Financial Officer of Dhanvarsha Finvest Limited ("the Company") certify that-

A. We have reviewed the Annual financial statements and the cash flow statements (Standalone and Consolidated) for the year ended March 31, 2021 and that to the best of our knowledge and belief;

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

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

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

   1. significant changes, if any, in internal controls over financial reporting during the year;

   2. significant changes, if any, in accounting policies during the year, and that the same have been disclosed in the notes to the financial statements;

   3. instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Sd/-
Karan Neale Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohanjeet Singh Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Mumbai
Date: August 13, 2021

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its board members and the senior management and the same is available on the Company's website. We confirm that the Company has in respect of financial year ended March 31, 2021, received from the senior management personnel of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board of Directors

Sd/-
Rohanjeet Singh Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Karan Neale Desai
Joint Managing Director
DIN: 05285546

Mumbai
Date: August 13, 2021

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of Dhanvarsha Finvest Limited

We have examined the compliance of conditions of Corporate Governance by Dhanvarsha Finvest Limited ("the Company") for the year ended on March 31, 2021, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Listing Regulations. The Stock Exchange, BSE Ltd. has levied a fine on the Company vide their email dated January 18, 2021 and February 05, 2021 respectively in submitting disclosure of related party transactions as per Regulation 23(9) of the Listing Regulations for half-year ended September 30, 2020 and the Company has paid the same.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries

Sd/-
Manisha Maheshwari
Partner
ACS No: 30224; C P No. : 11031
UDIN: A030224C000803073

Mumbai|August 18, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of

DHANVARSHA FINVEST LIMITED
2nd Floor, Bldg. No. 4, DJ House,
Old Nagardas Road,
Andheri (East),
Mumbai- 400069

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dhanvarsha Finvest Limited having CIN: L24231MH1994PLC334457 and having registered office at 2nd Floor, Bldg. No. 4, DJ House, Old Nagardas Road, Andheri (East), Mumbai- 400069 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Nirmal Vinod Momaya	01641934	10/08/2018
2.	Mr. Rakesh Sethi	02420709	15/10/2019
3.	Mr. Karan Neale Desai	05285546	03/06/2017
4.	Ms. Manjari Ashok Kacker	06945359	28/09/2018
5.	Mr. Krishipal Tarachand Raghuvanshi	07529826	24/08/2018
6.	Mr. Rajiv Kapoor	08204049	03/02/2020
7.	Mr. Rohanjeet Singh Juneja	08342094	17/12/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries

Manisha Maheshwari
Partner
ACS No: 30224; C P No. : 11031
UDIN: A030224C000803051

Mumbai|August 18, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhanvarsha Finvest Limited

Report on the Audit of the Standalone Ind AS Financial StatementsOpinion

We have audited the accompanying standalone Ind AS financial statements of Dhanvarsha Finvest Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement ofProfit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and theStatement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with theaccounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31,2021, its profit (including other comprehensive income), its changes in equity and its cash flows forthe year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, andin forming our opinion thereon, and we do not provide a separate opinion on these matters. We havedetermined the matters described below to be the Key Audit Matters that are to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key auditmatter</th></tr>
<tr><td colspan="2">Impairment of loans and advances (as described in Note 7,37, 47 and 48 of theStandalone Ind AS financial statements)</td></tr>
<tr><td>Ind AS 109 requires the Company to provide for impairment of its Loans and Receivables (designated at amortised costand fair value through other comprehensive income) using the expected credit loss ("ECL") approach. ECL approach involves an estimation of the probability weighted loss on financialinstruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgmenthas been applied by the Management for:
• Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories];
• Grouping of borrowers based on homogeneity by using appropriatestatistical techniques;
• Estimation of behavioral life;
• Determining macro-economicfactors impacting credit quality of receivables;
• Estimation of losses for loan products with no/ minimal historical defaults.

Additional considerations on account of COVID-19

Pursuant to the Reserve Bank of Indiacircular dated 27 March 2020, April 17,</td><td>We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internalcontrols focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

For loans and advances which are assessed forimpairment on a portfolio basis we performedparticularly the following procedures:
• We tested the reliability of key data inputs and related management controls;
• We checked the stage classification as at the balance sheet date in accordance with the definition of Default of the Company;
• We recalculated the ECL provision for selected samples;
• We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India ("RBI"). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and thatthe staging based on the days past due ("DPD") will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases wheremoratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;</td></tr>
</table>

Key audit matter	How our audit addressed the key auditmatter
2020 and 23 May 2020 ('RBI circular')allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Company has extended moratorium to its borrowers in accordance with its approved Board policy. In Management's view and considering the guidance provided by theInstitute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. During the year,the Company has scaled up the growth inthe low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one- time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID-19 related stress to the borrowers. Basis the abovementioned factors, the Company estimates that no additional ECL provision on Loans is required on account of COVID – 19 during the year ended March 31, 2021. The impact of COVID-19 is dynamic, evolving,uncertain and based on the current situation. In view of the high degree of management's judgment involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of Loans and advances has been identified as a Key Audit Matter.	• We have checked the provision on LoanAssets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard furtherconsidering the COVID-19 related Regulatory Packages issued by RBI; and With respect to impact assessment on provision for ECL on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same as the extent of impact is dependent on future developments which are highly uncertain, we have primarilyrelied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company.

Emphasis of Matter

We draw attention to Note 37 to the accompanying Statement, which describes the staging of accounts to whom moratorium benefit was extended in accordance with the RBI COVID-19 Regulatory package, and the uncertainty caused by COVID-19 pandemic with respect to the Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which are highly uncertain at this point of time.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Director's Reportand the Corporate Governance Report, but does not include the Standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information have not been made available to us as at the date of this auditor's report.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the auditor otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with theCompanies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includesmaintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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 ininternal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those mattersthat were of most significance in the audit of the Standalone Ind AS financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report becausethe adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company sofar as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2021,and taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

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

   In our opinion and to the best of our information and according to the explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 35 on Contingent Liabilities to the Standalone Ind AS financial statements;

   (ii) The Company did not have any long-term contracts including derivative contracts. Hence,the question of any material foreseeable losses does not arise;

   (iii) There were no amounts which were required to be transferred to the Investor Educationand Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Snehal Shah
Partner
Membership Number: 048539
UDIN: 21048539AAAACH9188

Place: Mumbai
Date: June 10, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Dhanvarsha Finvest Limited** ("the Company") on the standalone Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examinedby us in the normal course of audit, we report that:

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

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification 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. Accordingly, clause 3 (i) (c) of the Order is not applicable to the Company.

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

(iii) The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189of the Act.

(a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts of principal amounts and interest are regular.

(c) In respect of the aforesaid loans, there is no overdue amount in respect of loans granted to companies, firms, Limited Liability Partnerships, or other parties listed in the register maintained under section 189 of the Act.

(iv) The Company has complied with the provisions of section 185 and 186 (1) of the Act in respect of grant of loans, making investments and providing guarantees and securities as applicable. Further, as the Company is a Non-Banking Finance Company engaged in the business of financing, the provision of section 186 [except for subsection (1)] are not applicable to the Company.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of theproducts of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and services tax(GST), cess and any other material statutory dues applicable to it, expect that there have been slight delay in few cases. At present, the provisions of employees' state insurance and customs duty are not applicable to the Company.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature ofdues	Amount ` in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	52.79*	AY 2016-17	Commissioner ofIncome Tax (Appeals)
Income Tax Act, 1961	Income Tax	83.29	AY 2018-19	Assessing Officer

*Net of ₹ 13.20 Lakhs paid under protest.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to banks or financial institution or dues to debenture holders. The Company has not taken anyloans or borrowings from government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) of equity shares during the year. Further as represented by management and relied upon by us, the term loans were applied for the purposes for whichthe loans were obtained, though idle/surplus funds which were not required for immediateutilisation were either gainfully invested in liquid assets payable on demand or lying in thecurrent account with Bank. We have not performed any other procedures in this regard.

(x) During the course of our examination of the books and records of the Company, carried outin accordance with the generally accepted auditing practices in India, and according to theinformation and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by themanagement.

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

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order isnot applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year and in our opinion, the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are notapplicable.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Snehal Shah
Partner
Membership Number: 048539
UDIN: 21048539AAAACH9188

Place: Mumbai
Date: June 10, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Dhanvarsha Finvest Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Dhanvarsha Finvest Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Snehal Shah
Partner
Membership Number: 048539
UDIN: 21048539AAAACH9188

Place: Mumbai
Date: June 10, 2021

Standalone Balance sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Financials Assets			
(a) Cash and cash equivalents	4	3,142.77	169.52
(b) Bank balances other than cash and cash equivalents	5	1,530.37	177.94
(c) Receivables	6		
(i) Trade receivables		210.28	117.64
(ii) Other receivables		46.96	-
(d) Loans	7	9,970.19	3,285.52
(e) Investments	8	1,818.67	133.41
(f) Other financials assets	9	97.56	339.89
Total Financials Assets		**16,816.80**	**4,223.92**
Non Financials Assets			
(a) Current tax assets (Net)	10	174.49	41.67
(b) Deferred tax assets (Net)	11	115.95	188.24
(c) Property,plant and equipment	12	353.99	113.10
(d) Right of use assets	12	518.82	-
(e) Capital work in progress		-	25.84
(f) Intangible assets under development		124.93	11.51
(g) Other Intangible assets	13	176.53	142.86
(h) Other non-financials assets	14	176.04	27.24
Total Non Financials Assets		**1,640.76**	**550.48**
Total Assets		**18,457.56**	**4,849.82**
Liabilities and Equity			
Liabilities			
Financial Liabilities			
(a) Payables	15		
I) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		14.78	8.12
- Total outstanding dues of creditors other than micro enterprises and small enterprises		147.90	26.65
II) Other payables			
- Total outstanding dues of micro enterprises and small enterprises		21.56	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		43.62	13.30
(b) Debt Securities	16	601.98	-
(c) Borrowings (Other than Debt Securities)	17	7,450.85	1,560.75
(d) Other financial liabilities	18	44.69	22.96
Total Financial Liabilities		8,325.38	1,631.78
Non-Financial Liabilities			
(a) Current tax liabilities(Net)	10	36.85	33.29
(b) Provisions	19	48.93	24.84
(c) Deferred tax liabilities (Net)	11	-	-
(d) Other non-financial liabilities	20	110.13	40.79
Total Non-Financial Liabilities		**195.91**	**98.92**
Total Liabilities		**8,521.30**	**1,730.70**
EQUITY			
(a) Equity share capital	21	1,529.24	1,350.78
(b) Other equity	22	8,407.01	1,768.34
Total Equity		**9,936.25**	**3,119.12**
Total Liabilities and Equity		**18,457.56**	**4,849.82**
Significant accounting policies and notes to the standalone financial statements	1 to 56		

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Standalone Statement of profit and loss for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	**Revenue from operations**			
(i)	Interest income	23	1,222.83	641.78
(ii)	Fees and commission income	24	1,163.86	1,260.10
(iii)	Net gain on fair value changes	25	8.43	8.16
	Total Revenue from operations		**2,395.12**	**1,910.04**
II.	Other income	26	46.86	19.48
III.	**Total Income(I+II)**		**2,441.98**	**1,929.52**
IV.	**Expenses**			
(i)	Finance costs	27	423.13	168.59
(ii)	Fees and commission expense	28	27.40	0.79
(iii)	Impairment on financial instruments	29	43.67	33.67
(iv)	Employee benefits expenses	30	987.48	701.84
(v)	Depreciation, amortization and impairment	31	119.84	48.65
(vi)	Others expenses	32	666.95	417.92
	Total Expenses(IV)		**2,268.47**	**1,371.46**
V.	**Profit before exceptional items and tax (III-IV)**		173.51	558.06
	Exceptional Items			
VI.	Profit before tax (III-IV)		173.51	558.06
VII.	Tax expense:	33		
	Current tax		71.59	172.52
	Deferred tax		32.15	(17.03)
	Earlier years tax		1.32	(7.32)
	Total Tax Expense		105.06	148.17
VIII.	Profit for the period (VI-VII)		68.45	409.89
IX.	Other comprehensive income			
A.	**Items that will not be reclassified to profit or loss**			
i)	Remeasurement gain / (loss) on defined benefit plan		1.95	(1.66)
ii)	Income tax impact on above	33	(0.54)	0.46
	Total (A)		**1.41**	**(1.20)**
B.	**Items that will reclassified to profit or loss**		-	-
	Other comprehensive income/(loss) (A+B)		1.41	(1.20)
X.	**Total comprehensive income(VIII+IX)**		**69.86**	**408.69**
XI.	Earnings per equity share	34		
	Basic (INR)		0.47	3.04
	Diluted (INR)		0.37	2.86
	Significant accounting policies and notes to the standalone financial statements	1 to 56		

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Standalone Statement of cash flows for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxes	173.50	558.06
Adjustment for:		
Interest income from fixed deposits	(32.06)	(10.50)
Profit on sale of property, plant and equipment	(1.12)	-
Profit on sale of investment property	-	(4.67)
Depreciation / Amortisation	119.84	48.65
Impairment on financial instruments	43.67	33.67
Realised gain on investments	(11.17)	(7.11)
Unrealised gain on investments	2.74	(1.05)
Fee income recognition per EIR	(51.28)	7.08
Employee share based payment expenses	153.29	82.30
Cash outflow towards finance cost	(600.92)	(0.04)
Operating (loss)/ profit before working capital changes	(203.51)	706.39
Movement in working capital		
(Increase)/decrease in loans	(6,684.67)	1,190.20
(Increase)/Decrease in other financial assets	198.55	(343.10)
(Increase)/Decrease in other assets	(236.38)	-
(Increase)/Decrease in trade receivable	(139.60)	(117.10)
Increase/(Decrease) in other payables	179.79	11.46
Increase/(Decrease) in other financial liabilities	21.73	(58.75)
Increase/(Decrease) in Other liabilities	(748.83)	-
Increase/(Decrease) in provisions	24.09	11.87
Cash generated from operations	(7,588.83)	1,400.97
Income taxes paid	(202.18)	(83.72)
Net cash from/(utilised in) operating activities	**(7,791.01)**	**1,317.25**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, plant and equipment and Intangible Assets	(937.71)	(160.17)
Proceeds from sale of Property, plant and equipment and Intangible Assets	130.52	-
Purchase of investment at fair value through profit and loss account	(5,074.81)	(1,995.01)
Proceeds from sale of investment property	-	60.00
Proceeds from sale of investment at fair value through profit and loss account	4,108.41	1,874.74
Investment in equity shares of subsidiary	(695.00)	(5.00)
Investment in Fixed Deposits	(2,882.50)	(160.39)
Proceeds from sale of Fixed Depsits	1,550.00	-
Interest Income from Fixed Deposits	32.06	10.50
Net cash from/(utilised in) investing activities	**(3,769.03)**	**(375.33)**

Standalone Statement of cash flows for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital and share warrants including share premium	2,174.92	2.34
Debt securities issued	5,000.00	-
Borrowings other than debt securities issued	8,925.00	-
Proceeds from / (repayment of) borrowings	(1,537.71)	(1,093.66)
Payment of Lease Liability	(14.60)	(2.43)
Dividends paid including dividend distribution tax	(14.34)	(40.69)
Net cash from financing activities	14,533.28	(1,134.44)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**2,973.24**	**(192.52)**
Cash and cash equivalents at the beginning of the financial year	169.53	362.04
Cash and cash equivalents at end of the year	3,142.77	169.52

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following (₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balances with banks in Current accounts	3,066.14	168.16
Cash on hand (including foreign currencies)	76.64	1.36
Bank deposits with maturity of less than 3 months	-	-
Total	**3,142.77**	**169.52**

The above standalone statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, refer note 46

Significant accounting policies and notes to the standalone financial statements 1 to 56

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Standalone Statement of changes in equity as at March 31, 2021

A. Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,350.78	1,350.00
Changes in equity share capital during the year	178.46	0.78
Balance at the end of the year	1,529.24	1,350.78

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus				Money received against share warrants	Share application money pending allotment	Equity component of compound financial instruments	Capital Contribution	Total
	Securities Premium	Employee stock option outstanding	Retained Earnings	Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934					
Balance at April 1, 2019	**626.56**	**37.86**	**329.70**	**195.64**	**125.00**	**-**	**-**	**-**	**1,314.74**
Profit for the year								-	-
Additions for the year	1.56	-	409.89	-	-	-	-	-	411.45
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(81.74)	81.74	-	-	-	-	-
Share based payment expense	-	84.03	-	-	-	-	-	-	84.03
Share Issue Expenses	1.73	(1.73)	-	-	-	-	-	-	-
Remeasurement of defined benefit plans (net of tax)	-	-	(1.20)	-	-	-	-	-	(1.20)
Dividend paid	-	-	(33.75)	-	-	-	-	-	(33.75)
Dividend distribution tax	-	-	(6.94)	-	-	-	-	-	(6.94)
Changes during the the year	**3.29**	**82.30**	**286.26**	**81.74**	**-**	**-**	**-**	**-**	**453.59**
At March 31, 2020	**629.85**	**120.16**	**615.96**	**277.38**	**125.00**	**-**	**-**	**-**	**1,768.33**
Profit for the year			68.45						68.45
Additions for the year	1,397.67	-	-	-	875.00	2.92	4,376.42	281.90	6,933.91
Deletion for the year	-	-	-	-	(500.00)				(500.00)
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(13.69)	13.69	-	-	-	-	-
Options Exercised and lapsed	-	(0.19)	0.19	-	-	-	-	-	-
Share based payments to employees	-	153.29	-	-	-	-	-	-	153.29
Utilisation of securities premium	-	(19.47)	-	-	-	-	-	-	(19.47)
ESOP's granted to employees of Subsidiary Company	-	15.42	-	-	-	-	-	-	15.42
Remeasurement of defined benefit plans (net of tax)	-	-	1.41	-	-	-	-	-	1.41
Dividend paid	-	-	(14.34)	-	-	-	-		(14.34)
Dividend distribution tax	-	-	-	-	-	-	-		-
Changes during the the year	**1,397.67**	**149.05**	**42.03**	**13.69**	**375.00**	**2.92**	**4,376.42**	**281.90**	**6,638.67**
At March 31, 2021	**2,027.52**	**269.21**	**657.98**	**291.07**	**500.00**	**2.92**	**4,376.42**	**281.90**	**8,407.01**
Significant accounting policies and notes to the Financial Statements					1 to 56				

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Notes to Standalone Financial Statements for the year ended March 31, 2021

1. Nature of operations

Dhanvarsha Finvest Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged primarily in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business, Personal Loans, Gold Loans and and in providing ancillary services related to the said business activities. The Company is Non-Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated January 05, 2021 and its shares are listed on the BSE Limited.

2. Basis of preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statement.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NonBanking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on June 10, 2021.

B. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- Financial instruments – measured at fair value
- Employees Stock Option plan as per fair value of the option
- Employee's Defined Benefit Plan as per actuarial valuation.

D. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

i. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

iii. Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 42.

iv. **Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

v. **Recognition and measurement of provisions and contingencies**

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

vi. **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 49 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

vii. **Impairment of financial assets**

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. **Standardzs issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2021:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

3. Significant Accounting Policies

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

A. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on plant, property and equipment

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3
Networks and Servers	6
Furniture and fixtures	10
Office equipment	5

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets is as below:

Particulars	Useful life (years)
Computer software	5

C. Impairment of property, plant and equipment and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

D. Revenue recognition

i. Interest income

Interest income for all financial instruments except for those measured or designated as at Fair Value Through Profit and Loss account (FVTPL) are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Processing fee and application fee:

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

iii. Delayed payment charges, penal interest, other penal charges, foreclosure charges :

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

iv. Dividends:

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

v. Fees and commission income:

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

vi. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

E. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, are carried in these financial statements at historical 'cost'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

F. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

G. Financial Instruments

i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets at amortised cost:

The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

iii. Financial assets at Fair value through Other Comprehensive Income (FVOCI):

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iv. **Financial instruments at fair value through profit and loss account (FVTPL)**

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

v. **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

vi. **Derecognition of financial assets and financial liabilities**

<u>Recognition</u>

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification :

a) **Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

ii. The Company has transferred substantially all the risks and rewards of the asset, or

iii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

b) **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

vii. **Offsetting of financial instruments**

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

viii. **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

IX. **Compound Financial Instruments**

Compulsorily convertible instruments with a fixed conversion ratio are separated into liability and equity components. On issuance of the said instruments, the lliability component (being the present value of the future interest cash outflows discounted at a market rate for an equivalent non-convertible instrument) is reduced from the fair value of the instrument to arrive at the equity component. This Equity component is disclosed separately under Other Equity.

H. **Impairment of financial assets:**

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 50 (Risk Management).

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of proft and loss.

I. Determination of fair value

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

J. Retirement and other employee benefits

Defined Contribution schemes

The employees of the Company who have opted, are entitled to receive benefits under the Provident Fund Scheme and Employee Pension Scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined benefit plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term Employee Benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

K. Share based payments

Employees stock options plans ("ESOPs") - Equity settled

The Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

L. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of temporary timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum alternate tax

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

M. Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

N. Foreign currency transactions and balances

i. Initial recognition:

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences:

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

O Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

P. Segmental reporting

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

The Joint Managing Directors of the Company assesses the financial performance and position of the Company and make strategic decisions and hence has been identified as being chief operating decision maker.

Q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

R. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

S. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

T. Good and service tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The Company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the statement of profit and loss as per applicable provisions.

Notes to Standalone Financial Statements for the year ended March 31, 2021

4 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	75.90	0.08
Foreign currency on hand	0.73	1.28
Balance with Bank (of the nature of cash and cash equivalents)	3,066.14	1.78
Cheques on hand *	-	166.38
Total	**3,142.77**	**169.52**

* These have been subsequently cleared

5 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend accounts	18.95	18.55
Bank deposit with original maturity for more than three months	1,511.42	159.39
Total	**1,530.37**	**177.94**

Note: 1) Fixed deposit earns interest at a fixed interest rate.

2) Bank deposits amounting to ₹ 1,018.61 Lakhs (March 31, 2021 - Nil) pledged as lien against borrowings.

6 Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivable		
Considered good - secured	-	-
Considered good - unsecured	117.49	117.64
Trade receivables which have significant increase in credit risk	95.36	-
Trade receivables credit impaired	-	-
Gross	212.85	117.64
Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46)	2.57	-
Total (Refer Note 46)	**210.28**	**117.64**
(ii) Other Receivables		
Considered good - secured	-	-
Considered good - unsecured	46.96	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
Total	**46.96**	**-**
Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46)	-	-
Total	**46.96**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2021

6.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

6.2 No trade receivables are due from firms or private Companies respectively in which any director is a partner,a director or a member. However, Other receivables balance as at March 31, 2021 includes ₹ 46.96 Lakhs (March 31, 2020: ₹ 0.12 Lakhs) due from firms or private Companies respectively in which any director is a partner,a director or a member.

6.3

(₹ in Lakhs)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	12.51	-	-	200.34	-	212.85
	ECL-simplified approach	-	-	-	-	2.57	-	2.57
	Net carrying amount	-	12.51	-	-	197.77	-	210.28
March 31, 2020	Estimated total gross carrying amount at default	-	117.64	-	-	-	-	117.64
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	117.64	-	-	-	-	117.64

Reconciliation of impairment loss allowance on trade receivables:

(₹ in Lakhs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	-
Add: Addition during the year	2.57
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**2.57**

(₹ in Lakhs)

Other Receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	-	46.96	-	-	-	46.96
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	-	46.96	-	-	-	46.96
March 31, 2020	Estimated total gross carrying amount at default	-	-	-	-	-	-	-
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	-	-	-	-	-	-

The managements expects no default in receipt of other receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on other receivables.

Notes to Standalone Financial Statements for the year ended March 31, 2021

7 Loans and Advances

(₹ in Lakhs)

Particulars	As a March 31, 2021	As at March 31, 2020
Amortised Cost		
Term Loans	10,442.23	3,723.81
Total Gross (A) (Refer Note 7.1 and 46)	10,442.23	3,723.81
Less:Impairment loss allowance (Refer Note 7.2 and 46)	(472.04)	(438.29)
Total Net (A)	**9,970.19**	**3,285.52**
(i) Secured by tangible assets	6,172.75	2,889.59
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	4,269.48	834.22
Total Gross (B)	**10,442.23**	**3,723.81**
Less:Impairment loss allowance	(472.04)	(438.29)
Total Net (B)	**9,970.19**	**3,285.52**
Loans in India		
(i) Public Sector	-	-
(ii) Others	10,442.23	3,723.81
Loans outside India	-	-
Total Gross (C)	**10,442.23**	**3,723.81**
Less:Impairment loss allowance	(472.04)	(438.29)
Total Net (C)	**9,970.19**	**3,285.52**

7.1 The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3
	Low Credit Risk	Significant increase in credit risk	Credit Impaired
	0-30 DPD	30-90 DPD	More than 90 DPD
March 31, 2021			
Secured Loan	4,843.51	976.40	352.84
Unsecured Loan	3,983.54	195.29	90.65
Total	**8,827.05**	**1,171.69**	**443.49**
March 31, 2020			
Secured Loan	2,222.04	465.04	201.88
Unsecured Loan	773.82	35.94	25.09
Total	**2,995.86**	**500.98**	**226.97**

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model -

(₹ in Lakhs)

Particulars	**Stage 1**	**Stage 2**	**Stage 3**
	Low Credit Risk	**Significant increase in credit risk**	**Credit Impaired**
	0-30 DPD	**30-90 DPD**	**More than 90 DPD**
ECL Allowance -			
March 31, 2021			
Secured Loan	37.20	154.73	155.80
Unsecured Loan	56.06	19.86	48.38
Total	**93.26**	**174.59**	**204.19**
March 31, 2020			
Secured Loan	106.40	148.39	101.29
Unsecured Loan	59.80	2.97	19.44
Total	**166.20**	**151.36**	**120.73**

Notes to Standalone Financial Statements for the year ended March 31, 2021

8. Investments

(₹ in Lakhs)

Particulars	March 31, 2021						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	1,103.25	-	1,103.25	-	1,103.25
(ii) Equity Instruments							
Subsidiaries (Refer Note 8.1)	-	-	-	-	-	715.42	715.42
Total Gross (A)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**715.42**	**1,818.67**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,103.25	-	1,103.25	715.42	1,818.67
Total (B)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**715.42**	**1,818.67**
Less: Impairment allowance (C)	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**715.42**	**1,818.67**

(₹ in Lakhs)

Particulars	March 31, 2020						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	128.41	-	128.41	-	128.41
(ii) Equity Instruments							
Subsidiaries (Refer Note 8.1)	-	-	-	-	-	5.00	5.00
Total Gross (A)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	128.41	-	128.41	5.00	133.41
Total (B)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**
Less: Impairment allowance (C)	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**

The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the company to certain employees of subsidiary. It has been included in the above carrying value of investment in the subsidiary.

There are no investments measured at FVOCI or designated at FVTPL.

More information regarding the valuation methodologies can be found in Note 46

8.1 In compliance with Ind AS 27 " Separate Financial Statements" the required information is as under:

Name of entity	Principal place of business/ country of origin	Subsidiary/ Associate/ Joint Venture	Percentage of ownership Interest as on	
			March 31, 2021	March 31, 2020
			%	%
DFL Technologies Private Limited	India	Subsidiary	100	100

Notes to Standalone Financial Statements for the year ended March 31, 2021

9 Other financials assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	25.26	5.68
Other advances*	20.14	334.21
Other Financial Assets	52.16	-
Total	**97.56**	**339.89**

* Includes ₹ 4.36 lakhs recoverable from related party.

10 Current Tax assets/(Liabilities)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax assets		
Advance income tax(Net of provisions of ₹ 382.71 lakhs (March 31, 2020 ₹ 223.49 lakhs)	174.49	41.67
Current Tax liabilities		
Provision for current tax(Net of advance tax of ₹ Nil lakhs (March 31, 2020 ₹ 87.22 lakhs)	(36.85)	(33.29)
Total	**137.64**	**8.38**

11 Deferred tax assets/(liabilities) (net)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax asset on account of:		
Impairment loss allowance	128.20	116.02
Provision on Emplyoee Stock Option	74.90	33.43
Expenses allowable for tax purposes when paid	12.66	6.91
EIR impact on loans measured at amortised cost	32.43	1.44
Other Temporary Differences	1.46	0.01
Deferred tax liability on account of:		
Property, plant and equipment and other intangible assets - carrying amount	(20.54)	(8.19)
EIR impact of DSA Commission	(28.59)	(1.22)
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	(44.35)	-
Liability component of Compound Financial Instrument	(29.10)	-
Other Temporary Differences	(11.12)	0.25
MAT Entitlement Credit	**-**	**39.59**
Net deferred tax assets	**115.95**	**188.24**

Notes to Standalone Financial Statements for the year ended March 31, 2021

11 Note (a): Summary of deferred tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at April 1, 2019	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Utilised	As at March 31, 2020	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Utilised	As at March 31, 2021
Impairment loss allowance	116.02	0.00	-	-	116.02	12.19	-	-	128.20
Provision on Emplyoee Stock Option	10.53	22.90	-	-	33.43	41.47	-	-	74.90
Expenses allowable for tax purposes when paid	3.61	2.84	0.46	-	6.91	6.29	(0.54)	-	12.66
EIR impact on loans measured at amortised cost	2.87	(1.44)	-	-	1.44	30.99	-	-	32.43
Other Temporary Differences	-	0.01	-	-	0.01	1.45	-	-	1.46
Property, plant and equipment and other intangible assets - carrying amount	(0.63)	(7.57)	-	-	(8.19)	(12.35)	-	-	(20.54)
EIR impact of DSA Commission	-	(1.22)			(1.22)	(27.37)			(28.59)
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	-	-	-	-	(44.35)			(44.35)
Liability component of Compound Financial Instrument	-	-	-	-	-	(29.10)			(29.10)
Other Temporary Differences	(1.25)	1.51	-	-	0.25	(11.38)	-	-	(11.12)
MAT Entitlement Credit	**91.75**	**-**	**-**	**(52.15)**	**39.59**	**-**	**-**	**(39.59)**	**-**
Net Net deferred tax assets/(liability)	**222.90**	**17.03**	**0.46**	**(52.15)**	**188.24**	**(32.14)**	**(0.54)**	**(39.59)**	**115.95**

Notes to Standalone Financial Statements for the year ended March 31, 2021

12

(₹ in Lakhs)

Particulars	Property, plant and equipment						Right to Use	
	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total	Right to Use	Total
For the year ended March 31, 2021								
Gross Carrying Amount								
Cost as at April 1, 2020	45.89	0.17	17.96	3.88	146.55	214.45	-	-
Additions	53.18	-	79.70	147.19	87.78	367.84	549.18	549.18
Adjustments	-	-	-	-	(115.53)	(115.53)	115.53	115.53
Disposals	(27.39)	-	(2.86)	-	(22.02)	(52.26)	549.18	(115.53)
Gross carrying value as of March 31, 2021	**71.68**	**0.17**	**94.80**	**151.07**	**96.78**	**414.50**	**549.18**	**549.18**
Accumulated Depreciation								
Accumulated Depreciation as at April 1, 2020	13.49	-	1.70	0.26	10.47	25.93	-	-
Depreciation charge during the year	18.72	-	7.97	1.65	8.68	37.01	30.36	30.36
					(2.43)	(2.43)	2.43	2.43
Disposals	-	-	-	-	-	-	(2.43)	(2.43)
Impairment loss	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2021	32.21	-	9.67	1.91	16.72	60.51	30.36	30.36
Net carrying value as of March 31, 2021	**39.47**	**0.17**	**85.13**	**149.16**	**80.06**	**353.99**	**518.82**	**518.82**
For the year ended March 31, 2020								
Gross Carrying Amount								
Cost as at April 1, 2019	29.37	0.17	3.97	1.08	7.62	42.21	-	-
Additions	16.52	-	13.99	2.80	138.93	172.25		-
Disposals	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	**45.89**	**0.17**	**17.96**	**3.88**	**146.55**	**214.46**	**-**	**-**
Accumulated Depreciation								
Accumulated Depreciation as at April 1, 2019	4.40	-	0.48	0.06	7.63	12.57	-	-
Depreciation charge during the year	9.09	-	1.22	0.20	2.84	13.36		-
Disposals	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2020	13.49	-	1.70	0.26	10.47	25.93	-	-
Net carrying value as of March 31, 2020	**32.40**	**0.17**	**16.26**	**3.62**	**136.08**	**188.53**	**-**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2021

13 Other intangible assets

(₹ in Lakhs)

Particulars	Computer software	Total
For the year ended March 31, 2021		
Gross Carrying Amount		
Cost as at April 1, 2020	181.26	181.26
Additions	105.06	105.06
Disposals	(24.09)	(24.09)
Gross carrying value as of March 31, 2021	**262.23**	**262.23**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2020	38.39	38.39
Depreciation charge during the year	52.47	52.47
Disposals	(5.17)	(5.17)
Impairment loss	-	-
Accumulated depreciation as of March 31, 2021	85.69	85.69
Net carrying value as of March 31, 2021	**176.53**	**176.53**
For the year ended March 31, 2020		
Gross Carrying Amount		
Cost as at April 1, 2019	50.08	50.08
Additions	131.18	131.18
Disposals	-	-
Gross carrying value as of March 31, 2020	**181.26**	**181.26**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2019	3.11	3.11
Depreciation charge during the year	35.28	35.28
Disposals	-	-
Impairment loss	-	-
Accumulated depreciation as of March 31, 2020	38.39	38.39
Net carrying value as of March 31, 2020	**142.86**	**142.86**

14 Other non-financials assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expense	113.91	25.91
Advance to vendors	27.30	1.33
Advance to employees	10.09	-
Balances with statutory/government authorities	24.74	-
Total	**176.04**	**27.24**

Notes to Standalone Financial Statements for the year ended March 31, 2021

15 Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	14.78	8.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	147.90	26.65
Total	**162.68**	**34.78**
Other payables		
Total outstanding dues of micro enterprises and small enterprises	21.56	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.62	13.30
Total	**65.18**	**13.30**

Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	36.34	8.12
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

16 Debt Securities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Unsecured		
Compulsorily Convertible Debentures *	104.59	-
Secured		
Non Convertible Debentures - Privately Placed	497.39	-
Total	**601.98**	**-**
Deb Securities within India	601.98	
Deb Securities outside India	-	
Total	**601.98**	**-**

* Includes ₹ 104.59 issued to Related Parties

Debt Securities Disclosure

i) Privately placed redeemable non-convertible debenture of ₹ 10,00,000/- each (₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
24-36 Months	11.00%	375.00	-
12-24 Months	11.00%	125.00	-
Gross		500.00	-
Less: Effective Interest Rate Adjustment		(2.61)	
Net		497.39	-

Nature of Security

The facility is secured by exclusive hypothecation of standard loans & advances receivables to maintain a security cover of 1.20 times.

ii) Privately placed unsecured compulsorily convertible debenture of ₹ 111.30/- each (₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Upto 18 Months	2%	4,500.00	-
Gross		4,500.00	-
Less: Equity component of compound financial instrument		(4,376.42)	-
Less: Accrued Interest Adjustment		(18.99)	-
Net		104.59	-

Terms of Redemption

The holder shall have the option to convert the CCDs, any time prior to the expiry of 18 (eighteen) months from the date of issuance of the CCDs, provided that all compulsorily convertible debentures issued shall mandatorily convert simultaneously. Each CCD shall convert into one Equity Share at a conversion price of ₹ 111.30/- per equity share.

Notes to Standalone Financial Statements for the year ended March 31, 2021

17 Borrowings (other than debt securities)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Term Loan from Banks		
- from Banks	5,900.03	390.79
- from Financial Institutions	1,194.79	-
Bank Over draft	287.30	-
Unsecured		
Loans repayable on demand from other parties	-	1,056.86
Lease Liability (Refer Note 49)	68.73	113.10
Total (A)	7,450.85	1,560.75
Borrowings India	7,450.85	1,560.75
Borrowings outside India	-	-
Total (B)	7,450.85	1,560.75

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Borrowings Disclosure

i) Term loans from Banks & Financial Institutions

(₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Terms of Repayment	Rate of Interest	As at March 31, 2021	As at March 31, 2020
49-60 Months	Monthly Instalments	11.00%	464.28	-
49-60 Months	Monthly Instalments	11-13%	-	395.17
37-48 Months	Monthly Instalments	11-13%	3,269.82	-
37-48 Months	Quarterly Instalments	11-13%	2,031.25	-
25-36 Months	-	-	-	-
13-24 Months	Monthly Instalments	14.00%	1,257.72	-
13-24 Months	Two Instalments	7-9%	500.58	-
Upto 12 Months	-	-	-	-
Gross			7,523.65	395.17
Less: Effective Interest Rate Adjustment			(159.41)	(4.38)
Less: Capital Contribution by the Holding Company in the Form of Corporate Guarantee			(269.42)	
Net			7,094.82	390.79

Nature of Security

The facility is secured on a first and exclusive charge basis by way of hypothecation over the portfolio loans in such a way that the security cover of 1.10 to 1.33 times is met. Further, the Company has provided additional security by way of lien on Fixed Deposits and Corporate Guarantee in certain cases.

Notes to Standalone Financial Statements for the year ended March 31, 2021

ii) Bank Overdraft

(₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	10.50%	287.30	-

Nature of Security

The facility is secured by pledge of gold ornaments.

18 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividends	18.95	18.55
Loan Pending Disbursal	10.29	-
Payable to employees	0.70	4.41
Other financial liabilities	14.75	-
Total	**44.69**	**22.96**

19 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note 39)	10.86	7.25
Leave encashment (Refer Note 39)	34.64	17.59
PF and ESIC (Refer Note 39)	3.43	-
Total	**48.93**	**24.84**

20 Other non-financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	-	3.70
Advance from customers and others	74.35	0.07
Liability towards Statutory Dues	35.23	37.02
Unearned income	0.55	-
Total	**110.13**	**40.79**

Notes to Standalone Financial Statements for the year ended March 31, 2021

21 Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Authorised Share Capital		
5,00,00,000 (March 31, 2020: 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**
b. Issued, Subscribed and Paid-up:		
1,52,92,429 (March 31, 2020: 1,35,07,756) Equity Shares of ₹ 10 each	1,529.24	1,350.78
Total	**1,529.24**	**1,350.78**

c. Reconciliation of number of equity shares: (₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	13,507,756	1,350.78	13,500,000	1,350.00
Issued during the year	1,784,673	178.46	7,756	0.78
Balance as at the end of the year	15,292,429	1,529.24	13,507,756	1,350.78

d. Details of shareholders holding more than 5% shares in the Company (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	9,382,826	61.36%	7,682,200	56.87%
Siddhi Jaiswal	782,571	5.11%	-	0.00%
Total	**10,165,397**	**66.47%**	**7,682,200**	**56.87%**

e. Shares of the Company held by the Holding Company

Particulars	As at March 31, 2021	As at March 31, 2020
Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	9,382,826	7,682,200
Total	**9,382,826**	**7,682,200**

f. Shares reseved for issues under options (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount in `	No of Shares	Amount in `
Equity shares of ₹ 10 each reserved for issue under employee stock option scheme	1,704,714	170.47	1,838,562	183.86

g. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be proportional to the number of equity shares held by the shareholders.

h. The Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2021.

i. Proposed dividends on equity shares (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021:₹ 0.05 per share (March 31, 2020: ₹ 0.10 per share)	7.65	14.34

i. Refer Note 41- Capital for the Company's objectives, policies and processes for managing capital

Notes to Standalone Financial Statements for the year ended March 31, 2021

22 Other equity

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Securities Premium	(i)	2,027.52	629.85
Retained earnings	(ii)	657.98	615.96
Employee stock option outstanding reserve	(iii)	269.21	120.16
Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(iv)	291.07	277.38
Money received against share warrants	(v)	500.00	125.00
Share application money pending allotment	(vi)	2.92	-
Equity component of compound financial instruments	(vii)	4,376.42	-
Capital Contribution towards corporate gaurantee	(viii)	281.90	-
Total		**8,407.01**	**1,768.34**

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,2013.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	629.85	626.56
Add: premium received on issue of shares	1,397.67	1.56
Add: Utilisation on account of exercise option	-	1.73
Balance at the end of the year	2,027.52	629.85

(ii) Retained earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	615.96	329.70
Profit for the year	68.45	409.89
Remeasurement of defined benefit plans (net of tax)	1.41	(1.20)
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(13.69)	(81.74)
Left Employee vested expenses reversed	0.19	-
Dividends	(14.34)	(33.75)
Dividend distribution tax	-	(6.94)
Balance at the end of the year	657.98	615.96

(iii) Employee stock option outstanding reserves

Employee stock option outstanding reserves is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the group

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	120.16	37.86
Add:Share based payment expense	153.29	84.03
Add:ESOP's granted to employees of Subsidiary Company	15.42	-
Less: Share based payment expense reversed for resigned employees	(0.19)	-
Less:Transfer to securities premium on account of exercise of Options	(19.47)	(1.73)
Balance at the end of the year	269.21	120.16

Notes to Standalone Financial Statements for the year ended March 31, 2021

(iv) Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934

The Company maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	277.38	195.64
Add: Profit transferred during the year	13.69	81.74
Balance at the end of the year	291.07	277.38

(v) Money received against share warrants

money received against share warrants is to be made since shares are yet to be allotted against the share warrants

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	125.00	125.00
Add: Warrants issued during the year	875.00	-
Less: Options exercised during the year	(500.00)	-
Balance at the end of the year	500.00	125.00

(vi) Share application money pending allotment

The amount received on the application on which allotment is not yet made

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-
Add: Application money received during the year	2.92	-
Balance at the end of the year	2.92	-

(vii) Equity component of compound financial instruments

This represent the equity component of compound financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-
Add: Equity component of Corporate Guarantee	4,376.42	-
Balance at the end of the year	4,376.42	-

(viii) Capital Contribution towards corporate gaurantee

This represent the Capital Contribution towards corporate gaurantee

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-
Add: Capital Contribution by the Holding Company in the Form of Corporate Guarantee	281.90	-
Balance at the end of the year	281.90	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

23 Interest income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on loans (at amortised cost)	1,190.08	631.28
Interest on deposit with banks (at amortised cost)	32.06	10.50
Other interest Income	0.69	-
Total	**1,222.83**	**641.78**

24 Fees and commission Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from loan services	25.67	31.40
Income from other services	1,138.19	1,228.70
Total	**1,163.86**	**1,260.10**

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of Services		
Fee and commission income	1,163.86	1,260.10
Total revenue from contract with customers	1,163.86	1,260.10
Geographical markets		
India	1,163.86	1,260.10
Outside India	-	-
Total revenue from contract with customers	1,163.86	1,260.10
Timing of revenue recognition		
Services transferred at a point in time	1,163.86	1,253.03
Services transferred over time	-	7.08
Total revenue from contracts with customers	**1,163.86**	**1,260.10**

Contract balance

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	210.28	117.64
Contract Assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes to Standalone Financial Statements for the year ended March 31, 2021

25 Net gain on fair value changes

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On Trading Portfolio		
Investment in mutual funds	8.43	8.16
(ii) Others	-	-
Total Net Gain on Fair Value Changes (B)	**8.43**	**8.16**
Fair value changes:		
Realised	11.17	7.11
Unrealised	(2.74)	1.05
Total Net Gain on Fair Value Changes (C)	**8.43**	**8.16**

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

26 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent income	0.70	1.77
Net gain/(loss) on derecognition of property, plant and equipment and investment property	1.12	4.67
Gain on foreign currency transactions	-	0.04
Recovery from written off accounts	-	13.00
Miscellaneous income	45.04	-
Total	**46.86**	**19.48**

27 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	407.57	163.61
Interest on debt securities	12.58	-
Other interest expense		
Interest on lease liabilities	2.98	2.17
Interest on taxes	-	2.81
Total	**423.13**	**168.59**

28 Fees and commission expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission	27.40	0.79
Total	**27.40**	**0.79**

Notes to Standalone Financial Statements for the year ended March 31, 2021

29 Impairment on financial instruments

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans	33.76	21.27
Receivable	2.57	-
Bad debts written off	7.34	12.40
Total	**43.67**	**33.66**

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2021

(₹ in Lakhs)

Particulars	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Loans and advances to customers	(72.94)	23.25	83.46	-	33.76
Receivables	-	-	-	2.57	2.57
Total impairment loss	**(72.94)**	**23.25**	**83.46**	**2.57**	**36.33**

Year ended March 31, 2020

(₹ in Lakhs)

Particulars	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Loans and advances to customers	(79.82)	125.40	(24.31)	-	21.27
Total impairment loss	**(79.82)**	**125.40**	**(24.31)**	**-**	**21.27**

30 Employee benefits expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	773.99	576.85
Gratuity Expenses (Refer Note 38)	10.57	5.60
Contribution to provident and other funds	38.94	25.59
Share Based Payments to employees	153.29	84.03
Staff welfare expenses	10.69	9.77
Total	**987.48**	**701.84**

31 Depreciation, amortization and impairment

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 12)	67.38	13.37
Amortization of intangible assets (Refer Note 13)	52.47	35.28
Total	**119.84**	**48.65**

Notes to Standalone Financial Statements for the year ended March 31, 2021

32 Others expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent, Rates and taxes	71.40	68.54
Repairs and maintenance	2.39	4.36
Energy Costs	10.99	6.65
Communication costs	10.38	5.29
Advertisement and publicity	16.64	27.01
Director's fees, allowances, and expenses	62.97	40.05
Auditor fees and expenses (Refer Note 32.1)	32.10	10.60
Legal and professional charges	200.61	109.12
Insurance	11.99	13.29
Other expenditure:		
- Annual Maintenance Charges	17.08	15.26
- Brokerage	11.92	2.68
- Donation	5.15	-
- GST Input Tax Credit written off	73.40	32.10
- Office Expenses	29.69	15.50
- Processing fee on co-lending business	15.56	-
- Software Licences Expenses	14.34	6.90
- Travel & Conveyance	16.69	26.78
- Website & Server Maintenance Expenses	30.93	23.40
- Miscellaneous Expenditure	32.72	10.39
Total	**666.95**	**417.92**

32.1 Auditor fees and expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor:		
- Statutory audit fees	12.00	5.50
- Limited review fees	6.00	3.50
- Tax audit fees	2.00	1.00
- Reimbursement of expenses	0.75	-
In other capacity:		
- Certification	11.35	0.60
Total	**32.10**	**10.60**

Notes to Standalone Financial Statements for the year ended March 31, 2021

33 Income tax expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Current tax on profits for the period	71.59	172.52
Adjustments for current tax of prior periods	1.32	(7.32)
Mat credit entitlement (Refer Note11)	-	-
Total Current Tax	**72.91**	**165.20**
Deferred tax expense (income)		
Decrease in deferred tax assets (Refer Note11)	32.15	(17.03)
Total deferred tax expense/(benefit)	32.15	(17.03)
Total tax expense	**105.06**	**148.17**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

33.1 Reconciliation of effective tax rate:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before income tax expense	173.51	558.06
Enacted income tax rate in India applicable to the Company 27.82% (2019-2020 – 27.82%)	48.27	155.25
Tax effect of:		
Permanent Disallowances	7.78	-
Deferred tax assets not created on OCI	0.54	(0.46)
Long term capital gain on sale of property	-	(1.30)
Difference in tax rates for short term capital gains	(1.24)	(0.81)
Others	48.38	2.80
Tax in respect of earlier period	1.32	(7.32)
Total tax expense	105.06	148.17
Effective tax rate	60.55	26.55

33.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

Notes to Standalone Financial Statements for the year ended March 31, 2021

34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to the equity holders of the Company (A)	68.45	409.89
Weighted Average number of equity shares for calculating Basic EPS (In lakhs) (B)	14,707,668	13,501,208
Adjustment for calculation of Diluted EPS on account of Diluted potential ordinary shares (C)	4,676,435	841,431
Weighted Average number of equity shares for calculating Diluted EPS (In lakhs) (D= B+C)	19,384,103	14,342,638
Basic earnings per equity shares in ₹ (face value of ₹ 10/- per share) (A) / (B)	0.47	3.04
Diluted earnings per equity shares in ₹ (face value of ₹ 10/- per share) (A) / (D)	0.37	2.86

During the current year, the Company has allotted 17,96,944 Warrants of face value of ₹ 10/- each at a price of ₹ 111.30/- per Warrant (including ₹ 101.30 towards share premium), to M/s. Wilson Holdings Private Limited, Mrs. Minaxi Mehta, Rohanjeet Singh Juneja, Karan Neale Desai and Elios Advisors LLP against receipt of 25% of the Warrant subscription amount. The remaining 75% of the Warrant subscription amount can be paid within a period of eighteen (18) months from the date of allotment of Warrants. These warrants are not counted in Weighted average number of Equity Shares used for calculation of diluted Earning per Share, as they are anti-dliutive.

35 Contingent liabilities & commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not aknowledged as debts		
Income tax matters under dispute	65.99	65.99
Commitments		
a) Capital commitments	-	18.97
(Estimated amount of contracts remaining to be executed on capital account and not provided for)		
b) Loan sanction but undrawn	361.01	48.25
Total Commitments	**361.01**	**18.97**

36 Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on March 31, 2021: Nil (March 31, 2020: Nil).

Notes to Standalone Financial Statements for the year ended March 31, 2021

37 Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")

The Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. During the year, the Company has scaled up the growth in the low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID related stress to the borrowers. Basis the abovementioned factors, the Company estimates that no additional Expected Credit Loss (ECL) provision on Loans is required on account of COVID – 19 during the quarter and year ended March 31, 2021. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

38 Employee benefits

(a) Compensated absences

The compensated absences charge for the year ended March 31, 2021 of ₹ 25.51 lakhs (March 31, 2020 ₹ 12.77 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2021 is ₹ 34.64 lakhs (March 31, 2020 : ₹ 17.59 lakhs)

(b) Post employment obligations

I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

a. Provident Fund

b. Employees' Pension Scheme 1995

c. Employee State Insurance Scheme

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner . Under the schemes, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan -

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Provident Fund	25.73	18.85
Contribution to Employees' Pension Scheme 1995	12.10	6.75
Contribution to Employee State Insurance Scheme	1.05	-
Total	**38.89**	**25.59**

Notes to Standalone Financial Statements for the year ended March 31, 2021

II. **Defined benefit plans**

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of ₹ 20 lakhs. The gratuity plan is a funded plan.

The Company has a defined benefit plan in India (Funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The Fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2021	For the year ended March 31, 2020
		Gratuity (funded)	Gratuity (funded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	10.15	5.20
	Past service cost	-	-
	Expected return on plan assets	-	-
	Liability Transferred Out/ Divestments	-	-
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.42	0.39
	Total expenses	**10.57**	**5.59**
II	**Expenses recognised in other comprehensive income**		
	Actuarial (gains) / losses due to demographic assumption changes	-	-
	Actuarial (gains) / losses due to financial assumption changes	-	1.09
	Actuarial (gains)/ losses due to experience on defined benefit obligations	(2.10)	0.64
	Return on plan assets excluding Interest income	0.14	(0.08)
	Total expenses	**(1.96)**	**1.65**
III	Net asset /(liability) recognised as at balance sheet date:		
	Present value of defined benefit obligation at the end of the period	(16.72)	(12.92)
	Fair value of plan assets	5.86	5.67
	Net (Liability)/Asset Recognized in the Balance Sheet	**(10.86)**	**(7.25)**
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	12.92	5.60
	Current service cost	10.15	5.20
	Past service cost	-	-
	Liability Transferred Out/ Divestments	(5.01)	-
	Interest cost	0.76	0.39
	Actuarial (gains) / loss	(2.10)	1.73
	Benefits paid	-	-
	Present value of defined benefit obligation at the end of the year	16.72	12.92

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2021	For the year ended March 31, 2020
		Gratuity (funded)	Gratuity (funded)
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	5.67	-
	Interest Income	0.33	-
	Expected returns on plan assets	-	-
	Expected returns on plan assets excluding Interest income	(0.14)	0.07
	Actuarial (gains) / loss on plan assets	-	-
	Contribution from employer	-	5.60
	Benefits paid	-	-
	Closing fair value of the plan asset	**5.86**	**5.67**
VI	**Maturity profile of defined benefit obligation**		
a	Funding arrangements and funding policy		
	The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company		
b	**The average outstanding term of the obligations (years) as at valuation date is 4 years**		
	Expected cash flows over the next (valued on undiscounted basis):		
	1st Following Year	0.03	0.03
	2nd Following Year	1.04	0.02
	3rd Following Year	1.61	0.89
	4th Following Year	1.88	1.89
	5th Following Year	2.38	1.98
	Sum of Years 6 To 10	8.79	7.32
	Sum of Years 11 and above	10.51	9.10
VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
1	Increase / (decrease) on present value of defined benefit obligation at the end of the year	16.72	12.92
	(i) +1% increase in discount rate	(1.11)	(0.92)
	(ii) -1% decrease in discount rate	1.25	1.04
	(iii) +1% increase in rate of salary increase	1.12	0.96
	(iv) -1% decrease in rate of salary increase	(1.05)	(0.88)
	(v) +1% increase in rate of Emplyoee Turnover	(0.63)	(0.56)
	(vi) -1% decrease in rate of Emplyoee Turnover	0.67	0.60

Notes to Standalone Financial Statements for the year ended March 31, 2021

2 **Sensitivity analysis method**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VIII Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

X	Composition of plan assets		
	Qualifying policy with Tata AIA Life Insurance Company Limited	100%	100%

XI Asset liability matching strategies

The Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

XII	Actuarial assumptions:	As at March 31, 2021	As at March 31, 2020
1	Expected Return on Plan Assets	5.58%	5.76%
2	Discount rate	5.58%	5.76%
3	Expected rate of salary increase	10.00%	10.00%
4	Rate of Employee Turnover	18.00%	18.00%
5	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Notes:

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Company expects to make a contribution of ₹ 21.30 lakhs to the defined benefit plans (gratuity - funded) during the next financial year.

d) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

Notes to Standalone Financial Statements for the year ended March 31, 2021

39 Segment Reporting

The Company has primarily two reportable business segments namely Fund based Activities and Advisory services for the quarter and period ended March 31, 2021. In accordance with Ind AS 108 - Operating Segments, the Company has disclosed the segment information in the consolidated financial statements of the Company.

40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakhs)

Assets	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financials Assets						
Cash and cash equivalents	3,142.77	-	3,142.77	169.52	-	169.52
Bank balances other than cash and cash equivalents	935.73	594.64	1,530.37	177.94	-	177.94
Receivables						
(i)Trade Receivables	210.28	-	210.28	117.64	-	117.64
(ii)Other Receivables	46.96	-	46.96	-	-	-
Loans*	4,145.61	5,824.59	9,970.19	562.03	2,723.49	3,285.51
Investments	1,103.25	715.42	1,818.67	128.41	5.00	133.41
Other Financials Assets	97.56	-	97.56	334.52	5.37	339.88
Non Financials Assets						
Current Tax Assets (Net)	-	174.49	174.49	-	41.67	41.67
Deferred Tax Assets (Net)	-	115.95	115.95	-	188.24	188.24
Investment Property	-	-	-	-	-	-
Property,Plant and Equipment	-	353.99	353.99	-	188.53	188.53
Right of use assets		518.82	518.82	-	-	-
Capital work -in- progress	-	-	-	-	25.84	25.84
Intangible assets under development	-	124.93	124.93	-	11.51	11.51
Other Intangible assets	-	176.53	176.53	-	142.87	142.87
Other non-financials assets	176.04	-	176.04	24.55	2.69	27.24
Non-current assets and disposal group held for sale	-	-	-	-	-	-
Total Assets	**9,858.19**	**8,599.37**	**18,457.57**	**1,514.63**	**3,335.19**	**4,849.82**

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Liabilities	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Payables						
I)Trade payables	162.68	-	162.68	34.77	-	34.77
II)Other payables	65.18	-	65.18	-	-	-
Debt Securities	-	601.98	601.98	-	-	-
Borrowings (Other than Debt Securities)	315.10	7,135.75	7,450.86	1,126.20	434.55	1,560.74
Other financial liabilities	44.69	-	44.69	36.26	-	36.26
Non-Financial Liabilities						
Current tax liabilities(Net)	36.85	-	36.85	33.29	-	33.29
Provisions	23.37	25.57	48.94	11.74	13.10	24.84
Other non-financial liabilities	110.13	-	110.13	40.79	-	40.79
Total Liabilities	**757.99**	**7,763.30**	**8,521.30**	**1,283.05**	**447.65**	**1,730.69**
Net	**9,100.19**	**836.07**	**9,936.26**	**231.58**	**2,887.54**	**3,119.12**

41 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares capital securities. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021. March 31.The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	8,052.83	1,560.75
Less: cash and cash equivalents	(3,142.77)	(169.52)
Less: Bank balances other than cash and cash equivalents	(1,530.37)	(177.94)
Adjusted net debt	3,379.68	1,213.29
Total Equity	**9,936.25**	**3,119.12**
Adjusted net debt to adjusted equity ratio	0.34	0.39

42 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2021

43 Change in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	April 1, 2020	Cash Flows	Changes in fair values	Exchange difference	Other**	As at March 31, 2021
Debt securities	-	5,000.00	-	-	(4,398.02)	601.98
Borrowings (other than debt securities)*	1,445.22	7,387.29	-	-	(1,450.40)	7,382.11
Lease Liabilities	115.53	(14.60)	-	-	(32.20)	68.73
Deposits	-	-	-	-	-	-
Total liabilities from financing activities	1,560.75	12,372.69	-	-	(5,880.62)	8,052.82

Particulars	April 1, 2019	Cash Flows	Changes in fair values	Exchange difference	Other**	As at March 31, 2020
Debt securities	-	-	-	-	-	-
Borrowings (other than debt securities)*	2,541.32	(1,096.10)	-	-	-	1,445.22
Lease Liabilities	-	-	-	-	115.53	115.53
Deposits	-	-	-	-	-	-
Total liabilities from financing activities	2,541.32	(1,096.10)	-	-	115.53	1,560.75

*Other than lease lliabilities

**Other column includes creation of lease liabilities, Ind AS Adjustments & adjustments on account of Capital Contribution by the Holding Company in the Form of Corporate Guarantee.

44 Related party disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Parent Company	M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)
Subsidiary	M/s. DFL Technologies Private Limited (from October 07, 2019) (Wholly owned Subsidiary of Dhanvarsha Finvest Limited)
Fellow Subsidiary:	Wilson Financial Services Private Limited (Wholly owned Subsidiary of Wilson Holdings Private Limited)
Key Management Personnel (KMP)	Mr. Karan Neale Desai, Joint Managing Director
	Mr. Ashish Sharad Dalal, Non-Executive Director (Upto November 10, 2020)
	Mr. Nirmal Vinod Momaya, Independent Director
	Mr. K. P. Raghuvanshi, Independent Director
	Mrs. Manjari Kacker, Independent Director
	Mr. Dharmil Shah, Independent Director (upto August 24, 2018)
	Mrs. Arunaben Girishkumar Shah, Independent Director (upto August 24, 2018)
	Mr. Rakesh Sethi, Chairman and Independent Director (w.e.f. Ocotber 15, 2019)
	Mr. Rajiv Kapoor, Independent Director
	Mr. Surender K Behera, Independent Director (upto December 17, 2019)
	Mr. Rohanjeet Singh Juneja, Joint Managing Director
	Mr. Narendra Kumar Tater, Chief Financial Officer (Upto July 31, 2020)
	Mr. M Vijay Mohan Reddy, Company Secretary (Upto July 31, 2020)
	Mr. Sanjay Kukreja, Chief Financial Officer (w.e.f. August 1, 2020)
	Mr. Fredrick Pinto, Company Secretary (w.e.f. August 1, 2020)
	Mr. Nimir Kishore Mehta, Non-Executive Chairman (upto December 15, 2019)
Other Related Parties	Mrs. Minaxi Mehta (Promoter of Wilson Holdings Private Limited)
	Mr. Nimir Kishore Mehta (Relative of Promoter of Wilson Holdings Private Limited)
	Prolific Ventures Pvt Ltd (Promoter of Parent Company Having Singnificant Influence)
	Exerfit Wellness Private Limited (Director Having Singnificant Influence)

Notes to Standalone Financial Statements for the year ended March 31, 2021

B. **Details of related party transactions:** (₹ in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Parent Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Interest expense	93.95	156.80
	Reimbursement of expenses	28.13	-
	Loans Taken	875.00	-
	Loans repaid	1,905.00	1,420.00
	Interest Income	4.21	-
	Loans Given	305.00	-
	Loans repayment received	305.00	-
	Issue of share warrants	125.00	125.00
	Conversion of share warrants into Equity	500.00	-
	Issue of Equity	1,030.00	-
	Issue of UCCD	4,500.00	-
	Capital Contribution towards corporate gaurantee	281.92	-
Subsidairy			
M/s. DFL Technologies Private Limited	Rent income	0.70	0.57
	Investments (including ESOP issued to subsidiary's employees)	710.42	5.00
	Sale of Fixed assets	31.39	-
	Sale of Leasehold Improvements	22.00	-
	Sale of Intangible assets	55.72	-
	Sale of Intangible assets under developments	58.24	-
	Interest Income	0.63	-
	Loans Taken	45.00	-
	Loans repayment received	45.00	-
	DSA Commission Income	9.04	-
	Rent paid	0.75	-
	Office Expenses	4.33	-
	Reimbursement of expenses	102.07	-
Fellow Subsidiary			
Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)	Rent income	-	1.20
	Fees Paid	15.00	-
Key Management Personnel (KMP)			
Mr. Karan Neale Desai	Remuneration and Short-termemployee benefits*	53.20	67.27
	Reimbursement of expenses	7.19	8.18
	Issue of share warrants	100.00	-
	share-based payment	10.90	-
Mr. Narendra Kumar Tater	Remuneration and Short-termemployee benefits*	22.59	36.49
	Reimbursement of expenses	1.07	4.76

Notes to Standalone Financial Statements for the year ended March 31, 2021

B. **Details of related party transactions:**

(₹ in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Vijay Mohan Reddy	Remuneration and Short-termemployee benefits*	14.69	24.28
	Reimbursement of expenses	0.13	5.93
Mr. Rohanjeet Singh Juneja	Remuneration and Short-termemployee benefits*	52.59	17.89
	Reimbursement of expenses	7.66	1.55
	Issue of share warrants	100.00	-
Mr. Sanjay Kukreja	Remuneration and Short-termemployee benefits*	31.45	17.89
	Reimbursement of expenses	1.50	1.55
Mr. Fredrick Pinto	Remuneration and Short-termemployee benefits*	14.15	17.89
	Reimbursement of expenses	2.96	1.55
Mr. Ashish Sharad Dalal	Sitting fees and commission	6.66	7.00
Mr. Nirmal Vinod Momaya	Sitting fees and commission	10.91	7.00
Mr. K. P. Raghuvanshi	Sitting fees and commission	11.41	8.25
Mrs. Manjari Kacker	Sitting fees and commission	12.66	9.25
Mr. Dharmil Shah	Sitting fees and commission	-	(1.35)
Ms. Arunaben Girishkumar Shah	Sitting fees and commission	-	(1.35)
Mr. Surender K Behera	Sitting fees and commission	-	5.00
Mr. Rakesh Sethi	Sitting fees and commission	10.16	4.25
Mr. Rajiv Kapoor	Sitting fees and commission	11.16	1.00
Mr. Nimir Kishore Mehta	Sitting fees and commission	-	1.00
Other Related Parties			
Mrs. Minaxi Mehta	Issue of share warrants	125.00	-
Mr. Nimir Kishore Mehta	Rent paid	22.58	60.00
	Reimbursement of expenses	0.57	0.72
	Profession fees paid	0.00	-
Prolific Ventures Pvt Ltd	Rent paid	25.68	4.60
	Reimbursement of expenses	0.52	0.03
	Security deposit	-	6.90
	ROU Asset	464.83	-
Exerfit Wellness Private Limited	Staff Welfare expenses	0.20	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

C. Details of balances outstanding for related party transactions: (₹ in Lakhs)

Name of the related party	Nature of Transaction	As at March 31, 2021	As at March 31, 2020
Parent Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Short Term borrowing taken	0.12	1,030.00
	Equity Share Capital	938.28	768.22
	Share Warrants	125.00	125.00
	UCCD	4,500.00	-
	Capital Contribution towards corporate gaurantee	281.92	-
Subsidiary			
M/s. DFL Technologies Private Limited	Rent income	-	0.12
	Other Receivable	46.96	-
	Reimbursement of expenses	4.36	-
	Trade Payables	11.19	-
	Investments (including ESOP issued to subsidiary's employees)	715.42	5.00
Key Management Personnel (KMP)			
Mr. Ashish Sharad Dalal	Sitting fees and commission	0.58	-
Mr. Nirmal Vinod Momaya	Sitting fees and commission	0.58	-
Mr. K. P. Raghuvanshi	Sitting fees and commission	0.58	-
Mrs. Manjari Kacker	Sitting fees and commission	0.58	-
Mr. Rakesh Sethi	Sitting fees and commission	0.61	-
Mr. Rajiv Kapoor	Sitting fees and commission	0.61	-
Mr. Karan Neale Desai	Reimbursement of expenses	-	1.12
	Equity Share Capital	3.63	-
	Share Warrants	100.00	-
Mr. Rohanjeet Singh Juneja	Reimbursement of expenses	-	0.46
	Share Warrants	100.00	-
Mr. Nimir Kishore Mehta	Reimbursement of expenses	0.82	-
Mr. Sanjay Kukreja	Reimbursement of expenses	0.24	-
Other Related Parties			
Mrs. Minaxi Mehta	Share Warrants	125.00	-
Prolific Ventures Pvt Ltd	Rent paid	3.26	-
	Security deposit	6.90	6.90

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

Notes to Standalone Financial Statements for the year ended March 31, 2021

D **The options granted and outstanding for the key managerial personnel as of March 31, 2021 and March 31, 2020 is as provided below:**

Name of the KMP	Grant Date	Expiry date	Shares outstanding	
			Mar-21	Mar-20
Mr. Karan Neale Desai	11/5/2018	11/4/2025	327,140	363,489
Mr. Narendra Kumar Tater	11/5/2018	11/4/2025	-	193,861
Mr. Vijay Mohan Reddy	11/5/2018	11/4/2025	-	69,799
Mr. Karan Neale Desai	12/17/2019	12/16/2026	236,511	236,511
Mr. Rohanjeet Singh Juneja	12/17/2019	12/16/2026	600,000	600,000
Mr. Karan Neale Desai	7/31/2020	8/1/2028	75,000	-
Mr. Rohanjeet Singh Juneja	7/31/2020	8/1/2028	75,000	-
Total			**1,313,651**	**1,463,660**

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

45 Fair Value Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Financial Assets and Liabilities as at March 31, 2021	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								-
Cash and cash equivalents	-	-	3,142.77	3,142.77	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,530.37	1,530.37	-	-	-	-
Receivables								
Trade receivables	-	-	210.28	210.28	-	-	-	-
Other receivables	-	-	46.96	46.96	-	-	-	-
Loans	-	-	9,970.19	9,970.19	-	-	-	-
Investments	1,103.25	-	715.42	1,818.67	1,103.25	-	-	1,103.25
Other financials assets	-	-	97.56	97.56	-	-	-	-
	1,103.25	-	15,713.55	16,816.80	1,103.25	-	-	1,103.25
Financial Liabilities								
Payables								-
Trade payables	-	-	162.68	162.68	-	-	-	-
Other payables	-	-	65.18	65.18	-	-	-	-
Debt Securities	-	-	601.98	601.98	-	-	-	-
Borrowings (Other than debt securities)	-	-	7,450.85	7,450.85	-	-	-	-
Other financial liabilities	-	-	44.69	44.69	-	-	-	-
	-	-	8,325.37	8,325.37	-	-	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								-
Cash and cash equivalents	-	-	169.52	169.52	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	177.94	177.94	-	-	-	-
Receivables				-				-
Trade receivables	-	-	117.64	117.64	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	3,285.52	3,285.52	-	-	-	-
Investments	123.41	-	5.00	128.41	128.41	-	-	128.41
Other financials assets	-	-	339.89	339.89	-	-	-	-
	123.41	-	4,095.51	4,218.92	128.41	-	-	128.41
Financial Liabilities								
Payables								-
Trade payables	-	-	34.77	34.77	-	-	-	-
Other payables	-	-	13.30	13.30	-	-	-	-
Borrowings (Other than debt securities)	-	-	1,560.75	1,560.75	-	-	-	-
Other financial liabilities	-	-	22.96	22.96	-	-	-	-
	-	-	1,631.78	1,631.78	-	-	-	-

B. Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances , other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

c. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to Standalone Financial Statements for the year ended March 31, 2021

C. Valuation techniques used to determine fair value

Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

D. Transfers between Level 1 and Level 2 and between Level 1 and Level 3

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

46 Financial Risk Management

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of busines.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for a period not exceeding six months	117.49	117.64
Outstanding for a period exceeding six months	95.36	-
Gross Trade Receivables	**212.85**	**117.64**
Less: Impairment Loss	2.57	-
Net Trade Receivables	**210.28**	**117.64**

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

Notes to Standalone Financial Statements for the year ended March 31, 2021

ii) **Loans and financial assets measured at amortized cost**

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
0-30 Days Past Due		
Secured	4,843.51	2,222.04
Unsecured	3,983.54	773.82
30-90 Days Past due		
Secured	976.40	465.04
Unsecured	195.29	35.94
More than 90 Days Past Due		
Secured	352.84	201.88
Unsecured	90.65	25.09
Total	**10,442.23**	**3,723.81**

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is into small ticket loan business, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income. The Company categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(i) **Definition of default**

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(ii) **Exposure at default**

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

(iii) **Estimations and assumptions considered in the ECL model**

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

Notes to Standalone Financial Statements for the year ended March 31, 2021

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Company considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data.

Macroeconomic Scenarios

In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as CPI and repo rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

(iv) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income " in Statement of profit and loss.

Notes to Standalone Financial Statements for the year ended March 31, 2021

An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :

(₹ In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2019	**4,561.95**	**77.32**	**294.22**	**4,933.49**
New loans originated during the year	874.33	-	-	874.33
Transfers to Stage 1	40.11	(40.11)	-	-
Transfers to Stage 2	(451.92)	506.08	(54.16)	-
Transfers to Stage 3	(86.77)	(34.24)	121.01	-
Write-offs	(2.81)	-	(9.58)	(12.40)
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(1,939.04)	(8.09)	(124.50)	(2,071.63)
Gross carrying amount balance as at March 31, 2020	**2,995.86**	**500.98**	**226.97**	**3,723.81**
New loans originated during the year	6,988.84	273.20	0.24	7,262.28
Transfers to Stage 1	0.79	(0.17)	(0.62)	-
Transfers to Stage 2	(553.94)	553.94	-	-
Transfers to Stage 3	(35.35)	(174.35)	209.70	-
Write-offs	(0.56)	-	(6.79)	(7.35)
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(568.59)	18.09	13.99	(536.51)
Gross carrying amount balance as at March 31, 2021	**8,827.05**	**1,171.69**	**443.49**	**10,442.23**

Reconciliation of ECL balance

(₹ In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance- Opening Balance as at April 1, 2019	**246.02**	**25.96**	**145.04**	**417.02**
New loans originated during the year	60.28	-	-	60.28
Transfers to Stage 1	14.02	(14.02)	-	-
Transfers to Stage 2	(22.74)	49.82	(27.08)	-
Transfers to Stage 3	(4.86)	(11.95)	16.80	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(126.53)	101.55	(14.04)	(39.01)
ECL Allowance- Closing Balances as on March 31, 2020	**166.20**	**151.35**	**120.73**	**438.29**
New loans originated during the year	59.29	23.84	0.19	83.32
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(81.80)	81.80	-	-
Transfers to Stage 3	(18.57)	(75.60)	94.17	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(31.85)	(6.80)	(7.50)	(46.15)
Amounts Written off	(0.01)	-	(3.40)	(3.41)
ECL Allowance- Closing Balances as on March 31, 2021	**93.26**	**174.59**	**204.19**	**472.04**

iii. **Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of ₹ 4673.14 lakhs at March 31, 2021 (March 31, 2020: ₹ 347.46 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

Notes to Standalone Financial Statements for the year ended March 31, 2021

iv. **Others**

Apart from trade receivables ,loans, cash and bank balances and Investment measured at amortised cost , the Company has no other financial assets which carries any significant credit risk.

(B) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows

(i) **Maturities of financial assets and liabilities**

The table below analyses the company's financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity date. The amount disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of future interest payments.

(₹ in lakhs)

Contractual maturities of financial assets March 31, 2021	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	3,142.77	-	-	3,142.77
Bank balances other than cash and cash equivalents	928.95	82.50	490.00	1,501.45
Receivables				
Trade receivables	212.85	-	-	212.85
Other receivables	46.96	-	-	46.96
Loans	4,145.61	3,179.00	3,117.61	10,442.22
Investments	1,103.25	-	715.42	1,818.67
Other Financials Assets	97.56	-	-	97.56
Total	9,677.95	3,261.50	4,323.03	17,262.48
Contractual maturities of financial liabilities March 31, 2021	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	162.68	-	-	162.68
Other payables	147.89	-	-	147.89
Debt Securities	-	505.00	-	505.00
Borrowings (other than debt securities)	1,156.42	4,749.16	1,960.12	7,865.69
Other financial liabilities	44.69	-	-	44.69
Total	**1,511.68**	**5,254.16**	**1,960.12**	**8,725.96**

(₹ in lakhs)

Contractual maturities of financial assets March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	169.52	-	-	169.52
Bank balances other than cash and cash equivalents	168.55	-	-	168.55
Receivables				
Trade receivables	117.64	-	-	117.64
Other receivables	-	-	-	-
Loans	616.91	901.88	2,210.17	3,728.96
Investments	128.41	-	5.00	133.41
Other financials assets	334.52	8.45	0.19	343.16
Total	**1,535.55**	**910.33**	**2,215.36**	**4,661.24**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Contractual maturities of financial liabilities March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	34.77	-	-	34.77
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	1,092.46	149.99	182.71	1,425.16
Other financial liabilities	36.26	-	-	36.26
Total	**1,163.49**	**149.99**	**182.71**	**1,496.19**

(₹ in lakhs)

Contractual maturities of financial assets April 1, 2019	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	362.04	-	-	362.04
Bank balances other than cash and cash equivalents	17.55	-	-	17.55
Receivables				
Trade receivables	0.65	-	-	0.65
Other receivables	-	-	-	-
Loans	1,091.16	1,428.52	2,424.45	4,944.13
Investments		-	-	-
Other financials assets	0.01	1.50	0.03	1.54
Total	**1,471.40**	**1,430.02**	**2,424.48**	**5,325.91**

Contractual maturities of financial liabilities April 1, 2019	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	23.37	-	-	23.37
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	2,541.32	-	-	2,541.32
Other financial liabilities	48.19	-	-	48.19
Total	**2,612.89**	**-**	**-**	**2,612.88**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company’s exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company caters mainly to the Indian Market . Most of the transactions are denominated in the Company's functional currency i.e. Rupees. Hence the Company is not materially exposed to Foreign Currency Risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long term debt obligation at floating interest rates. The Company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting year are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	7,696.79	1,169.97
Floating rate borrowings	287.30	390.79

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Company's interest bearing financial instruments is as follows:

Particulars	For the year ended March 31, 2021	
	100bps Increase	100bps decrease
Financial Liability		
Variable rate Instrument		
Floating Rate Borrowings	2.87	(2.87)

(iii) Price Risk

The Company's exposure to mutual fund is exposed to price risk and classied in the balance sheet at fair value through prot or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 11.03 lakhs (March 31, 2020: ₹ 1.28 lakhs). A similar percentage decrease would have resulted equivalent opposite impact.

47 Disclosure in notes to Financial statements as required under paragraph 2 (a) of RBI Notification No RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

For the year ended March 31, 2021

(₹ in Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind As 109	Net Carrying Amount	Provisions required as per IRACP norms *	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	8,827.05	93.26	8,733.79	22.37	70.89
	Stage 2	1,171.69	174.59	997.10	2.77	171.82
	Stage 3	133.25	47.36	85.89	0.30	47.06
Subtotal		**10,131.99**	**315.21**	**9,816.78**	**25.44**	**289.77**
Non-Performing Assets (NPA)						
Substandard	Stage 3	224.75	111.66	113.09	21.77	89.89
Doubtful -upto 1 year	Stage 3	85.49	45.17	40.32	18.07	27.10
Subtotal for NPA		**310.24**	**156.83**	**153.41**	**39.84**	**116.99**
Other items such as guarantees, loan commitments, etc. which are in the scope of ind as 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
Subtotal						
Total	**Stage 1**	**8,827.05**	**93.26**	**8,733.79**	**22.37**	**70.89**
	Stage 2	1,171.69	174.59	997.10	2.77	171.82
	Stage 3	443.49	204.19	239.30	40.14	164.04
	Total	**10,442.23**	**472.04**	**9,970.19**	**65.28**	**406.76**

Notes to Standalone Financial Statements for the year ended March 31, 2021

For the year ended March 31, 2020 (₹ In lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind As 109	Net Carrying Amount	Provisions required as per IRACP norms *	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	2,995.86	162.74	2,833.12	22.61	140.13
	Stage 2	476.63	143.78	332.85	1.81	141.97
	Stage 3	62.47	35.82	26.65	0.28	35.54
Subtotal		**3,534.95**	**342.34**	**3,192.61**	**24.70**	**317.64**
Non-Performing Assets						
Substandard	Stage 2	24.35	7.58	16.77	2.32	5.26
	Stage 3	164.50	84.91	79.61	16.02	68.89
Subtotal		**188.86**	**92.48**	**96.37**	**18.34**	**74.14**
Other items such as guarantees, loan commitments, etc. which are in the scope of ind as 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	48.25	3.46	44.79	-	3.46
Subtotal						
Total	**Stage 1**	**3,044.11**	**166.20**	**2,877.91**	**22.61**	**143.59**
	Stage 2	500.98	151.36	349.62	4.13	147.23
	Stage 3	226.97	120.73	106.26	16.30	104.43
	Total	**3,772.06**	**438.29**	**3,333.79**	**43.05**	**395.25**

48 Asset Classification and Provisioning Disclosure

Disclosure as per the circular no DOR.NO.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID -19 regulatory package - Asset Classification and provisioning" For the year ended March 31, 2021

1) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(₹ in Lakhs)

	Particulars	As of March 31, 2021
i.	Amounts in SMA/overdue categories where moratorium/deferment was extended *	934.39
ii.	Respective amount where asset classification benefit is extended	Nil**
iii.	Provisions made during quarter in terms of paragraph 5 of the above circular ***	Nil
iv.	Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Not applicable

* Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium period is over.

*** The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has considered the additional provisions for the purpose of RBI circular mentioned in this note for provision computation under IRAC Norms as required under RBI Circular dated March 13, 2020.

2) Respective amount where asset classification benefit is extended : ₹ Nil

Notes to Standalone Financial Statements for the year ended March 31, 2021

49 Disclosure related to leases

(A) Additions to right to use

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease hold Property	549.18	115.53

(B) Carrying value of right of use assets at the end of the reporting year

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	113.10	-
Additions	549.18	115.53
Deletion	-	-
Depreciation charge for the year	30.36	2.43
Balance at the end of the year	631.92	113.10

(C) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	41.34	20.70
One to five years	35.58	110.40
More than five years	-	23.00
Total undiscounted lease liabilities at reporting period	76.92	154.10
Lease liabilities included in the statement of financial position at the year ended	68.73	113.10

(D) Amounts recognised in statement of profit or loss

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	2.98	2.17
Expenses relating to short-term leases	48.62	65.29
Total	**51.60**	**67.46**

(E) Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Operating Activity	48.62	65.29
Financial Activity	14.60	2.43
Total Cash outflow for leases	**63.22**	**67.72**

Sub Lease

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the rightof- use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to ₹ 0.70 Lakhs (March 31, 2020 ₹ 1.77 Lakhs). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties.

Notes to Standalone Financial Statements for the year ended March 31, 2021

50 Employee Stock Options Scheme (ESOP)

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to employees of the Company . These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service.Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2021. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

ESOP Scheme	Particulars	Date of Grant	Date of Board Approval	Total options granted
ESOP Scheme 2018	Grant 1	5-Nov-18	5-Nov-18	1,117,710
ESOP Scheme 2018	Grant 2	22-May-19	22-May-19	113,742
ESOP Scheme 2018	Grant 3	17-Dec-19	17-Dec-19	836,511
ESOP Scheme 2018	Grant 4	31-Jul-20	31-Jul-20	150,000
ESOP Scheme 2018	Grant 5	31-Jul-20	31-Jul-20	135,000

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Series Reference	**2019-2023**		**2020-2024**		**2020-2024**		**2020-2024**		**2020-2024**	
	T-1		T-2		T-3		T-4		T-5	
Fair value of the option range	23.39 - 23.98		31.44 - 34.87		41.36 - 44.82		51.81 - 65.38		51.81 - 65.38	
Exercise price	30		50		50		50		70	
Vesting period (see table below)	12 to 48 months		12 to 48 months		12 to 48 months		12 to 48 months		12 to 48 months	
Method of settlement	Equity		Equity		Equity		Equity		Equity	
Options outstanding as at beginning of reporting period	**912,503**	**1,117,710**	**89,548**	**-**	**836,511**	**-**	**-**	**-**	**-**	**-**
Options granted during the year		-	-	113,742	-	836,511	150,000	-	135,000	-
Options lapse during the year	29,272	197,451	-	24,194	-	-	-	-	-	-
Options Forfeited during the year	334,801									
Options exercised during the year	47,547	7,756	7,228.00	-	-	-	-	-	-	-
Options outstanding as at end of reporting period	**500,883**	**912,503**	**82,320**	**89,548**	**836,511**	**836,511**	**150,000**	**-**	**135,000**	**-**

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Company's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2020-21 is ₹ 153.29 lakhs (2019-20 ₹ 84.03 lakhs)

50.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

Notes to Standalone Financial Statements for the year ended March 31, 2021

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of Underlying share at the time of option grant
5-Nov-18	7.35% - 7.46%	4.5 to 6 years	46.1%-47.9%	0.0229	43.8
22-May-19	6.86% - 7.41%	4.5 to 6 years	0.465	0.0073	61.5
17-Dec-19	6.86% - 7.41%	4.5 to 6 years	0.465	0.0073	73.9
31-Jul-20	5.13% - 5.64%	4.5 to 6 years	0.45	0.0052	98.5
31-Jul-20	5.13% - 5.64%	4.5 to 6 years	0.45	0.0052	98.5

50.2 Total carrying amount at the end of the year in Employee Stock Options under other equity

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total carrying amount	269.21	120.16

During the year ended March 31, 2021, ₹ 1,60,354 options are granted and outstanding for the employees of the subsidiary company and accordingly the Company has recognised the Deemed Investment of ₹ 15.42 lakhs as on March 31, 2021 (March 31, 2020: Nil).

51 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.9 and provision had been made accordingly.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection. Since, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

52 In accordance with the instructions in aforementioned RBI circular dated April 7, 2021, and the Indian Banks Association (IBA) advisory letter dated April 19, 2021, the Company has put in place the Board approved policy to refund / adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to eligible borrowers under the abovementioned circular and advisory. The Company has no borrowers who are eligible for benefit as per the abovementioned RBI circular and IBA advisory.

53 During the year ended March 31, 2021, the Company has not invoked resolution plans to relieve COVID-19 pandemic related stress to any of its borrowers. Therefore, disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2021 is not applicable to the Company.

54 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

55 Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as at March 31, 2021.

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

55.1 Liabilities Side	As at March 31, 2021		As at March 31, 2020	
	Outstanding Amount	Amount Overdue	Outstanding Amount	Amount Overdue
Loans and advances availed by the non banking financial Company inclusive of interest accrued thereon but not paid:				
a) Debentures:				
Secured	497.39	-	-	-
Unsecured	104.59	-	-	-
(other than falling within the meaning of public deposits*)				
b) Deferred Credits	-	-	-	-
c) Term Loans	7,094.82	-	390.79	-
d) Inter-corporate loans and borrowings	-	-	1,056.86	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans - Bank Overdraft	287.30	-	-	-
g) Other Loans - Lease Liability	68.73	-	113.10	-
Total	**8,052.83**	**-**	**1,560.75**	**-**

(₹ in Lakhs)

55.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	As at March 31, 2021	As at March 31, 2020
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

(₹ in Lakhs)

55.3 Assets Side	As at March 31, 2021	As at March 31, 2020
Breakup of Loans and Advances including bills receivables (other than those included in (4) below) :		
a) Secured*	6,172.75	2,889.60
b) Unsecured *	4,269.48	834.21

* Represents gross value

(₹ in Lakhs)

55.4 Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities	As at March 31, 2021	As at March 31, 2020
i) Lease assets including lease rentals under sundry debtors:		
a) Financial Lease	-	-
b) Operating Lease	-	-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossed Assets	-	-
iii) Other loans counting towards AFC activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above -	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

55.5 Breakup of Investments:	As at March 31, 2021	As at March 31, 2020
Current Investments:		
1. Quoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	1,103.25	128.41
iv) Government Securities	-	-
v) Others	-	-
2. Unquoted:		
i) Shares:	-	-
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others		
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	-	-
2. Unquoted:		
i) Shares:		
(a) Equity	700.00	5.00
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others*	15.42	-

*Others represents the ESOPs granted by the Company to certain employees of the subsidiary.

55.6 Borrower groupwise classification of assets financed as in (3) and (4) above:

(₹ in Lakhs)

Category	As at March 31, 2021			As at March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsdiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties*	6,172.75	4,269.48	10,442.23	2,889.60	834.21	3,723.81

Represents gross value

Notes to Standalone Financial Statements for the year ended March 31, 2021

55.7 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) $:

(₹ in Lakhs)

Category	As at March 31, 2021		As at March 31, 2020	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries *	-	715.42	5.00	5.00
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2. Other than related parties	1,103.25	1,103.25	128.41	127.37

*The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the company to certain employees of subsidiary. It has been included in the above carrying value of investment in the subsidiary.

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under indian Accounting Standards issued by MCA.

55.8 Other information

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
i) Gross Non Performing Assets ##		
a) Related Parties	-	-
b) Other than related parties	443.49	226.97
ii) Net Non Performing Assets##		
a) Related Parties	-	-
b) Other than related parties	239.30	106.25
iii) Assets acquired in satisfaction of debt		

NPA accounts refer to Stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind-AS. 90 days Past due is considered as default for classifying a financial instrument as credit impaired.

Note :

Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.

All Indian Accounting Standards issued by MCA are applicable including valuation of investments and other assets.

56 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539
Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhanvarsha Finvest Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Dhanvarsha Finvest Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 37 to the consolidated Ind AS financial statements, which describes the staging of accounts to whom moratorium benefit was extended in accordance with the Reserve Bank of India COVID-19 Regulatory package, and the uncertainty caused by COVID-19 pandemic with respect to the Holding Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Group's operations and financial results is dependent on future developments, which are highly uncertain at this point of time.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances (as described in Note 7 and 37 of the consolidated Ind AS financial statements)	
Ind AS 109 requires the Holding Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss ("ECL") approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Holding Company's loans and advances. In the process, a significant degree of judgment has been applied by the Management for:	We have started our audit procedures with understanding of the internal control environment related to Impairment of loans and advances ("Impairment loss allowance"). Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Holding Company. For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per the definition of Default of the Holding Company; • We recalculated the ECL provision for selected samples;

Key audit matter	How our audit addressed the key audit matter
• Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioural life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/ minimal historical defaults. **Additional considerations on account of COVID-19** Pursuant to the Reserve Bank of India circulars dated 27 March 2020, 17 April 2020 and 23 May 2020 ('RBI circulars') allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Holding Company has extended moratorium to its borrowers in accordance with its approved Board policy. In Management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. During the year, the Holding Company has scaled up the growth in the low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one-time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID related stress to the borrowers. Basis the abovementioned factors, the Holding Company estimates that no additional ECL provision on Loans is required on account of COVID – 19 during the year ended March 31, 2021. The impact of COVID-19 is dynamic, evolving, uncertain and based on the current situation. In view of the high degree of management's judgment involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans and advances has been identified as a key audit matter.	• We have reviewed the process of the Holding Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package; We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the COVID related Regulatory Packages issued by RBI; and With respect to impact assessment on provision for ECL on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Holding Company.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, incorporated in India, as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and its subsidiary company, incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";

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

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid to its directors during the year by the Holding Company is in accordance with the provisions of section 197 of the Act. The subsidiary company has not paid/provided any remuneration to its director during the year hence provisions of section 197 of the Act related to the managerial remuneration are not applicable;

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

   (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the consolidated Ind AS financial statements;

   (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For Haribhakti & Co. LLP Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Snehal Shah
Partner
Membership Number: 048539
UDIN: 21048539AAAACI7256

Place: Mumbai
Date: June 10, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Dhanvarsha Finvest Limited on the consolidated Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Dhanvarsha Finvest Limited ("Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sd/-
Snehal Shah
Partner
Membership Number: 048539
UDIN: 21048539AAAACI7256

Place: Mumbai
Date: June 10, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Financials Assets			
(a) Cash and cash equivalents	4	3,222.53	170.84
(b) Bank balances other than cash and cash equivalents	5	1,530.37	177.94
(c) Receivables	6		
(i) Trade receivables		596.91	118.17
(ii) Other receivables		112.10	-
(d) Loans	7	9,970.19	3,285.52
(e) Investments	8	1,103.25	128.41
(f) Other financials assets	9	93.20	339.89
Total Financial Assets		**16,628.54**	**4,220.77**
Non Financials Assets			
(a) Current tax assets (Net)	10	174.49	41.67
(b) Deferred tax assets (Net)	11	119.25	188.21
(c) Property,plant and equipment	12	423.00	189.40
(d) Right of use assets	13	518.82	-
(e) Capital work in progress		78.46	25.84
(f) Intangible assets under development		330.70	11.51
(g) Other Intangible assets	13	191.69	142.87
(h) Other non-financials assets	14	183.85	27.51
Total Non Financial Assets		**2,020.26**	**627.01**
Total Assets		**18,648.80**	**4,847.78**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
(a) Payables	15		
I) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		16.96	9.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises		166.35	27.24
II) Other payables			
- Total outstanding dues of micro enterprises andsmall enterprises		21.56	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		48.05	13.30
(c) Debt Securities	16	601.98	-
(c) Borrowings (Other than debt securities)	17	7,450.85	1,560.75
(d) Other financial liabilities	18	58.12	22.96
Total Financial Liabilities		**8,363.87**	**1,633.45**
Non-Financial Liabilities			
(a) Current tax liabilities(Net)	10	60.76	33.29
(b) Provisions	19	64.34	24.84
(c) Other non-financial liabilities	20	168.46	40.89
Total Non Financial Liabilities		**293.56**	**99.02**
Total Liabilities		**8,657.43**	**1,732.47**
EQUITY			
(a) Equity share capital	21	1,529.24	1,350.78
(b) Other equity	22	8,462.13	1,764.53
Total Equity		**9,991.37**	**3,115.31**
Total Liabilities and Equity		**18,648.80**	**4,847.78**
Significant accounting policies and notes to the consolidated financial statements	1 to 54		

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(i)	Interest income	23	1,224.41	641.78
(ii)	Fees and commission income	24	1,728.52	1,260.63
(iii)	Net gain on fair value changes	25	8.43	8.16
I.	Total Revenue from operations		2,961.36	1,910.57
II.	Other Income	26	45.05	18.81
III.	**Total Income(I+II)**		**3,006.41**	**1,929.38**
IV.	Expenses			
(i)	Finance costs	27	423.13	168.59
(ii)	Fees and commission expense	28	29.61	0.79
(iii)	Impairment on financial instruments	29	43.67	33.67
(iv)	Employee benefits expenses	30	1,315.01	701.84
(v)	Depreciation, amortization and impairment	31	127.07	48.72
(vi)	Others expenses	32	789.70	421.47
	Total Expenses(IV)		**2,728.19**	**1,375.08**
V.	Profit before exceptional items and tax (III-IV)		278.22	554.30
	Exceptional Items		-	-
VI.	**Profit before tax (III-IV)**		**278.22**	**554.30**
VII.	Tax expense:	33		
	Current tax		117.41	172.52
	Deferred tax		29.39	(16.99)
	Tax Adjustment for earlier years		1.32	(7.32)
	Total Tax Expense		**148.12**	**148.20**
VIII.	Profit for the period (VI-VII)		130.10	406.10
IX.	Other comprehensive income			
A.	Items that will not be reclassified to profit or loss			
i)	Remeasurement gain / (loss) on defined benefit plan		1.95	(1.66)
ii)	Income tax impact on above	33	(0.54)	0.46
	Total (A)		**1.41**	**(1.20)**
B.	Items that will reclassified to profit or loss		-	-
X	**Other comprehensive income/(loss) (A+B)**		**1.41**	**(1.20)**
XI.	**Total comprehensive income(VIII+XI)**		**131.51**	**404.90**
XII.	Earnings per equity share	34		
	Basic (INR)		0.88	3.01
	Diluted (INR)		0.69	2.83
	Significant accounting policies and notes to the consolidated financial statements	1 to 54		

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Taxes	278.22	554.30
Adjustment for:		
Interest income from fixed deposits	(34.27)	(10.50)
Profit on sale of investment property	-	(4.67)
Depreciation / Amortisation	127.07	48.72
Impairment on financial instruments	43.67	33.67
Realised gain on investments	(11.17)	(7.11)
Unrealised gain on investments	2.74	(1.05)
Fee income recognition per EIR	(51.28)	7.08
Employee share based payment expenses	168.70	82.30
Cash outflow towards finance cost	(600.92)	(0.04)
Operating profit / (loss) before working capital changes	**(77.22)**	**702.70**
Movement in working capital		
(Increase)/decrease in loans	(6,677.06)	1,190.20
(Increase)/Decrease in other financial assets	218.32	(343.10)
(Increase)/Decrease in other assets	(528.15)	(117.62)
(Increase)/Decrease in trade receivable	(590.84)	-
Increase/(Decrease) in other payables	216.47	13.12
Increase/(Decrease) in other financial liabilities	21.86	(58.80)
Increase/(Decrease) in Other liabilities	(406.77)	
Increase/(Decrease) in provisions	39.50	11.87
Cash generated from operations	(7,783.88)	1,398.37
Income taxe paid	(253.46)	(83.72)
Net cash from/(utilised in) operating activities	**(8,037.34)**	**1,314.65**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(1,300.13)	(161.24)
Proceeds from sale of property, plant and equipment and intangible assets	112.10	-
Purchase of investment at fair value through profit and loss account	(5,074.81)	(1,995.00)
Proceeds from sale of investment at fair value through profit and loss account	4,116.84	1,874.74
Proceeds from sale of investment Property	-	60.00
Investment in Fixed Deposits	(3,282.50)	(160.39)
Proceeds from sale of Fixed Depsits	1,950.00	
Interest income from fixed deposits	34.27	10.50
Net cash from/(utilised in) investing activities	**(3,444.23)**	**(371.39)**

Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of shares or other equity	2,174.92	2.34
Debt securities issued	5,000.00	-
Borrowings other than debt securities issued	8,925.00	-
Borrowings other than debt securities repaid	(1,537.71)	(1,093.66)
Payment of lease liability	(14.60)	(2.43)
Dividends paid including DDT	(14.34)	(40.69)
Net Cash from financing activities	**14,533.27**	**(1,134.44)**
Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)	**3,051.68**	**(191.20)**
Cash and cash equivalents at the beginning of the financial year	170.84	362.04
Cash and cash equivalents at end of the year	3,222.52	170.84

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in Current accounts	3,145.89	169.48
Cash on hand (including foreign currencies)	76.63	1.36
Bank deposits with maturity of less than 3 months	-	-
Total	**3,222.52**	**170.84**

The above consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, Refer 46

Significant accounting policies and notes to the consolidated financial statements 1 to 54

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Consolidated Statement of Changes in Equity as at March 31, 2021

A. Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,350.78	1,350.00
Changes in Equity Share capital during the year	178.46	0.78
Balance at the end of the year	1,529.24	1,350.78

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus				Money received against share warrants	Share application money pending allotment	Equity component of compound financial instruments	Capital Contribution	Total
	Securities Premium	Employee stock option outstanding	Retained Earnings	Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934					
Balance at April 1, 2019	**626.56**	**37.86**	**329.71**	**195.64**	**125.00**	**-**	**-**	**-**	**1,314.75**
Profit for the year	-	-	406.09	-	-	-	-	-	406.09
Additions for the year	1.56	-	-	-	-	-	-	-	1.57
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(81.74)	81.74	-	-	-	-	-
Share based payment expense	-	84.03	-	-	-	-	-	-	84.03
Share Issue Expenses	1.73	(1.73)	-	-	-	-	-	-	-
Remeasurement of defined benefit plans (net of tax)	-	-	(1.20)	-	-	-	-	-	(1.20)
Cash dividends	-	-	(33.75)	-	-	-	-	-	(33.75)
Dividend distribution tax	-	-	(6.94)	-	-	-	-	-	(6.94)
Changes during the the year	**3.29**	**82.30**	**282.47**	**81.74**	**-**	**-**	**-**	**-**	**449.80**
At March 31, 2020	**629.84**	**120.16**	**612.18**	**277.38**	**125.00**	**-**	**-**	**-**	**1,764.54**
Profit for the year	-	-	130.10	-	-	-	-	-	130.10
Additions for the year	1,397.67	-	-	-	875.00	2.92	4,376.42	279.17	6,931.18
Deletion for the year	-	-	-	-	(500.00)	-	-	-	(500.00)
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(13.69)	13.69	-	-	-	-	-
Options Exercised and lapsed	-	(0.19)	0.19	-	-	-	-	-	-
Share based payment expense	-	153.29	-	-	-	-	-	-	153.29
Utlisation of securities premium	-	(19.47)	-	-	-	-	-	-	(19.47)
ESOP's granted to employees of Subsidiary Company	-	15.42	-	-	-	-	-	-	15.42
Remeasurement of defined benefit plans (net of tax)	-	-	1.41	-	-	-	-	-	1.41
Dividend Paid	-	-	(14.34)	-	-	-	-	-	(14.34)
Dividend distribution tax	-	-	-	-	-	-	-	-	-
Changes during the the year	**1,397.67**	**149.05**	**103.67**	**13.69**	**375.00**	**2.92**	**4,376.42**	**279.17**	**6,697.59**
At March 31, 2021	**2,027.51**	**269.22**	**715.84**	**291.07**	**500.00**	**2.92**	**4,376.42**	**279.17**	**8,462.13**
Significant accounting policies and notes to the consolidated financial statements				1 to 54					

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539

Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085
Date : June 10, 2021

Notes to Consolidated Financial Statements for the year ended March 31, 2021

1. Basis of preparation

A. Statement of compliance

The Consolidated financial statements relates to M/s. Dhanvarsha Finvest Limited (the " Holding Company") and its subsidiary (together constitute as the "Group'). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statement.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to Non Banking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on 10 June, 2021.

B. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of following subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Name of the subsidiary	Name of the parent entity	Ownership in % either directly or through subsidiaries	Country of incorporation
DFL Technologies Private Limited	Dhanvarsha Finvest Limited	100%	India

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

C. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

D. Basis of Measurement

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- Financial instruments – measured at fair value
- Employees Stock Option plan as per fair value of the option
- Employee's Defined Benefit Plan as per actuarial valuation.

E. Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

i. Business model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Group determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

ii. **Determination of estimated useful lives of property, plant, equipment:**

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

iii. **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 38

iv. **Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

v. **Recognition and measurement of provisions and contingencies**

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

vi. **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 45 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

vii. **Impairment of financial assets**

The Group recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Group assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

F. **Standards issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

2. Significant accounting policies

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

A. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on plant, property and equipment

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3
Networks and Servers	6
Furniture and fixtures	10
Office equipment	5

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

B. Capital Work in Progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses to acquire the property, plant and equipment. Assets which are not ready for intended use are also shown under capital work-in-progress

C. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Group's intangible assets is as below:

Particulars	Useful life (years)
Computer software	5

Notes to Consolidated Financial Statements for the year ended March 31, 2021

D. Intangible Assets Under Development

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

E. Impairment of property, plant and equipment and intangible assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Group estimates the recoverable amount of the assets.

If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

F. Revenue recognition

i. Interest income

Interest income for all financial instruments except for those measured or designated as at Fair Value Through Profit and Loss account (FVTPL) are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Processing fee and application fee:

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

iii. Delayed payment charges, penal Interest, other penal charges, foreclosure charges :

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

iv. Dividends:

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

v. Fees & commission income:

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

vi. **Other Income and Expenses**

Other income and expenses are recognised in the period they occur

vii. **Net gain on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

G. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months and low value assets . The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

H. Financial Instruments

i. Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages Group's of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The solely payments of principal and interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets at amortised cost:

The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

iii. Financial assets at fair value through other comprehensive income (FVOCI):

The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive

Notes to Consolidated Financial Statements for the year ended March 31, 2021

income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iv. **Financial instruments at fair value through profit and loss account (FVTPL)**

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Group does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

v. **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

vi. **Derecognition of financial assets and financial liabilities**

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Group.

d) Other financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an

Notes to Consolidated Financial Statements for the year ended March 31, 2021

impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification :

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date, the Group does not have any financial liabilities which have been derecognised.

vii. Offsetting of financial instruments

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

viii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

ix. Compound Financial Instruments

Compulsorily convertible instruments with a fixed conversion ratio are separated into liability and equity components. On issuance of the said instruments, the liability component (being the present value of the future interest cash outflows discounted at a market rate for an equivalent non-convertible instrument) is reduced from the fair value of the instrument to arrive at the equity component. This Equity component is disclosed separately under Other Equity.

I. Impairment of financial assets:

The Holding Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Holding Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

The method and significant judgments used while computing the expected credit losses and information

Notes to Consolidated Financial Statements for the year ended March 31, 2021

about the exposure at default, probability of default and loss given default have been set out in note 46 (Risk Management).

Simplified approach for trade/other receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Write-offs

The Holding Company reduces the gross carrying amount of a financial asset when the Holding Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Holding Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

J. Determination of fair value

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

K. Retirement and other employee benefits

Defined contribution schemes

The employees of the Holding Company who have opted, are entitled to receive benefits under the Provident Fund Scheme and Employee Pension Scheme, defined contribution plans in which both the employee and the Holding Company contribute monthly at a stipulated rate. The Holding Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined benefit plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Holding Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Holding Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

L. Share based payments

Employees stock options plans ("ESOPs") - equity settled

The Holding Company grants share option schemes for

Notes to Consolidated Financial Statements for the year ended March 31, 2021

the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Holding Company's operations. Employees (including directors) of the Holding Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

M. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of temporary timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum alternate tax

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

N. Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

O. Foreign currency transactions and balances

a. Initial recognition:

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in

Notes to Consolidated Financial Statements for the year ended March 31, 2021

terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c. **Exchange differences:**

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

P. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. Segmental reporting

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

The Joint Managing Directors of the Holding Company assesses the financial performance and position of the Group and make strategic decisions and hence has been identified as being chief operating decision maker.

R. Provisions

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

S. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

T. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

U. Good and service tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The Company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the statement of profit and loss as per applicable provisions.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

4 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	75.90	0.08
Foreign currency on hand	0.73	1.28
Balance with Bank (of the nature of cash and cash equivalents)	3,145.89	3.10
Cheques on hand *	-	166.38
Total	**3,222.53**	**170.84**

* These have been subsequently cleared

5 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend accounts	18.95	18.55
Bank deposit with original maturity for more than three months	1,511.42	159.39
Total	**1,530.37**	**177.94**

Note: 1) Fixed deposit earns interest at a fixed interest rate.

2) Bank deposits amounting to Rs.1,018.61 Lakhs (March 31, 2021 - Nil) pledged as lien against borrowings.

6 Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivable		
Considered good - secured	-	-
Considered good - unsecured- Others	504.12	118.17
Trade receivables which have significant increase in credit risk	95.36	-
Trade receivables credit impaired	-	-
Gross	**599.48**	**118.17**
Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46)	2.57	-
Total (Refer Note 46)	**596.91**	**118.17**
(ii) Other Receivables		
Considered good - secured	-	-
Considered good - unsecured	112.10	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
Total	**112.10**	**-**
Less: Allowances for impairment loss on credit impared trade receivables (Refer Note 46)	-	-
Total	**112.10**	**-**

6.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

6.2	Trade receivables days past due	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	363.68
March 31, 2021	Estimated total gross carrying amount at default	-	363.68	-	35.46	200.34	-	599.48
	ECL-simplified approach	-	-	-	-	2.57	-	2.57
	Net carrying amount	**-**	**363.68**	**-**	**35.46**	**197.77**	**-**	**596.91**
March 31, 2020	Estimated total gross carrying amount at default	-	118.17	-	-	-	-	118.17
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**118.17**	**-**	**-**	**-**	**-**	**118.17**

Reconciliation of impairment loss allowance on trade receivables:

(₹ in Lakhs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	**-**
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**-**
Add: Addition during the year	2.57
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**2.57**

(₹ in Lakhs)

Other Receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	112.10	-	-	-	-	112.10
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**112.10**	**-**	**-**	**-**	**-**	**112.10**
March 31, 2020	Estimated total gross carrying amount at default	-	-	-	-	-	-	-
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The managements expects no default in receipt of other receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on other receivables.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

7 Loans and advances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amortised cost		
Term Loans	10,442.23	3,723.81
Total Gross (A) (Refer Note 7.1 and 46)	**10,442.23**	**3,723.81**
Less:Impairment loss allowance (Refer Note 7.2 and 46)	(472.04)	(438.29)
Total Net (A)	**9,970.19**	**3,285.52**
(i) Secured by tangible assets	6,172.75	2,889.59
(ii) Secured by intangible assets	-	-
(iii) Covered by bank/government guarantees	-	-
(iv) Unsecured	4,269.48	834.22
Total Gross (B)	**10,442.23**	**3,723.81**
Less:Impairment loss allowance	(472.04)	(438.29)
Total Net (B)	**9,970.19**	**3,285.52**
Loans in India		
(i) Public sector	-	
(ii) Others	10,442.23	3,723.81
Loans outside India	-	-
Total Gross (C)	**10,442.23**	**3,723.81**
Less:Impairment loss allowance	(472.04)	(438.29)
Total Net (C)	**9,970.19**	**3,285.52**

7.1 The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

Particulars	Stage 1 Low Credit Risk	Stage 2 Significant increase in credit risk	Stage 3 Credit Impaired
	0-30 DPD	**30-90 DPD**	**More than 90 DPD**
March 31, 2021			
Secured loan	4,843.51	976.40	352.84
Unsecured loan	3,983.54	195.29	90.65
Total	**8,827.05**	**1,171.69**	**443.49**
March 31, 2020			
Secured loan	2,222.04	465.04	201.88
Unsecured loan	773.82	35.94	25.09
Total	**2,995.86**	**500.98**	**226.97**

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model -

Particulars	Stage 1 Low Credit Risk	Stage 2 Significant increase in credit risk	Stage 3 Credit Impaired
	0-30 DPD	**30-90 DPD**	**More than 90 DPD**
ECL Allowance -			
March 31, 2021			
Secured loan	37.20	154.73	155.80
Unsecured loan	56.06	19.86	48.38
Total	**93.26**	**174.59**	**204.19**
March 31, 2020			
Secured loan	106.40	148.39	101.29
Unsecured loan	59.80	2.97	19.44
Total	**166.20**	**151.36**	**120.73**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

8. Investments

(₹ in Lakhs)

Particulars	March 31, 2021						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual funds	-	-	1,103.25	-	1,103.25	-	1,103.25
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity instruments	-	-	-	-	-	-	-
Total Gross (A)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**-**	**1,103.25**
(i) Investment outside india	-	-	-	-	-	-	-
(ii) Investment in india	-	-	1,103.25	-	1,103.25	-	1,103.25
Total (B)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**-**	**1,103.25**
Less: Impairment allowance (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Net (A-C)	**-**	**-**	**1,103.25**	**-**	**1,103.25**	**-**	**1,103.25**

(₹ in Lakhs)

Particulars	March 31, 2020					Others (at cost)	Total
	Amortised cost	At fair value					
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual funds	-	-	128.41	-	128.41	-	128.41
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	-	-	-	-	-
Total	**-**	**-**	**128.41**	**-**	**128.41**	**-**	**128.41**
(i) Investment outside india	-	-	-	-	-	-	-
(ii) Investment in india	-	-	128.41	-	128.41	-	128.41
Total (B)	**-**	**-**	**128.41**	**-**	**128.41**	**-**	**128.41**
Less: Impairment allowance (C)	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**128.41**	**-**	**128.41**	**-**	**128.41**

There are no investments measured at FVOCI or designated at FVTPL.

More information regarding the valuation methodologies can be found in Note 45

9 Other financials assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	25.26	5.68
Other loans and advances	15.79	334.21
Other Financial Assets	52.16	-
Total	**93.20**	**339.89**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

10 Current Tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax assets		
Advance income tax(Net of provisions of ₹ 382.71 lakhs (March 31, 2020 ₹ 223.49 lakhs)	174.49	41.67
Current Tax liabilities		
Provision for current tax(Net of advance tax of ₹ 20.18 lakhs (March 31, 2020 ₹ 87.22 lakhs)	(60.76)	(33.29)
Total	**113.73**	**8.38**

11 Deferred tax assets/(liabilities) (net)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax asset on account of:		
Impairment loss allowance	128.20	116.02
Provision on Emplyoee Stock Option	74.90	33.43
Expenses allowable for tax purposes when paid	18.17	6.91
EIR impact on loans measured at amortised cost	32.43	1.44
Other Temporary Differences	1.46	0.01
Deferred tax liability on account of:		
Property, plant and equipment and other intangible assets - carrying amount	(22.78)	(8.23)
EIR impact of DSA Commission	(28.59)	(1.22)
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	(44.35)	-
Liability component of Compound Financial Instrument	(29.10)	-
Other Temporary Differences	(11.12)	0.25
MAT entitlement credit	-	39.59
Net deferred tax assets	**119.25**	**188.21**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

11.1 Note (a): Summary of deferred tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at April 1, 2019	(Charged)/ Credited to P & L	(Charged)/ Credited to OCI	Utilised	As at March 31, 2020	(Charged)/ Credited to P & L	(Charged)/ Credited to OCI	Utilised	As at March 31, 2021
Impairment loss allowance	116.02	0.00	-	-	116.02	12.18	-	-	128.20
Provision on Emplyoee Stock Option	10.53	22.90	-	-	33.43	41.47	-	-	74.90
Expenses allowable for tax purposes when paid	3.61	2.84	0.46	-	6.91	11.80	(0.54)	-	18.17
EIR impact on loans measured at amortised cost	2.87	(1.44)	-	-	1.44	30.99	-	-	32.43
Other Temporary Differences	-	0.01	-	-	0.01	1.45	-	-	1.46
Property, plant and equipment and other intangible assets - carrying amount	(0.63)	(7.60)	-	-	(8.23)	(14.56)	-	-	(22.78)
EIR impact of DSA Commission	-	(1.22)	-	-	(1.22)	(27.37)	-	-	(28.59)
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	-	-	-	-	(44.36)	-	-	(44.35)
Liability component of Compound Financial Instrument	-	-	-	-	-	(29.10)	-	-	(29.10)
Other Temporary Differences	(1.25)	1.51	-	-	0.25	(11.81)	-	-	(11.12)
MAT Entitlement Credit	91.75	-	-	(52.15)	39.59	-	-	(39.59)	-
Net Net deferred tax assets/(liability)	**222.90**	**16.99**	**0.46**	**(52.15)**	**188.21**	**(29.29)**	**(0.54)**	**(39.59)**	**119.25**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

12

(₹ in Lakhs)

Particulars	Property, plant and equipment						Right to Use	
	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total	Right to Use	Total
For the year ended March 31, 2021								
Gross Carrying Amount								
Cost as at April 1, 2020	46.84	0.17	17.96	3.88	146.55	215.40		-
Additions	64.87	-	83.39	150.10	91.74	390.10	549.18	549.18
Adjustments	-	-	-	-	(115.53)	(115.53)	115.53	115.53
Disposals	-	-	-	-	-	-	(115.53)	(115.53)
Gross carrying value as of March 31, 2021	**111.71**	**0.17**	**101.35**	**153.98**	**122.76**	**489.97**	**549.18**	**549.18**
Accumulated Depreciation								
Accumulated Depreciation as at April 1, 2020	13.56	-	1.70	0.26	10.49	26.01	-	-
Depreciation charge during the year	21.47	-	8.24	1.74	11.93	43.38	30.36	30.36
Adjustments					(2.43)		2.43	
Disposals	-	-	-	-	-	-	(2.43)	(2.43)
Impairment loss	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2021	35.03	-	9.94	2.00	19.99	66.96	30.36	30.36
Net carrying value as of March 31, 2021	**76.68**	**0.17**	**91.41**	**151.98**	**102.77**	**423.00**	**518.82**	**518.82**
For the year ended March 31, 2019								
Gross Carrying Amount								
Cost as at April 1, 2019	29.37	0.17	3.97	1.08	7.62	42.21	-	-
Additions	17.47	-	13.99	2.80	138.93	173.19		-
Disposals	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	**46.84**	**0.17**	**17.96**	**3.88**	**146.55**	**215.40**	**-**	**-**
Accumulated Depreciation								
Accumulated Depreciation as at April 1, 2019	4.40	-	0.48	0.06	10.06	15.00		-
Depreciation charge during the year	9.16	-	1.22	0.20	0.43	11.01	-	-
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2020	13.56	-	1.70	0.26	10.49	26.01	-	-
Net carrying value as of March 31, 2020	**33.28**	**0.17**	**16.26**	**3.62**	**136.06**	**189.40**	**-**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

13 Other intangible assets

(₹ in Lakhs)

Particulars	Computer software	Total
For the year ended March 31, 2021		
Gross Carrying Amount		
Cost as at April 1, 2020	181.26	181.26
Additions	102.15	102.15
Gross carrying value as of March 31, 2021	**283.41**	**283.41**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2020	38.39	38.39
Depreciation charge during the year	53.33	53.33
Disposals	-	-
Impairment loss	-	-
Accumulated depreciation as of March 31, 2021	91.72	91.72
Net carrying value as of March 31, 2021	**191.69**	**191.69**
For the year ended March 31, 2020		
Gross Carrying Amount		
Cost as at April 1, 2019	50.08	50.08
Additions	131.18	131.18
Disposals	-	-
Gross carrying value as of March 31, 2020	**181.26**	**181.26**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2019	3.11	3.11
Depreciation charge during the year	35.28	35.28
Disposals	-	-
Accumulated depreciation as of March 31, 2020	38.39	38.39
Net carrying value as of March 31, 2020	**142.87**	**142.87**

14 Other non-financials assets

(₹ in Lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Prepaid expense	114.58	25.91
Advance to vendors	34.44	1.60
Advance to employees	10.09	
Balances with statutory/government authorities	24.74	-
Total	**183.85**	**27.51**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

15 Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
total outstanding dues of micro enterprises and small enterprises	16.96	9.20
total outstanding dues of creditors other than micro enterprises and small enterprises	166.35	27.24
Total	**183.30**	**36.44**
Other Payables		
total outstanding dues of micro enterprises and small enterprises	21.56	-
total outstanding dues of creditors other than micro enterprises and small enterprises	48.05	13.30
Total	**69.61**	**13.30**

Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	38.52	9.20
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

16 Debt Securities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Unsecured		
Compulsorily Convertible Debentures *	104.59	-
Secured		
Non Convertible Debentures - Privately Placed	497.39	-
Total	**601.98**	**-**
Deb Securities within India	601.98	-
Deb Securities outside India	-	-
Total	**601.98**	**-**

* Includes ₹ 104.59 issued to Related Parties

Debt Securities Disclosure

i) Privately placed redeemable non-convertible debenture of ₹ 10,00,000/- each (₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
24-36 Months	11.00%	375.00	-
12-24 Months	11.00%	125.00	-
Gross		500.00	-
Less: Effective Interest Rate Adjustment		(2.61)	
Net		497.39	-

Nature of Security

The facility is secured by exclusive hypothecation of standard loans & advances receivables to maintain a security cover of 1.20 times.

ii) Privately placed unsecured compulsorily convertible debenture of ₹ 111.30/- each (₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Upto 18 Months	2%	4,500.00	-
Gross		4,500.00	-
Less: Equity component of compound financial instrument		(4,376.42)	-
Less: Accrued Interest Adjustment		(18.99)	-
Net		104.59	-

Terms of Redemption

The holder shall have the option to convert the CCDs, any time prior to the expiry of 18 (eighteen) months from the date of issuance of the CCDs, provided that all compulsorily convertible debentures issued shall mandatorily convert simultaneously. Each CCD shall convert into one Equity Share at a conversion price of ₹ 111.30/- per equity share.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

17 Borrowings (other than debt securities)

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Term Loan from Banks		
- from Banks	5,900.03	390.79
- from Financial Institutions	1,194.79	
Bank Over draft	287.30	
Unsecured		
Loans repayable on demand from other parties	-	1,056.86
Lease Liability (Refer Note 49)	68.73	113.10
Total (A)	**7,450.85**	**1,560.75**
Borrowings India	7,450.85	1,560.75
Borrowings outside India	-	-
Total (B)	**7,450.85**	**1,560.75**

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Borrowings Disclosure

i) Term loans from Banks & Financial Institutions

(₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Terms of Repayment	Rate of Interest	As at March 31, 2021	As at March 31, 2020
49-60 Months	Monthly Instalments	11.00%	464.28	-
49-60 Months	Monthly Instalments	11-13%	-	395.17
37-48 Months	Monthly Instalments	11-13%	3,269.82	-
37-48 Months	Quarterly Instalments	11-13%	2,031.25	-
25-36 Months	-	-	-	-
13-24 Months	Monthly Instalments	14.00%	1,257.72	-
13-24 Months	Two Instalments	7-9%	500.58	-
Upto 12 Months	-	-	-	-
Gross			7,523.65	395.17
Less: Effective Interest Rate Adjustment			(159.41)	(4.38)
Less: Capital Contribution by the Holding Company in the Form of Corporate Guarantee			(269.42)	
Net			**7,094.82**	**390.79**

Nature of Security

The facility is secured on a first and exclusive charge basis by way of hypothecation over the portfolio loans in such a way that the security cover of 1.10 to 1.33 times is met. Further, the Company has provided additional security by way of lien on Fixed Deposits and Corporate Guarantee in certain cases.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

ii) Bank Overdraft

(₹ In Lakhs)

Tenure (from the date of the Balance Sheet)	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	10.50%	287.30	-

Nature of Security

The facility is secured by pledge of gold ornaments.

18 Other financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividends	18.95	18.55
Payable to employees	14.07	4.41
Loan Pending Disbursal	10.29	-
NPS Contribution	0.07	-
Other financial liabilities	14.74	-
Total	**58.12**	**22.96**

19 Provisions

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note 38)	16.83	7.25
Leave encashment and other employee benefits	47.51	17.59
Total	**64.34**	**24.84**

20 Other non-financial liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance	-	3.69
Advance from customers and others	74.34	0.07
Liability towards Statutory Dues	93.57	37.13
Unearned income	0.55	-
Total	**168.46**	**40.89**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

21 Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Authorised share capital		
5,00,00,000 (March 31, 2020: 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**
b. Issued, Subscribed and Paid-up:		
1,52,92,429 (March 31, 2020: 1,35,07,756) Equity Shares of ₹ 10 each	1,529.24	1,350.78
Total	**1,529.24**	**1,350.78**

c. Reconciliation of number of equity shares: (₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	13,507,756	1,350.78	13,500,000	1,350.00
Issued during the year	1,784,673	178.47	7,756	0.78
Balance as at the end of the year	15,292,429	1,529.24	13,507,756	1,350.78

d. Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	9,382,826	61.36%	7,682,200	56.87%
Siddhi Jaiswal	782,571	5.11%	-	0.00%
Total	**10,165,397**	**66.47%**	**7,682,200**	**56.87%**

e. Shares of the Company held by the Ultimate Holding Company

Particulars	As at March 31, 2021	As at March 31, 2020
Wilson Holdings Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	9,382,826	7,682,200
Total	**9,382,826**	**7,682,200**

f. Shares reseved for issues under options (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Equity shares of ₹ 10 each reserved for issue under employee stock option scheme	1,704,714	170.47	1,838,562	183.86

g. Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company. The distribution will be proportional to the number of equity shares held by the shareholders.

h. The Holding Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2021

Notes to Consolidated Financial Statements for the year ended March 31, 2021

i. Proposed dividends on equity shares (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021:₹ 0.05 per share (March 31, 2020: ₹ 0.10 per share)	7.65	14.34

i. Refer Note 41- Capital for the company's objectives, policies and processes for managing capital.

22 Other equity

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Securities premium	(i)	2,027.51	629.85
Retained earnings	(ii)	715.82	612.16
Employee stock option outstanding reserve	(iii)	269.21	120.16
Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(iv)	291.07	277.38
Money received against share warrants	(v)	500.00	125.00
Share application money pending allotment	(vi)	2.92	-
Equity component of compound financial instruments	(vii)	4,376.42	-
Capital Contribution towards corporate gaurantee	(viii)	279.17	-
Total		**8,462.13**	**1,764.53**

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,2013.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**629.85**	**626.56**
Add: premium received on issue of shares	1,397.66	1.56
Add: Utilisation on account of exercise option	-	1.73
Balance at the end of the year	**2,027.51**	**629.85**

(ii) Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**612.19**	**329.70**
Profit for the year	130.10	406.09
Remeasurement of defined benefit plans (net of tax)	1.41	-1.20
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(13.69)	(81.74)
Options exercised and lapsed	0.19	-
Dividend Paid	(14.34)	(33.75)
Dividend distribution tax	-	(6.94)
Balance at the end of the year	**715.82**	**612.19**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(iii) Employee stock option outstanding reserve

Employee stock option outstanding reserves is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the group

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**120.16**	**37.86**
Add:Share based payment expense	153.29	84.03
Add:ESOP's granted to employees of Subsidiary Company	15.42	-
Less:Options exercised and lapsed	(0.19)	-
Less:Transfer to securities premium on account of exercise of Options	(19.47)	(1.73)
Balance at the end of the year	**269.21**	**120.16**

(iv) Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934

The Company maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**277.38**	**195.64**
Add: Profit transferred during the year	13.69	81.74
Balance at the end of the year	**291.07**	**277.38**

(V) Money received against share warrants

money received against share warrants is to be made since shares are yet to be allotted against the share warrants

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**125.00**	**125.00**
Add: Warrants issued during the year	875.00	-
Less: Options exercised during the year	(500.00)	-
Balance at the end of the year	**500.00**	**125.00**

(vi) Share application money pending allotment

The amount received on the application on which allotment is not yet made

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**-**	**-**
Add: Application money received during the year	2.92	-
Balance at the end of the year	**2.92**	**-**

(vii) Equity component of compound financial instruments

This represent the equity component of compound financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**-**	**-**
Add: Equity component of Corporate Guarantee	4,376.42	-
Balance at the end of the year	**4,376.42**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(viii) Capital Contribution towards corporate gaurantee

This represent the Capital Contribution towards corporate gaurantee

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**-**	**-**
Add: Capital Contribution by the Holding Company in the Form of Corporate Guarantee	279.17	-
Balance at the end of the year	**279.17**	**-**

23 Interest income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on loans (at amortised cost)	1,189.45	631.28
Interest on deposit with banks (at amortised cost)	34.27	10.50
Other interest Income	0.69	-
Total	**1,224.41**	**641.78**

24 Fees and commission Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from loan services	25.67	31.40
Income from other services	1,702.85	1,229.23
Total	**1,728.52**	**1,260.63**

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of Services		
Fee and commission income	**1,728.52**	**1,260.63**
Total revenue from contract with customers	1,728.52	1,260.63
Geographical markets		
India	1,728.52	1,260.63
Outside India	-	-
Total revenue from contract with customers	**1,728.52**	**1,260.63**
Timing of revenue recognition		
Services transferred at a point in time	1,728.52	1,253.55
Services transferred over time	-	7.08
Total revenue from contracts with customers	**1,728.52**	**1,260.63**

Contract balance (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	596.91	118.17

Notes to Consolidated Financial Statements for the year ended March 31, 2021

25 Net gain on fair value changes

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On Trading Portfolio		
Investment in mutual funds	8.43	8.16
(ii) Others	-	-
Total Net Gain on Fair Value Changes (B)	**8.43**	**8.16**
Fair value changes:		
Realised	11.17	7.11
Unrealised	(2.74)	1.05
Total Net Gain on Fair Value Changes (C)	**8.43**	**8.16**

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

26 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent Income	-	1.10
Net gain/(loss) on derecognition of property, plant and equipment and investment property	-	4.67
Gain on foreign currency transactions	-	0.04
Recovery from written off accounts	-	13.00
Miscellaneous income	45.05	-
Total	**45.05**	**18.81**

27 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	407.57	163.61
Interest on debt securities	12.58	-
Other interest expense		
Interest on lease liabilities	2.98	2.17
Interest on taxes	-	2.81
Total	**423.13**	**168.59**

28 Fees and commission expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission	29.61	0.79
Total	**29.61**	**0.79**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

29 Impairment on financial instruments

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans	33.76	21.27
Receivable	2.57	-
Bad Debts	7.34	12.40
Total	**43.67**	**33.67**

Year ended March 31, 2021

Particulars	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Loans and advances to customers	(72.94)	23.25	83.46	-	33.76
Receivables	-	-	-	2.57	2.57
Total impairment loss	**(72.94)**	**23.25**	**83.46**	**2.57**	**36.33**

Year ended March 31, 2020

-

Particulars	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3		
Loans and advances to customers	(79.82)	125.40	(24.31)	-	21.27
Total impairment loss	**(79.82)**	**125.40**	**(24.31)**	**-**	**21.27**

30 Employee benefits expenses

(₹ in Lakhs)

Salaries and wages	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	1,065.12	576.85
Gratuity Expenses (Refer Note 38)	11.53	5.60
Contribution to provident and other funds	57.93	25.59
Share based payments to employees (Refer Note 38)	168.70	84.03
Staff welfare expenses	11.73	9.77
Total	**1,315.01**	**701.84**

31 Depreciation, amortization and impairment

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation and amortisation expenses (Refer Note 12)	73.74	13.44
Amortization of intangible assets (Refer Note 13)	53.33	35.28
Total	**127.07**	**48.72**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

32 Others expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent, Rates and taxes	100.64	68.59
Repairs and maintenance	2.39	4.36
Energy Costs	12.95	6.65
Communication costs	10.38	5.29
Advertisement and publicity	16.64	27.31
Director's fees, allowances, and expenses	62.97	40.05
Auditor fees and expenses (Refer Note 32.1)	37.42	11.78
Legal and professional charges	261.57	118.07
Insurance	11.99	13.29
Other expenditure:		
- Annual Maintenance Charges	17.08	15.26
- Brokerage	11.92	2.68
- Donation	5.15	-
- GST Input Tax Credit written off	73.40	32.10
- Office Expenses	29.95	15.63
- Processing fee on co-lending business	15.56	-
- Software Licences Expenses	14.34	7.52
- Travel & Conveyance	16.69	26.78
- Website & Server Maintenance Expenses	26.60	23.40
- Miscellaneous Expenditure	62.06	2.71
Total	**789.70**	**421.47**

32.1 Auditor fees and expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As Auditor:		
- Statutory audit fees	15.00	6.68
- Limited review fees	8.25	3.50
- Tax audit fees	2.00	1.00
- Reimbursement of expenses	0.82	-
In other capacity:		
- Certification	11.35	0.60
Total	**37.42**	**11.78**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

33 Income tax expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Current tax on profits for the year	117.41	172.52
Adjustments for current tax of prior periods	1.32	(7.32)
Mat credit entitlement	-	-
Total Current Tax	**118.73**	**165.20**
Deferred tax expense (income)		
Decrease in deferred tax assets (Refer Note 11)	29.39	(16.99)
Total deferred tax expense/(benefit)	**29.39**	**(16.99)**
Total tax expense	**148.12**	**148.20**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

33.1 Reconciliation of effective tax rate:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before income tax expense	278.22	554.30
Enacted income tax rate in India applicable to the Company 27.82% (2019-20 – 27.82%)	**77.40**	**154.20**
Tax effect of:		
Permanent disallowances	15.24	-
Deferred tax assets not created on OCI	0.54	(0.46)
Long term capital gain on sale of property	-	(1.30)
Difference in tax rates for short term capital gains	(1.24)	(0.81)
Permanent disallowances		
Provision for ESOP	46.93	-
Others	7.93	3.88
Tax in respect of earlier period	1.32	(7.32)
Total tax expense	**148.12**	**148.20**
Effective tax rate	**53.24**	**26.74**

33.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

34 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to the equity holders of the Holding Company (A)	130.10	406.09
Weighted Average number of shares issued for Basic EPS (B)	14,707,668	13,501,208
Adjustment for calculation of Diluted EPS (c)	4,676,435	841,431
Weighted Average number of shares issued for Diluted EPS (D= B+C)	19,384,103	14,342,638
Basic EPS in Rs.	0.88	3.01
Diluted EPS in Rs.	0.69	2.83

During the year March 2021, the Holding Company has allotted 17,96,944 Warrants of face value of ₹ 10/- each at a price of ₹ 111.30/- per Warrant (including ₹ 101.30 towards share premium), to M/s. Wilson Holdings Private Limited, Mrs. Minaxi Mehta, Rohanjeet Singh Juneja, Karan Neale Desai and Elios Advisors LLP against receipt of 25% of the Warrant subscription amount. The remaining 75% of the Warrant subscription amount can be paid within a period of eighteen (18) months from the date of allotment of Warrants. These warrants are not counted in Weighted average number of Equity Shares used for calculation of diluted Earning per Share, as they are anti-dliutive.

35 Contingent liabilities & commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
Income tax matters under dispute	65.99	65.99
Commitments		
a) Capital commitments	-	18.97
(Estimated amount of contracts remaining to be executed on capital account and not provided for)	-	-
b) Loan sanction but undrawn	361.01	48.25
Total Commitments	**361.01**	**67.22**

36 Derivatives

The Group as no transactions / exposure in derivatives in the current and previous year. The Group has no unhedged foreign currency exposure as on March 31, 2021: Nil (March 31, 2020: Nil).

37 Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")

The Parent Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. During the year, the Group has scaled up the growth in the low risky sector. Further, there has been good collection efficiencies post completion of the moratorium period and none of the customers approached for one time restructuring benefit allowed under the Resolution Framework by Reserve Bank of India dated August 6, 2020 for COVID related stress to the borrowers. Basis the abovementioned factors, the Group estimates that no additional Expected Credit Loss (ECL) provision on Loans is required on account of COVID – 19 during the quarter and year ended March 31, 2021. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Groups's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

38 Employee benefits

(a) Compensated absences

The compensated absences charge for the year ended March 31, 2021 of ₹ 43.77 lakhs (March 31, 2020 ₹ 12.77 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2021 is ₹ 44.08 lakhs (March 31, 2020 : ₹ 17.59 lakhs)

(b) Post employment obligations

I. Defined contribution plans

The the group has classified the various benefits provided to employees as under:

a. Provident Fund

b. Employees' Pension Scheme 1995

c. Employee State Insurance Scheme

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner . Under the schemes, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan -

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Provident Fund	39.19	18.85
Contribution to Employees' Pension Scheme 1995	17.23	6.75
Contribution to Employee State Insurance Scheme	1.46	-
Total	**57.89**	**25.59**

II. Defined benefit plans

Gratuity

The Holding and Subsidiary Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of ₹ 20 lakhs. The Holding Company has a funded gratuity plan while the Subsidiary Company has an unfunded gratuity plan.

The Holding Company has a defined benefit plan in India (Funded) while the and Subsidiary Company has a defined benefit plan in India (Unfunded). The Holding Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund whereas The Subsidiary Company's defined benefit gratuity plan is a final salary plan for employees under which gratuity is paid from entity as and when it becomes due and is paid as per company scheme for gratuity.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

For the Holding Company's plan, a separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by Rule 103 of Income Tax Rules, 1962 . The Fund is managed by a trust which is governed by the Board of Trustees . The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(₹ in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
I	**Expenses recognised in statement of profit and loss during the year:**				
	Current service cost	10.15	0.96	5.20	-
	Past service cost	-	-	-	-
	Expected return on plan assets	-	-	-	-
		-	-	-	-
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.42	-	0.39	-
	Total expenses	**10.57**	**0.96**	**5.59**	**-**
II	**Expenses recognised in other comprehensive income**				
	Actuarial (gains) / losses due to demographic assumption changes	-	-	-	-
	Actuarial (gains) / losses due to financial assumption changes	-	-	1.09	-
	Actuarial (gains)/ losses due to experience on defined benefit obligations	(2.10)	-	0.64	-
	Return on plan assets excluding Interest income	0.14	-	(0.08)	-
	Total expenses	**(1.95)**	**-**	**1.65**	**-**
III	**Net asset /(liability) recognised as at balance sheet date:**				
	Present value of defined benefit obligation	(16.72)	(5.97)	(12.92)	-
	Fair value of plan assets	5.86	-	5.67	-
	Net (Liability)/Asset Recognized in the Balance Sheet	**(10.86)**	**(5.97)**	**(7.25)**	**-**
IV	**Movements in present value of defined benefit obligation**				
	Present value of defined benefit obligation at the beginning of the year	12.92	-	5.60	-
	Current service cost	10.15	0.96	5.20	-
	Past service cost	-	-	-	-
	Liability Transferred Out/ Divestments	(5.01)	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
	Liability Transferred In/ Acquisitions	-	5.01	-	-
	Interest cost	0.76	-	0.39	-
	Actuarial (gains) / loss	(2.10)	-	1.73	-
	Benefits paid	-	-	-	-
	Present value of defined benefit obligation at the end of the year	**16.72**	**5.97**	**12.92**	**-**
V	**Movements in fair value of the plan assets**				
	Opening fair value of plan assets	5.67	-	-	-
	Interest Income	0.33	-	-	
	Expected returns on plan assets	-	-	-	-
	Expected returns on plan assets excluding Interest income	(0.14)	-	0.07	-
	Actuarial (gains) / loss on plan assets	-	-	-	-
	Contribution from employer	-	-	5.60	-
	Benefits paid	-	-	-	-
	Closing fair value of the plan asset	**5.86**	**-**	**5.67**	**-**
VI	**Maturity profile of defined benefit obligation**				
a	**Funding arrangements and funding policy**				
	Holding Company: 'The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. **Subsidiary Company:** Gratuity plan is unfunded.				
b	**The average outstanding term of the obligations (years) as at valuation date is 4 years for the funded plan and 14 years for the funded.**				
	Expected cash flows over the next (valued on undiscounted basis):				
	1st Following Year	0.03	0.01	0.03	-
	2nd Following Year	1.04	0.01	0.02	-
	3rd Following Year	1.61	0.01	0.89	-
	4th Following Year	1.88	0.01	1.89	-
	5th Following Year	2.38	0.28	1.98	-
	Sum of Years 6 To 10	8.79	1.59	7.32	-
	Sum of Years 11 and above	10.51	24.92	9.10	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
VII	**Quantitative sensitivity analysis for significant assumptions is as below:**				
1	Increase / (decrease) on present value of defined benefit obligation at the end of the year	16.72	5.97	12.92	-
	(i) +1% increase in discount rate	(1.11)	(0.97)	(0.92)	-
	(ii) -1% decrease in discount rate	1.25	1.23	1.04	-
	(iii) +1% increase in rate of salary increase	1.12	0.87	0.96	-
	(iv) -1% decrease in rate of salary increase	(1.05)	(0.83)	(0.88)	-
	(v) +1% increase in rate of Emplyoee Turnover	(0.63)	(0.41)	(0.56)	-
	(vi) -1% decrease in rate of Emplyoee Turnover	0.67	0.45	0.60	-

2 Sensitivity analysis method

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VIII Risks associated with defined benefit plan

Gratuity is a defined benefit plan and the group is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk (funded plan): The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the funded plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. For the undunded plan, entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk (funded plan): Plan is having a concentration risk as all the assets are invested with the insurance group and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

X	**Composition of plan assets**				
	Qualifying policy with Tata AIA Life Insurance Holding Company Limited	100%	NA	100%	NA

XI Asset liability matching strategies

The Holding Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer..

XII	Actuarial assumptions:	As at March 31, 2021		As at March 31, 2020	
		Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
1	Expected Return on Plan Assets	5.58%	NA	5.76%	NA
2	Discount rate	5.58%	6.82%	5.76%	NA
3	Expected rate of salary increase	10.00%	10.00%	10.00%	NA
4	Rate of Employee Turnover	18.00%	5.00%	18.00%	NA
5	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	NA

Notes:

Holding company (Funded Plan):

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Holding Company expects to make a contribution of Rs.21.30 lakhs to the defined benefit plans (gratuity - funded) during the next financial year.

d) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

Subsidiary company (Unfunded Plan):

a) Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

b) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20 years.

c) Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

39 Segment reporting

Operating segment are components of the group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") of the Company to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group operates in a two reportable business segment i.e. Fund Based Activities and Advisory Services, which has similar risks and returns for the purpose of Ind AS 108 – "Operating segments".

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED		
Segment revenue		
Fund based activities	2,024.28	1,677.06
Advisory services	937.08	233.51
Total	**2,961.36**	**1,910.57**
Less : Inter segment revenue	-	-
Revenue from operations	**2,961.36**	**1,910.57**
Segment results		
Profit before tax from each segment :		
Fund based activities	58.17	512.99
Advisory services	180.70	93.27
Total	**238.87**	**606.26**
Add: Other Un-allocable Income net of expenditure	39.35	(49.16)
Profit before tax	**278.22**	**557.10**
Less: Income taxes	148.13	151.01
Profit after tax	**130.10**	**406.09**
Capital employed		
Segment assets		
Fund based activities	12,503.06	4,239.45
Advisory services	1,074.36	29.67
Unallocated	5,071.38	578.66
Total	**18,648.80**	**4,847.78**
Segment liabilities		
Fund based activities	8,348.78	1,664.73
Advisory services	228.93	15.91
Unallocated	79.71	51.83
Total	**8,657.43**	**1,732.47**
Capital expenditure		
Fund based activities	1,031.66	252.76
Advisory services	**381.57**	**23.88**
Depreciation and amortisation		
Fund based activities	91.07	48.43
Advisory services	36.00	0.29
Unallocated	-	-
Finance Cost		
Fund based activities	423.13	165.78
Advisory services	-	-
Unallocated	-	2.81
Other non-cash expenditure		
Fund based activities	43.67	33.67
Advisory services	-	-

Geographic Segment

All the assets of the Group and source of revenue of the Group is within India and hence, no separate geographical segment is identified.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

40 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakhs)

Assets	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financials Assets						
Cash and cash equivalents	3,222.53	-	3,222.53	170.84	-	170.84
Bank balances other than cash and cash equivalents	935.73	594.64	1,530.37	177.94	-	177.94
Receivables						
(i) Trade Receivables	596.91	-	596.91	118.17	-	118.17
(ii) Other Receivables	112.10	-	112.10	-	-	-
Loans*	4,145.61	5,824.59	9,970.19	562.03	2,723.49	3,285.52
Investments	1,103.25	-	1,103.25	128.41	-	128.41
Other Financials Assets	93.20	-	93.20	334.52	5.37	339.89
Non Financials Assets						
Current Tax Assets (Net)	-	174.49	174.49	-	41.67	41.67
Deferred Tax Assets (Net)	-	119.25	119.25	-	188.21	188.21
Investment Property	-	-	-	-	-	-
Property,Plant and Equipment	-	423.00	423.00	-	189.40	189.40
Right of use assets	-	518.82	518.82	-	-	-
Capital work -in- progress	-	78.46	78.46	-	25.84	25.84
Intangible assets under development	-	330.70	330.70	-	11.51	11.51
Other Intangible assets	-	191.69	191.69	-	142.87	142.87
Other non-financials assets	183.85	-	183.85	24.55	2.96	27.51
Non-current assets and disposal group held for sale	-	-	-	-	-	-
Total Assets	**10,393.18**	**8,255.64**	**18,648.80**	**1,516.47**	**3,331.31**	**4,847.78**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Liabilities	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Payables						
I) Trade payables	183.30	-	183.30	36.44	-	36.44
II) Other payables	69.61	-	69.61	-	-	-
Debt securities		601.98	601.98	-	-	-
Borrowings (other than debt securities)	315.10	7,135.75	7,450.86	1,126.20	434.55	1,560.75
Other financial liabilities	58.12	-	58.12	36.26	-	36.26
Non-Financial Liabilities						
Current tax liabilities(Net)	60.76	-	60.76	33.29	-	33.29
Provisions	23.87	40.47	64.34	11.74	13.10	24.84
Other non-financial liabilitie	168.46	-	168.46	40.89	-	40.89
Total Liabilities	**879.24**	**7,778.20**	**8,657.44**	**1,284.82**	**447.65**	**1,732.47**
Net	**9,513.95**	**477.44**	**9,991.37**	**231.65**	**2,883.66**	**3,115.31**

41 Capital management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new capital securities. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holder.

The Group's adjusted net debt to equity ratio is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	8,052.82	1,560.75
Less: cash and cash equivalents	(3,222.53)	(170.84)
Less: Bank balances other than cash and cash equivalents	(1,530.37)	(177.94)
Adjusted net debt	**3,299.92**	**1,211.97**
Total Equity	9,991.37	3,115.31
Adjusted net debt to adjusted equity ratio	**0.33**	**0.39**

42 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

43 Change in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	April 1, 2020	Cash Flows	Changes in fair values	Exchange difference	Other**	March 31, 2021
Debt securities	-	5,000.00	-	-	(4,398.02)	601.98
Borrowings (other than debt securities)*	1,445.22	7,387.29	-	-	(1,450.40)	7,382.11
Lease Liabilities	115.53	(14.60)	-	-	(32.20)	68.73
Deposits	-	-	-	-	-	-
Total liabilities from financing activities	**1,560.75**	**12,372.69**	**-**	**-**	**(5,880.62)**	**8,052.82**

(₹ in Lakhs)

Particulars	April 1, 2019	Cash Flows	Changes in fair values	Exchange difference	Other**	March 31, 2020
Debt securities	-	-	-	-	-	-
Borrowings (other than debt securities)*	2,541.32	(1,096.10)	-	-	-	1,445.22
Lease Liabilities	-	-	-	-	115.53	115.53
Deposits	-	-	-	-	-	-
Total liabilities from financing activities	**2,541.32**	**(1,096.10)**	**-**	**-**	**115.53**	**1,560.75**

*Other column includes creation of finance lease liabilities

**Other column includes creation of lease liabilities, Ind AS Adjustments & adjustments on account of Capital Contribution by the Holding Company in the Form of Corporate Guarantee.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

44 Related party disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Ultimate Holding Company	M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)
Fellow Subsidiary:	Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)
Key Management Personnel (KMP)	Mr. Karan Neale Desai, Joint Managing Director
	Mr. Ashish Sharad Dalal, Non-Executive Director (Upto November 10, 2020)
	Mr. Nirmal Vinod Momaya, Independent Director
	Mr. K. P. Raghuvanshi, Independent Director
	Mrs. Manjari Kacker, Independent Director
	Mr. Dharmil Shah, Independent Director (upto August 24, 2018)
	Mrs. Arunaben Girishkumar Shah, Independent Director (upto August 24, 2018)
	Mr. Rakesh Sethi, Chairman and Independent Director (w.e.f. Ocotber 15, 2019)
	Mr. Rajiv Kapoor, Independent Director (w.e.f. Febuary 03, 2020)
	Mr. Surender K Behera, Independent Director (upto December 17, 2019)
	Mr. Rohanjeet Singh Juneja, Joint Managing Director (w.e.f. December 17, 2019)
	Mr. Narendra Kumar Tater, Chief Financial Officer (Upto July 31, 2020)
	Mr. M Vijay Mohan Reddy, Company Secretary (Upto July 31, 2020)
	Mr. Sanjay Kukreja, Chief Financial Officer (w.e.f. August 1, 2020)
	Mr. Fredrick Pinto, Company Secretary (w.e.f. August 1, 2020)
	Mr. Nimir Kishore Mehta, Non-Executive Chairman (upto December 15, 2019)
Other Related Parties	Mr. Nimir Kishore Mehta (Promoter of Wilson Holdings Private Limited)
	Prolific Ventures Pvt Ltd (Relative of Promoter Having Singnificant Influence)
	Mrs. Minaxi Mehta (Relative of Promoter)
	Exerfit Wellness Private Limited (Director Having Singnificant Influence)

B. Details of related party transactions:

(₹ in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Ultimate Holding Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Interest expense	93.95	156.80
	Reimbursement of expenses	28.13	-
	Loans Taken	875.00	-
	Loans repaid	1,905.00	1,420.00
	Interest Income	4.21	-
	Loans Given	305.00	-
	Loans repayment received	305.00	-
	Issue of share warrants	125.00	125.00
	Conversion of share warrants into Equity	500.00	-
	Issue of Equity	1,030.00	-
	Issue of UCCD	4,500.00	-
	Capital Contribution towards corporate gaurantee	281.92	-
Fellow Subsidiary			

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)	Rent income	-	1.20
	Fees Paid	15.00	-
Key Management Personnel (KMP)			
Mr. Karan Neale Desai	Remuneration and Short-termemployee benefits*	53.20	67.27
	Reimbursement of expenses	7.19	8.18
	Issue of share warrants	100.00	-
	Issue of equity	10.90	-
Mr. Narendra Kumar Tater	Remuneration and Short-termemployee benefits*	22.59	36.49
	Reimbursement of expenses	1.07	4.76
Mr. Vijay Mohan Reddy	Remuneration and Short-termemployee benefits*	14.69	24.28
	Reimbursement of expenses	0.13	5.93
Mr. Rohanjeet Singh Juneja	Remuneration and Short-termemployee benefits*	52.59	17.89
	Reimbursement of expenses	7.66	1.55
	Issue of share warrants	100.00	-
Mr. Sanjay Kukreja	Remuneration and Short-termemployee benefits*	31.45	-
	Reimbursement of expenses	1.50	-
Mr. Fredrick Pinto	Remuneration and Short-termemployee benefits*	14.15	-
	Reimbursement of expenses	2.96	-
Mr. Ashish Sharad Dalal	Sitting fees and commission	6.66	7.00
Mr. Nirmal Vinod Momaya	Sitting fees and commission	10.91	7.00
Mr. K. P. Raghuvanshi	Sitting fees and commission	11.41	8.25
Mrs. Manjari Kacker	Sitting fees and commission	12.66	9.25
Mr. Dharmil Shah	Sitting fees and commission	-	(1.35)
Ms. Arunaben Girishkumar Shah	Sitting fees and commission	-	(1.35)
Mr. Surender K Behera	Sitting fees and commission	-	5.00
Mr. Rakesh Sethi	Sitting fees and commission	10.16	4.25
Mr. Rajiv Kapoor	Sitting fees and commission	11.16	1.00
Mr. Nimir Kishore Mehta	Sitting fees and commission	-	1.00
Other Related Parties			
Mrs. Minaxi Mehta	Issue of share warrants	125.00	-
Mr. Nimir Kishore Mehta	Rent paid	24.76	60.00
	Reimbursement of expenses	0.62	0.72
	Profession fees paid	0.00	-
Prolific Ventures Pvt Ltd	Rent paid	40.58	4.60
	Reimbursement of expenses	0.80	0.03
	Security deposit	-	6.90
	ROU Asset	464.83	-
Exerfit Wellness Private Limited	Staff Welfare expenses	0.20	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

C. Details of balances outstanding for related party transactions: (₹ in Lakhs)

Name of the related party	Nature of Transaction	As at March 31, 2021	As at March 31, 2020
Ultimate Holding Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Short Term borrowing given	0.12	1,030.00
	Equity Share Capital	938.28	768.22
	Share Warrants	125.00	125.00
	UCCD	4,500.00	-
	Capital Contribution towards corporate gaurantee	281.92	-
Key Management Personnel (KMP)			
Mr. Ashish Sharad Dalal	Sitting fees and commission	0.58	-
Mr. Nirmal Vinod Momaya	Sitting fees and commission	0.58	-
Mr. K. P. Raghuvanshi	Sitting fees and commission	0.58	-
Mrs. Manjari Kacker	Sitting fees and commission	0.58	-
Mr. Rakesh Sethi	Sitting fees and commission	0.61	-
Mr. Rajiv Kapoor	Sitting fees and commission	0.61	-
Mr. Karan Neale Desai	Reimbursement of expenses	-	1.12
	Equity Share Capital	3.63	-
	Share Warrants	100.00	-
Mr. Rohanjeet Singh Juneja	Reimbursement of expenses	-	0.46
	Share Warrants	100.00	-
Mr. Sanjay Kukreja	Reimbursement of expenses	0.48	-
Other Related Parties			
Mrs. Minaxi Mehta	Share Warrants	125.00	-
Prolific Ventures Pvt Ltd	Trade Payable	11.07	-
	Security deposit	6.90	6.90
Mr. Nimir Kishore Mehta	Trade Payable	2.46	-
	Reimbursement of expenses	0.82	-

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

D The options granted and outstanding for the key managerial personnel as of March 31, 2021 and March 31, 2020 is as provided below:

Name of the KMP	Grant Date	Expiry date	Shares outstanding	
			Mar-21	Mar-20
Mr. Karan Neale Desai	11/5/2018	11/4/2025	327,140	363,489
Mr. Narendra Kumar Tater	11/5/2018	11/4/2025	-	193,861
Mr. Vijay Mohan Reddy	11/5/2018	11/4/2025	-	69,799
Mr. Karan Neale Desai	12/17/2019	12/16/2026	236,511	236,511
Mr. Rohanjeet Singh Juneja	12/17/2019	12/16/2026	600,000	600,000
Mr. Karan Neale Desai	7/31/2020	8/1/2028	75,000	-
Mr. Rohanjeet Singh Juneja	7/31/2020	8/1/2028	75,000	-
Total			**1,313,651**	**1,463,660**

E The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

45 Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Financial Assets and Liabilities as at March 31, 2021	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	3,222.53	3,222.53	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	1,530.37	1,530.37	-	-	-	-
Receivables				-				
Trade receivables	-	-	596.91	596.91	-	-	-	-
Other receivables	-	-	112.10	112.10	-	-	-	-
Loans	-	-	9,970.19	9,970.19	-	-	-	-
Investments	1,103.25	-	-	1,103.25	1,103.25	-	-	1,103.25
Other financials assets	-	-	93.20	93.20	-	-	-	-
	1,103.25	**-**	**15,525.30**	**16,628.54**	**1,103.25**	**-**	**-**	**1,103.25**
Financial Liabilities								
Payables								
Trade payables	-	-	183.30	183.30	-	-	-	-
Other payables	-	-	69.61	69.61	-	-	-	-
Debt Securities			601.98	601.98	-	-	-	-
Borrowings (other than debt securities)	-	-	7,450.85	7,450.85	-	-	-	-
Other financial liabilities	-	-	58.12	58.12	-	-	-	-
	-	**-**	**8,363.86**	**8,363.86**	**-**	**-**	**-**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	170.84	170.84	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	177.94	177.94	-	-	-	-
Receivables				-				
Trade receivables	-	-	118.17	118.17	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	3,285.52	3,285.52	-	-	-	-
Investments	128.41	-	-	128.41	128.41	-	-	128.41
Other financials assets	-	-	339.89	339.89	-	-	-	-
	128.41	**-**	**4,092.36**	**4,220.78**	**128.41**	**-**	**-**	**128.41**
Financial Liabilities								
Payables								
Trade payables	-	-	36.44	36.44	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	1,560.75	1,560.75	-	-	-	-
Other financial liabilities	-	-	36.26	36.26	-	-	-	-
			1,633.45	**1,633.45**	**-**	**-**	**-**	**-**

B. **Measurement of fair value**

The following methods and assumptions were used to estimate the fair values:

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances , other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

c. Fair value hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period..

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

C. **Valuation techniques used to determine fair value**

Investments in Mutual Funds

The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

D. **Transfers between Level 1 and Level 2 and between Level 1 and Level 3**

There were no transfers between level 1 and 2 and between Level 1 and Level 3 during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

46 Financial risk management

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Group. Together they help in achieving the business goals and objectives consistent with the Group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) **Trade and other receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of busines.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for a period not exceeding six months	504.12	118.17
Outstanding for a period exceeding six months	95.36	-
Gross Trade Receivables	599.48	118.17
Less: Impairment Loss	2.57	-
Net Trade Receivables	596.91	118.17

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group's historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

ii) Loans and financial assets measured at amortized cost

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
0-30 Days Past Due		
Secured	4,843.51	2,222.04
Unsecured	3,983.54	773.82
30-90 Days Past due		
Secured	976.40	465.04
Unsecured	195.29	35.94
More than 90 Days Past Due		
Secured	352.84	201.88
Unsecured	90.65	25.09
Total	**10,442.23**	**3,723.79**

The Group reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Group is into small ticket loan business, there is no significant credit risk of any individual customer that may impact the Group adversely, and hence the Group has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Group categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(i) Definition of default

The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(ii) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

(iii) Estimations and assumptions considered in the ECL model

Measurement of Expected Credit Losses

The Group has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Group uses information that is relevant and available without undue cost or effort. This includes the Group's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the Group considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Group considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data.

Macroeconomic Scenarios

In addition, the Group uses reasonable and supportable information on future economic conditions including macroeconomic factors such as CPI and repo rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

(iv) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income " in Statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :

Gross exposure reconciliation

(₹ In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2019	**4,561.95**	**77.32**	**294.22**	**4,933.49**
New loans originated during the year	874.33	-	-	874.33
Transfers to Stage 1	40.11	-40.11	-	-
Transfers to Stage 2	(451.92)	506.08	(54.16)	-
Transfers to Stage 3	(86.77)	(34.24)	121.01	-
Write-offs	(2.81)	-	(9.58)	(12.40)
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(1,939.04)	(8.09)	(124.50)	(2,071.63)
Gross carrying amount balance as at March 31, 2020	**2,995.86**	**500.98**	**226.97**	**3,723.81**
New loans originated during the year	6,988.84	273.20	0.24	7,262.27
Transfers to Stage 1	0.79	(0.17)	(0.62)	-
Transfers to Stage 2	(553.94)	553.94	-	-
Transfers to Stage 3	(35.35)	(174.35)	209.70	-
Write-offs	(0.56)	-	(6.79)	(7.35)
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(568.59)	18.09	13.99	(536.51)
Gross carrying amount balance as at March 31, 2021	**8,827.05**	**1,171.69**	**443.49**	**10,442.23**

Reconciliation of ECL balance

(₹ In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance- Opening Balance as at April 1, 2019	**246.02**	**25.96**	**145.04**	**417.02**
New loans originated during the year	60.28	-	-	60.28
Transfers to Stage 1	14.02	(14.02)	-	-
Transfers to Stage 2	(22.74)	49.82	(27.08)	-
Transfers to Stage 3	(4.86)	(11.95)	16.80	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(126.53)	101.55	(14.04)	(39.01)
ECL Allowance- Closing Balances as on March 31, 2020	**166.20**	**151.35**	**120.73**	**438.29**
New loans originated during the year	59.29	23.84	0.19	83.32
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(81.80)	81.80	-	-
Transfers to Stage 3	(18.57)	(75.60)	94.17	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(31.85)	(6.80)	(7.50)	(46.15)
Amounts Written off	(0.01)	-	(3.40)	(3.41)
ECL Allowance- Closing Balances as on March 31, 2021	**93.26**	**174.59**	**204.19**	**472.04**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

iii. **Cash and bank balances**

The Group held cash and cash equivalent and other bank balance of ₹ 4752.90 lakhs at March 31, 2021 (March 31, 2020: ₹ 348.78 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Group invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Group to credit risk.

iv. **Others**

Apart from trade receivables ,loans and cash and bank balances , the Group has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group’s liquidity position and cash and cash equivalents on the basis of expected cash flows

(i) Maturities of financial assets and liabilities

The table below analyses the group financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity date. The amount disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of future interest payments.

(₹ In lakhs)

Contractual maturities of financial assets March 31, 2021	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	3,222.53	-	-	3,222.53
Bank balances other than cash and cash equivalents	957.87	82.50	490.00	1,530.37
Receivables				
Trade receivables	596.91	-	-	596.91
Other receivables	112.10	-	-	112.10
Loans	4,145.61	3,179.00	3,117.61	10,442.22
Investments	1,103.25	-	-	1,103.25
Other financials assets	93.20	-	-	93.20
Total	**10,231.47**	**3,261.50**	**3,607.61**	**17,100.58**

Contractual maturities of financial liabilities March 31, 2021	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	183.30	-	-	183.30
Other payables	69.61	-	-	69.61
Debt Securities	-	505.00	-	505.00
Borrowings (other than debt securities)	1,156.42	4,749.16	1,960.12	7,865.69
Other financial liabilities	58.12	-	-	58.12
Total	**1,467.45**	**5,254.16**	**1,960.12**	**8,681.73**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Contractual maturities of financial assets March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	170.84	-	-	170.84
Bank balances other than cash and cash equivalents	177.94	-	-	177.94
Receivables				
Trade receivables	118.17	-	-	118.17
Other receivables	-	-	-	-
Loans	616.91	901.88	2,210.17	3,728.96
Investments	128.41	-	-	128.41
Other financials assets	334.52	8.45	0.19	343.16
Total	**1,546.79**	**910.33**	**2,210.36**	**4,667.48**

Contractual maturities of financial liabilities March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Payables				
Trade payables	36.44	-	-	36.44
Other payables	-	-	-	-
Borrowings (other than debt securities)	1,185.55	271.18	285.18	1,741.91
Other financial liabilities	36.26	-	-	36.26
Total	**1,258.26**	**271.18**	**285.18**	**1,814.61**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Group's exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group caters mainly to the Indian Market . Most of the transactions are denominated in the Group's functional currency i.e. Rupees. Hence the Group is not materially exposed to Foreign Currency Risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company's exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long term debt obligation at floating interest rates. The Holding Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. There are no borrowings in the subsidiary Company and hence not exposed to interest rate risk

Interest rate risk exposure

The exposure of the Holding Company's borrowing to interest rate changes at the end of the reporting year are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	7,696.79	1,169.97
Floating rate borrowings	287.30	390.79

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Group's interest bearing financial instruments is as follows:

Particulars	For the year ended March 31, 2021	
	100bp Increase	100bp decrease
Financial Liability		
Variable rate Instrument		
Floating Rate Borrowings	2.87	(2.87)

(iii) Price Risk

The Group's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 11.03 lakhs (March 31, 2020: ₹ 1.28 lakhs). A similar percentage decrease would have resulted equivalent opposite impact.

47 Disclosure related to Leases

(A) Additions to right to use

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease hold property	549.18	115.53

(B) Carrying value of right of use assets at the end of the reporting year

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**113.10**	**-**
Additions	549.18	115.53
Deletion	113.10	-
Depreciation charge for the year	30.36	2.43
Balance at the end of the year	**518.82**	**113.10**

(C) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	41.34	20.70
One to five years	35.58	110.40
More than five years	-	23.00
Total undiscounted lease liabilities at reporting period	**76.92**	**154.10**
Lease liabilities included in the statement of financial position at the year ended	**68.73**	**113.10**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(D) Amounts recognised in statement of profit or loss

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities	2.98	2.17
Expenses relating to short-term leases	65.04	65.29
Total	**85.81**	**67.46**

(E) Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activity	65.04	65.29
Financial activity	14.60	2.43
Total cash outflow for leases	**79.64**	**67.72**

Sub Lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the rightof- use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

The Group had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to ₹ Nil (March 31, 2020: ₹ 1.10 lakhs). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties.

48 Employee Stock Options Scheme (ESOP)

The Holding Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to its employees and subsidiary's employees. These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service.Vesting of options is subject to continued employment with the Holding Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2021. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

ESOP Scheme	Particulars	Date of Grant	Date of Board Approval	Total options granted
ESOP Scheme 2018	Grant 1	5-Nov-18	5-Nov-18	1,117,710
ESOP Scheme 2018	Grant 2	22-May-19	22-May-19	113,742
ESOP Scheme 2018	Grant 3	17-Dec-19	17-Dec-19	836,511
ESOP Scheme 2018	Grant 4	31-Jul-20	31-Jul-20	150,000
ESOP Scheme 2018	Grant 5	31-Jul-20	31-Jul-20	135,000

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Series Reference	**2019-2023**		**2020-2024**		**2020-2024**		**2020-2024**		**2020-2024**	
	T-1		T-2		T-3		T-4		T-5	
Fair value of the option range	23.39 - 23.98		31.44 - 34.87		41.36 - 44.82		51.81 - 65.38		51.81 - 65.38	
Exercise price	30		50		50		50		70	
Vesting period (see table below)	12 to 48 months		12 to 48 months		12 to 48 months		12 to 48 months		12 to 48 months	
Method of settlement	Equity		Equity		Equity		Equity		Equity	
Options outstanding as at beginning of reporting period	**912,503**	**1,117,710**	**89,548**	**-**	**836,511**	**-**	**-**	**-**	**-**	**-**
Options granted during the year		-	-	113,742	-	836,511	150,000	-	135,000	-
Options lapse during the year	29,272	197,451	-	24,194	-	-	-	-	-	-
Options Forfeited during the year	334,801									
Options exercised during the year	47,547	7,756	7,228.00	-	-	-	-	-	-	-
Options outstanding as at end of reporting period	**500,883**	**912,503**	**82,320**	**89,548**	**836,511**	**836,511**	**150,000**	**-**	**135,000**	**-**

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Holding Company's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2020-21 is ₹ 168.70 lakhs (2019-20 ₹ 84.03 lakhs)

48.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of Underlying share at the time of option grant
5-Nov-18	7.35% - 7.46%	4.5 to 6 years	46.1%-47.9%	0.0229	43.8
22-May-19	6.86% - 7.41%	4.5 to 6 years	0.465	0.0073	61.5
17-Dec-19	6.86% - 7.41%	4.5 to 6 years	0.465	0.0073	73.9
31-Jul-20	5.13% - 5.64%	4.5 to 6 years	0.45	0.0052	98.5
31-Jul-20	5.13% - 5.64%	4.5 to 6 years	0.45	0.0052	98.5

48.2 Total carrying amount at the end of the year in Employee Stock Options under other equity

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total carrying amount	269.21	120.16

49 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries

(₹ in Lakhs)

As on March 31,2021

Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share In Profit or Loss		Share In OCI		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)
Parent								
Dhanvarsha Finvest Limited	99.45%	9,936.25	52.61%	68.45	100.00%	1.41	53.13%	69.86
Subsidiaries								
DFL Technologies Private Limited	7.77%	776.25	49.68%	64.63	-	-	49.15%	64.63
Total	-	10,712.50	-	133.08	-	1.41	-	134.50
Adjustments arising out of Consolidation:	(7.22%)	(721.13)	(2.30%)	(2.99)	-	-	(2.28%)	(2.99)
Consolidated Figures	100.00%	9,991.37	100.00%	130.10	100.00%	1.41	100.00%	131.51

(₹ in Lakhs)

As on March 31,2020

Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share In Profit or Loss		Share In OCI		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)
Parent								
Dhanvarsha Finvest Limited	100.12%	3,119.12	100.94%	409.89	100.00%	(1.20)	100.94%	408.69
Subsidiaries								
DFL Technologies Private Limited	0.04%	1.19	(0.94%)	(3.80)	-	-	(0.94%)	(3.80)
Total	-	3,120.31	-	406.09	-	(1.20)	-	404.89
Adjustments arising out of Consolidation:	(0.16%)	(5.00)	0.00%	-	-	-	0.00%	-
Consolidated Figures	100.00%	3,115.31	100.00%	406.06	100.00%	(1.20)	100.00%	404.89

Notes to Consolidated Financial Statements for the year ended March 31, 2021

50 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.10 and provision had been made accordingly.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection. Since, the Parent Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

51 In accordance with the instructions in aforementioned RBI circular dated April 7, 2021, and the Indian Banks Association (IBA) advisory letter dated April 19, 2021, the Parent Company has put in place the Board approved policy to refund / adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to eligible borrowers under the abovementioned circular and advisory. The Parent Company has no borrowers who are eligible for benefit as per the abovementioned RBI circular and IBA advisory.

52 During the year ended March 31, 2021, the Parent Company has not invoked resolution plans to relieve COVID-19 pandemic related stress to any of its borrowers. Therefore, disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the year ended March 31, 2021 is not applicable to the Company.

53 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

54 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No. 048539
Mumbai

Date : June 10, 2021

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231MH1994PLC334457

Sd/-
Karan Desai
Joint Managing Director
DIN: 05285546

Sd/-
Rohan Juneja
Joint Managing Director
DIN: 08342094

Sd/-
Sanjay Kukreja
Chief Financial Officer

Date : June 10, 2021

Sd/-
Fredrick Pinto
Company Secretary
M. No. 22085

Date : June 10, 2021

Dhanvarsha

Aapki Kabiliyat, Hamara Bharosa