RAJENDRA CHAUHAN & CO.
Chartered Accountants
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Independent Auditor's Report

To the Members of
Moneywise Financial Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Moneywise Financial Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to

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Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions 2016 ("the Directions") issued by the Reserve Bank of India ("the Bank") in exercise of powers conferred by Section 45MA(1A)of the Reserve Bank of India Act 1934 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us we hereby report on the matters specified in paragraphs 3 and 4 of the said Directions to the extent applicable:

i). The Company is engaged in the business of a non-banking financial business and has duly obtained a Certificate of Registration (COR) from the Bank.

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ii). The Company has more than 50% of its assets in financial assets and it has earned more than 50% of its income from financial assets. In terms of its principal business criteria (financial asset/income pattern) as on 31st March 2021, the Company is entitled to continue to hold CoR issued by the Bank.

iii). The Company meets the Net Owned fund requirement as laid down in the Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit and Deposit taking Company (Reserve Bank) Directions 2016.

iv). The Board of Directors of the company have duly passed a resolution for non-acceptance of the "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits(Reserve Bank) Directions 2016 for the financial year ended 31st March 2021.

v). The Company has not accepted any "Public Deposits" within the meaning of paragraph 3 (xv) of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016 during the year ended 31st March 2021.

vi). The company has complied with the prudential norms relating to income recognition accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking company (Reserve Bank) Directions 2016.

vii). The Company is systematically important non-deposit taking NBFC as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016, we further report that:

a) The capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank;

b) The company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.

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

3. As required by Section 143(3) of the Act, based on our audit 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 so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

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

e. On the basis of the written representations received from the directors as on March 31, 2021 Taken on record by the Board of Directors, none of the directors 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

RAJENDRA CHAUHAN & CO. FRN: 013214N New Delhi Chartered Accountants

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

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

  i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

  ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and

  iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 013214N

RAJENDRA CHAUHAN & CO. FRN : 013214N New Delhi Chartered Accountants

Rajendra Chauhan
Partner
Membership No.: 089108

Date : New Delhi
Date : June 05, 2021
UDIN : 21089108AAAAEG5668

Annexure - A to the Auditors' Report
Reg.: Moneywise Financial Services Private Limited

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report that:

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

(b) The Company has a regular programme of physical verification of its Property, plant and Equipments by which Property, plant and Equipments are verified by rotation every year, so that all the assets are covered. In accordance with this programme, Property, plant and Equipments verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification and procedure followed is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties (including properties held for sale) of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The inventory, comprises of stock of securities, which have been physically verified and reconciled by the management with reference to the confirmation/statement from broker and holding statement from depository participants, during the year. No material discrepancies were noticed on such physical verification and reconciliation. In our opinion, the frequency of physical verification and reconciliation is reasonable.

(iii) The Company has not granted unsecured loans to companies, covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). As per information and explanation provided to us, no other secured or unsecured loan has been provided to any firm, limited liability partnership or other parties in the register maintained under Section 189 of the Companies Act, 2013, therefore the disclosure required under this clause are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the loans, investments, guarantee and security as applicable. The company has not given any loan to its directors, hence provision of section 185 are not applicable. The provisions of Section 186, except for Section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the reporting under this clause 3(v) is not applicable to the company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company. Therefore the reporting under this clause 3(vi) is not applicable to the company.

(vii) (a). According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, Goods and Services Tax, cess and other material statutory dues have regularly been deposited during the year by the Company with the appropriate authorities.

(b). According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, , duty of customs, , Goods and Services Tax, cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(c). According to the information and explanations given to us, there are no material dues of duty of customs, excise, sales tax, service tax, Good and Service Tax, Income tax, and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

RAJENDRA CHAUHAN & CO. FRN : 013214N New Delhi Chartered Accountants

(viii) The Company has no default in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the amount raised by issue of debt instruments and term loans have been applied by the company for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) During the course of our examination of the books of accounts, and records of the company, carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us, we have neither came across any instance of fraud by the Company or on the Company by its officers or employees has been noticed nor have been reported by the company during the year under our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements Refer note No.: 34.08, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, under our audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(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 **RAJENDRA CHAUHAN & Co.**
Chartered Accountants
Firm's registration number: 013214N

RAJENDRA CHAUHAN & CO.
FRN : 013214N
New Delhi
Chartered Accountants

Rajendra Chauhan
Partner
Membership number: 089108

Place: New Delhi
Date: June 05, 2021
UDIN : 21089108AAAAEG5668

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Moneywise Financial Services Private Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

RAJENDRA CHAUHAN & CO.
FRN : 013214N
New Delhi
Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAJENDRA CHAUHAN & Co.
Chartered Accountants
Firm's registration number: 013214N

RAJENDRA CHAUHAN & CO.
FRN : 013214N
New Delhi
Chartered Accountants

Rajendra Chauhan
Partner
Membership number: 089108

Place: New Delhi
Date: June 05, 2021
UDIN : 21089108AAAAEG5668

MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED

Balance Sheet

₹ in Lakhs

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Financial assets			
Cash and cash equivalents	2	424.49	551.04
Other bank balance	3	511.00	-
Receivables			
Trade receivables	4	130.77	3.44
Other receivables	5	11.23	6.01
Loans	6	55,695.11	48,334.32
Investments	7	396.22	1,520.17
Other financial assets	8	408.12	353.60
Non-financial assets			
Current tax assets (net)	30	137.75	124.27
Deferred tax assets (net)	30	623.40	533.37
Assets held for sale	9	240.76	240.76
Property, plant and equipments	10	208.31	129.64
Right to use assets	11	337.58	344.74
Capital work-in-progress		-	43.14
Other intangible assets	12	31.57	7.09
Intangible work-in-progress		5.80	45.23
Other non-financial assets	13	442.08	108.15
Total assets		**59,604.19**	**52,344.97**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises		66.42	12.98
Other payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises		809.86	783.65
Lease liabilities	11	359.25	348.33
Debt securities	14	10,000.00	5,000.00
Borrowings (Other than debt securities)	15	12,330.41	7,498.10
Other financial liabilities	16	1,409.01	5,795.88
Non-financial liabilities			
Current tax liabilities (net)	30	127.24	50.21
Provisions	17	114.70	146.25
Other non-financial liabilities	18	232.49	251.86
Equity			
Equity share capital	19	4,365.69	4,365.69
Other equity		29,789.12	28,092.02
Total liabilities and equity		**59,604.19**	**52,344.97**

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

As per our report of even date attached

For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

Ajay Garg
Director
DIN: 00003166

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

Deepak Aggarwal
Chief Financial Officer

Manoj Kumar
Company Secretary

MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED

Statement of Profit and Loss

₹ in Lakhs

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	20	8,091.56	8,649.88
Fee and commission income	21	66.05	60.72
Total revenue from operations		**8,157.61**	**8,710.60**
Other income	22	55.79	81.84
Total income		**8,213.40**	**8,792.44**
Expenses			
Fee and commission expenses	23	276.56	827.66
Employee benefits expenses	24, 31	1,035.20	800.06
Finance costs	25	1,978.42	2,721.40
Depreciation, amortization and impairment	26	198.14	107.48
Impairment on financial assets	27	2,125.88	1,253.34
Others expenses	28	380.97	438.11
Total expenses		**5,995.17**	**6,148.05**
Profit before tax		**2,218.23**	**2,644.39**
Tax expense:			
Current tax	30	679.00	708.87
Deferred tax	30	(102.31)	82.17
Total tax expense		**576.69**	**791.04**
Profit for the year		**1,641.54**	**1,853.35**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		8.09	1.15
Tax effect of Items that will not be reclassified subsequently to profit and loss		(2.04)	(0.73)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments		59.74	(8.09)
Tax effect of Items that will be reclassified subsequently to profit and loss		(10.25)	1.23
Total other comprehensive income, net of tax		**55.54**	**(6.44)**
Total comprehensive income for the year		**1,697.08**	**1,846.91**
Earnings per equity share			
Basic (in ₹)	29	3.76	4.34
Diluted (in ₹)	29	3.76	4.34

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

As per our report of even date attached

For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

Deepak Aggarwal
Chief Financial Officer

Ajay Garg
Director
DIN: 00003166

Manoj Kumar
Company
Secretary

Moneywise Financial Services (P) Ltd. New Delhi

MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED

Statement of Changes in Equity

₹ in Lakhs

Particulars	Equity share capital	Other equity								Total
		Reserves & surplus				Other comprehensive income			Total	
		Securities premium	Retained earnings	Reserve fund u/s 45- IC of RBI act 1934*	Debenture Redemption Reserve	Fair value changes in investments	Remeasurement of the net defined benefit obligation	Tax effect of other component of equity		
Balance as at April 1, 2019	3,965.69	13,530.43	6,252.07	1,911.21	-	(49.41)	(11.03)	11.84	21,645.11	25,610.80
Changes in equity for the year ended March 31, 2020										
Profit after tax	-	-	1,853.35	-	-	-	-	-	1,853.35	1,853.35
Other comprehensive income	-	-	-	-	-	(8.09)	1.15	0.50	(6.44)	(6.44)
Issue of equity share capital	400.00	4,600.00	-	-	-	-	-	-	4,600.00	5,000.00
Appropriation towards statutory reserves	-	-	(370.67)	370.67		-	-	-	-	-
Balance as at March 31, 2020	4,365.69	18,130.43	7,734.75	2,281.88	-	(57.50)	(9.89)	12.34	28,092.02	32,457.71
Balance as at April 1, 2020	4,365.69	18,130.43	7,734.75	2,281.88	-	(57.50)	(9.89)	12.34	28,092.02	32,457.71
Changes in equity for the year ended March 31, 2021										
Profit after tax	-	-	1,641.54	-	-	-	-	-	1,641.54	1,641.54
Other comprehensive income	-	-	-	-	-	59.74	8.09	(12.27)	55.56	55.56
Issue of equity share capital	-	-	-	-	-	-	-	-	-	-
Appropriation towards statutory reserves	-	-	(328.31)	328.31	-	-	-	-	-	-
Appropriation towards Debenture Redemption Reserve(DRR)	-	-	(1,000.00)	-	1,000.00	-	-	-	-	-
Balance as at March 31, 2021	4,365.69	18,130.43	8,047.98	2,610.20	1000.00	2.24	(1.80)	0.07	29,789.12	34,154.81

*As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1934.

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

As per our report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

Ajay Garg
Director
DIN: 00003166

Deepak Aggarwal
Chief Financial Officer

Manoj Kumar
Company Secretary

Moneywise Financial Services (P) Ltd. New Delhi

MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED

Statement of Cash Flow

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities:		
Profit (after tax) for the year	1,641.54	1,853.35
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax expense	576.69	791.04
Depreciation on property, plant and equipment and intangibles	138.58	76.54
Depreciation on right to use asset	59.56	30.94
Finance Costs	1,947.28	2,712.31
Liability no longer required written back	11.01	8.84
Net loss on derecognition of asset held for sale	-	10.03
Finance charges on lease asset	31.14	9.09
Interest income other than from financing business	(0.48)	(0.56)
Allowance for impairment of advances	2,125.88	1,253.34
Net gain on the investments	(44.29)	(72.44)
Changes in assets and liabilities		
Other bank balances	(511.00)	-
Trade receivables	(127.33)	(1.53)
Other receivable	(5.21)	(4.21)
Loans	(9,486.67)	7,261.58
Investment carried at fair value through profit and loss	338.09	(253.65)
Security receipts of trust held under securitisation business	824.61	(1,190.65)
Other financial assets	(54.52)	(52.20)
Other non-financial assets	(333.93)	(58.26)
Trade payables	53.44	6.48
Other payables	15.21	751.68
Other financial liabilities	(4,471.24)	4,049.39
Other non-financial liabilities	(19.37)	(74.79)
Provisions	(23.46)	44.16
Cash (used in)/ generated from operations	**(7,314.47)**	**17,150.48**
Income taxes paid (Net of refund)	(615.46)	(826.82)
Net cash (used in)/ generated by operating activities (I)	**(7,929.93)**	**16,323.66**
Cash flow from investing activities:		
Expenditure on property, plant and equipment including intangible assets net of sale proceeds, including changes in retention money and capital creditors	(159.17)	(177.16)
Capitalisation of right to use asset	(52.40)	(375.68)
Interest received other than from financing business	0.48	0.56
Net Proceeds on sale of Equity instruments	65.29	19.98
Proceeds on sale of Bonds	-	-
Proceed from sale/Payment toward purchase of asset held for sale	-	160.00
Net cash (used in)/generated from investing activities (II)	**(145.80)**	**(372.30)**
Cash flow from financing activities:		
Payment of interest*	(1,862.91)	(2,681.32)
(Repayment)/Addition to lease liabilities(net)	(20.22)	339.24
(Repayment)/Proceeds from borrowings other than debt securities(net)	4,832.31	(23,269.19)
Proceeds from /(repayment) issue of Debt securities (net)	5,000.00	5,000.00
Proceeds from fresh issue of equity share capital	-	5,000.00
Net cash(used in)/generated from financing activities (III)	**7,949.18**	**(15,611.27)**
Net increase/(decrease) in cash and cash equivalents (I + II + III)	**(126.55)**	**340.09**
Cash and cash equivalents at the beginning of the year	551.04	210.95
Cash and cash equivalents at the end of the year (Refer note. 2)	**424.49**	**551.04**

* Payment of Interest under "cash flow from Financing activities" includes the amount of interest paid on debt securities and borrowings.

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

As per our report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

Ajay Garg
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DIN: 00003166

Deepak Aggarwal
Chief Financial Officer

Manoj Kumar
Company Secretary

Moneywise Financial Services (P) Ltd. New Delhi

Moneywise Financial Services Private Limited

Notes to financial statements

1 Significant Accounting Policies and Measurement Basis

1.01 Company overview

Moneywise Financial Services Private Limited ('the Company'), a wholly owned subsidiary of SMC Global Securities Limited, domiciled in India and incorporated under the provision of the Companies Act, 1956 ('the Act'). The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India under Reserve Bank of India Act 1934.The Company provides various type of lending services to the different type of customers.

1.02 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified) under the historical cost convention on the accrual basis and directions/ guidelines issued by the Reserve Bank of India ('RBI'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.03 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

COVID 19 Impact

The Government of India announced a nationwide lockdown starting in Mar'20. Additionally, local governing authorities implemented lockdowns during different time periods to manage and contain the spread of the pandemic. This resulted in contained economic activity and a significant change reduction in economic activities due to restrictions on business and individual activities. This had considerably impacted the Company's business operations during the year ended 31st March 2021. Apart from other adverse effects; the pandemic resulted in a significantly lower business acquisition and constrained recovery of overdues from customers for the large part of the year. This led to a rise in the number of borrower defaults and consequently an increase in corresponding provisions for the Company.

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its investments and loans as at March 31, 2021. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. Since the situation is rapidly evolving, final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macroeconomic factors impacting the operations of the Company.

1.04 Revenue recognition

The Company drives its revenue primarily from the financing business and ancillary activities. The Company follows Ind AS 109 - Financial Instruments for revenue recognition for the income on the financial assets. In case of other revenues the Company recognised its revenue based on five step model prescribed in Ind AS 115- Revenue from Contracts with Customers.

(a) Identify the contract(s) with a customer.
(b) Identify the performance obligations in the contract.
(c) Determine the transaction price
(d) Allocate the transaction price to the performance obligations in the contract
(e) Recognise revenue when (or as) the entity satisfies a performance obligation.

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Interest Income

The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets , the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired ,the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation. Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Fees and commission income

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Bounce charges levied on customers for non payment of instalment on the contractual date is recognised on realisation.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Income including interest/ discount or any other charges on NPA is recognized only when it is actually realized on cash basis. Any such income recognized before the asset became NPA and remaining unrealized is reversed.

Income from the securitisation receipts are recognised as per the trust deed /offer document.

Revenue from sale of investment is recognised as and when the investments are sold. Unrealised gain on the fair valuation of investments are taken into other comprehensive income or statement of profit and loss as per the nature of investment.

Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis. The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

1.05 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes duties and expense on installation and net of GST credit thereon. Costs directly attributable to acquisition are identifiable direct expense and expense on installation and net of GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Building	60	years
Computer equipment	3-6	years
Furniture and fixtures	10	years
Office equipment	5	years
Vehicles	8	years

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The useful lives for these assets is in compliance with the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Addition to the property plant and equipment have been accounted for on the date of installation and its use irrespective of date of invoice. Depreciation on asset added /sold/discarded during the year is being provided on prorata basis up to the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or discard of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows:

Computer software	40%
Trademark Logo	40%

Impairment of tangible , intangible and right to use assets

At each reporting date, the Company reviews the carrying amounts of its tangible , intangible assets and Right to use assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

1.06 Asset held for sale

(Also refer note 9 of notes to financial statement)

The Company classifies a non-financial asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable.

Measurement

Assets held for sale are measured at the lower of its carrying amount and the fair value less costs to sell.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts and are recognised in the statement of profit and loss, at the time of disposal.

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1.07 Income taxes

The income tax expense comprises of current and deferred income tax. Current tax and deferred tax are recognised in statement of profit and loss and the corresponding impact is taken to the current tax asset/ liability and deferred tax asset/liability respectively in balance sheet. The tax impact on the item of OCI are recognised in OCI.
The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.
The Company has opted for the lower tax rates under section 115BAA of the Income Tax Act 1961 as introduced by The Taxation Laws (Amendment) Act 2019 for the fiscal year 2020-21 and 2019-20 ,which is 25.17% .
Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is virtual certainty that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1.08 Financial instruments

(a) Initial recognition
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(b) Subsequent measurement

(i) Financial assets carried at amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost. Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

(ii) Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity instrument held as investment are carried at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss. All the debt instrument held for trading purpose are designated as fair value through profit and loss.

(iv) Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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(c) Hedge accounting

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company identifies the relationship between the hedge instrument and the hedged item, whether it is effective or not, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

The Company designate the derivative financial instrument as fair value hedges if those are held for hedging the fair value in the assets and liabilities. Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. In case the asset or liability is designated through fair value through other comprehensive income the gain or loss on the hedge instrument is recognised in the other comprehensive income along with the gain or loss on hedge item.

(ii) Cash flow hedges

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the year the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

(d) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for Derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(e) Impairment

The Company recognizes loss allowances using the Expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of Expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

ECL is calculated on a collective basis and individual basis considering both qualitative and quantitative aspect of the financials asset. The Company has devised an internal model to evaluate ECL based on nature of financial asset. It takes three things in to account namely exposure at default (EAD) , probability of default ('PD') and loss given default ('LGD'). PD is probability of default whether the borrower will default in its payment obligations. LGD is the loss incurred if the default happens. EAD is amount of financial asset held by the Company. The Company categorises financial assets at reporting dates in to stages based on the days past due ('DPD') status as under:

Stage 1: Low credit risk, i.e. 0 to 30 days past due

Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due

Stage 3: Impaired assets, i.e. more than 90 days past due

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1.09 Foreign Currency Translations

The functional and presentation currency of the Company is Indian Rupee.
Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.
Translation difference on conversion of foreign operation is recognised in the other comprehensive income.

1.10 Employee benefits

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a personnel expense in Statement of profit or loss in the years during which services are rendered by employees.

(a) Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20,00,000.

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.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in Statement of profit or 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 Statement of profit or loss.

(b) Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(c) Other long-term employee benefits
Liability for long service leave
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in Statement of profit or loss in the year in which they arise. The valuation of the long service leave are obtained from actuary.

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Moneywise Financial Services Private Limited

Notes to financial statements

1.11 Leases

The Company account for the leases in accordance with Ind AS 116 Leases. The Company has adopted Ind AS 116 with effect from 1st April 2019 and followed Appendix C to the Ind AS 116 for the purpose of transition. Accordingly as a practical expedient, company have not reassessed whether a contract is, or contains, a lease at the date of initial application. Instead, the company has

(a) applied this Standard to contracts that were previously identified as leases applying Ind AS 17, Leases.
(b) not applied this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17.
The Company enters into hiring/service arrangements for various assets/services. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

The Company as a Lessee
As a lessee the Company has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the Company measures the right-of-use asset applying a cost model, whereas the Company measures the right-of-use asset at cost:
(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability
The Company applies the above policy to all leases except:
(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date
(b) leases for which the underlying asset is of low value (lease having monthly rental less than Rs. 5000)

The Company has taken certain assets on leases which in turn are leased out to the group companies. For those leases the Company has netted off the recovery with the rent payable and capitalised the balance payment of rental.
In accordance with IND AS 116, read with its Para 46, When a lease is terminated in its entirely, there should be no remaining lease liability or right-of-use asset in respect of that lease, and the lessee shall recognise any gain or loss relating to the partial or full termination of the lease in its Profit and Loss Account under 'other income'/'other expense' as the case may be.

The Company as a Lessor
As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.
At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net Investment in the lease.
For Operating leases as a lessor the Company recognises lease payments from operating leases as income on straight-line basis.

1.12 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial year of time to get ready for intended use. All other borrowing costs are charged to the Statement of profit and loss.

1.13 Investment properties

(a) Recognition and initial measurement
Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price and includes the directly attributable expenditure. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

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(b) Subsequent measurement

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the written down value, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act:

Asset category	Useful life(in years)
Building	60

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Bank deposits having maturity more than 3 months have been classified as other bank balances.

1.15 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

1.16 Exceptional Items

When an item of income or expense within Statement of profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

1.17 Cash Flow Statement

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the year. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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Notes to financial statements

2 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	2.30	0.33
Balances with banks		
In current and deposit accounts	422.19	550.71
Total cash and cash equivalents	**424.49**	**551.04**
In India	424.49	551.04
Outside India	-	-
Total	**424.49**	**551.04**

3 Other bank balance

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit placed under lien with banks*	511.00	-
Total	**511.00**	**-**

* Fixed Deposit with banks are lien with respect to overdraft facilities.

4 Trade receivables

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Low credit risk	130.77	3.44
Significant increase in credit risk	-	-
Credit Impaired	-	-
Total trade receivables	**130.77**	**3.44**
Less: Allowance for credit losses	-	-
Net trade receivables	**130.77**	**3.44**
In India	130.77	3.44
Outside India	-	-
Total	**130.77**	**3.44**

5 Other receivables

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Margin receivable from broker	-	4.35
Others	11.23	1.66
Total other receivables	**11.23**	**6.01**
In India	11.23	6.01
Outside India	-	-
Total	**11.23**	**6.01**

6 Loans

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost		
Loans relating to financing business		
Secured	31,302.13	32,955.79
Unsecured	26,619.02	17,273.30
Total loans	**57,921.15**	**50,229.09**
Less: Allowance for credit losses		
Secured	(1,279.85)	(1,699.09)
Unsecured	(946.19)	(195.68)
Net loans relating to financing business	**55,695.11**	**48,334.32**
In India	55,695.11	48,334.32
Outside India	-	-
Total	**55,695.11**	**48,334.32**

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7 **Investments**

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Quoted		
Investments carried at fair value through profit and loss		
Debt instrument	-	306.30
Investments carried at fair value through other comprehensive income		
Equity instruments	6.90	3.15
Debt instrument	23.28	20.07
Total quoted investments	**30.18**	**329.52**
Unquoted		
Investments carried at amortised cost		
Security receipts of trust held under securitisation business*	366.04	1,190.65
Investments carried at fair value through other comprehensive income		
Equity Instruments	-	-
Equity instruments	-	-
Total unquoted investments	**366.04**	**1,190.65**
Total Investments	**396.22**	**1,520.17**
In India	396.22	1,520.17
Outside India	-	-
Total	**396.22**	**1,520.17**

During the year the Company has invested in the security receipts of the trust Rs. NIL (PY ₹ 1989.52 Lakhs)

7.01 **Overseas Assets (for those with Joint Venture and Subsidiaries abroad)**

There are no overseas assets (for those with Joint Venture and Subsidiaries abroad) during the year ended March 31, 2021 and March 31, 2020 respectively.

8 **Other financial assets**

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets carried at amortized cost		
Interest accrued but not due	378.11	329.70
Security deposits	30.01	23.90
Total other financial assets	**408.12**	**353.60**

9 **Assets held for sale**

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Building (free hold)	240.76	240.76
Total asset held for sale	**240.76**	**240.76**
In India	240.76	240.76
Outside India	-	-
Total	**240.76**	**240.76**

The Company has acquired certain residential properties in the process of settlement from the borrowers, those property are not used in business and held for sale in the future course of action. The management takes the appropriate action to find the buyer for the sale of property.

During the previous year the Company sold, at a sale consideration of ₹ 160.00 Lakhs, a residential property which was acquired from the borrower on account of recovery of loan amounting to ₹ 170.03 Lakhs, resulting in loss of ₹ 10.03 Lakhs.

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Notes to financial statements

10 **Property, plant and equipments**

₹ in Lakhs

Particulars	Office equipment	Vehicles	Furniture and fixtures	Computer equipment	Total
Opening gross carrying value as at April 1, 2019	31.39	103.54	63.09	95.73	293.75
Additions during the year	33.85	-	2.94	52.00	88.79
Deletions during the year	-	-	-	-	-
Closing gross carrying value as at March 31, 2020	65.24	103.54	66.03	147.73	382.54
Opening gross carrying value as at April 1, 2020	65.24	103.54	66.03	147.73	382.54
Additions during the year	10.26	40.23	44.46	101.37	196.32
Deletions during the year	-	-	-	-	-
Closing gross carrying value as at March 31, 2021	75.50	143.77	110.49	249.10	578.86
Opening accumulated depreciation as at April 1, 2019	24.85	34.87	48.06	73.30	181.08
Depreciation for the year	6.49	30.06	5.01	30.26	71.82
Accumulated depreciation on deletions	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2020	31.34	64.93	53.07	103.56	252.90
Opening accumulated depreciation as at April 1, 2020	31.34	64.93	53.07	103.56	252.90
Depreciation for the year	23.15	17.67	20.51	56.32	117.65
Accumulated depreciation on deletions	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2021	54.49	82.60	73.58	159.88	370.55
Carrying value as at March 31, 2020	33.90	38.61	12.96	44.17	129.64
Carrying value as at March 31, 2021	21.01	61.17	36.91	89.22	208.31

11 **Right to Use Assets**

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2019	-	-
Additions during the year	375.68	375.68
Deletions during the year	-	-
Closing gross carrying value as at March 31, 2020	375.68	375.68
Opening gross carrying value as at April 1, 2020	375.68	375.68
Additions during the year	52.40	52.40
Deletions during the year	-	-
Closing gross carrying value as at March 31, 2021	428.08	428.08
Opening accumulated depreciation as at April 1, 2019	-	-
Depreciation for the year	30.94	30.94
Accumulated depreciation on deletions	-	-
Closing accumulated depreciation as at March 31, 2020	30.94	30.94
Opening accumulated depreciation as at April 1, 2020	30.94	30.94
Depreciation for the year	59.56	59.56
Accumulated depreciation on deletions	-	-
Closing accumulated depreciation as at March 31, 2021	90.50	90.50
Carrying value as at March 31, 2020	344.74	344.74
Carrying value as at March 31, 2021	337.58	337.58

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11.01 Lease liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	348.33	-
Addition during the year	52.40	375.68
Finance charges on lease	31.14	9.09
Deletion on account of scheme of arrangement	-	-
Lease termination benefit	-	-
Repayment during the year	(72.62)	(36.44)
Closing balance	**359.25**	**348.33**
Interest rate used for capitalisation	9.66%	9.66%

11.02 Maturity analysis of the future lease payments

₹ in Lakhs

Future minimum lease payable	As at March 31, 2021	As at March 31, 2020
0-1 year	87.60	44.65
1-3 years	93.58	77.21
3-5 years	85.11	70.71
More than 5 years	92.97	155.76

12 Other Intangible assets

₹ in Lakhs

Particulars	Trademark logo	Computer Software	Total
Opening gross carrying value as at April 1, 2019	-	15.00	15.00
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2020	-	**15.00**	**15.00**
Opening gross carrying value as at April 1, 2020	-	15.00	15.00
Additions during the year	0.18	45.23	45.41
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2021	**0.18**	**60.23**	**60.41**
Opening accumulated amortization as at April 1, 2019	-	3.19	3.19
Amortization for the year	-	4.72	4.72
Accumulated amortisation on deletions	-	-	-
Closing accumulated Amortisation as at March 31, 2020	-	**7.91**	**7.91**
Opening accumulated Amortisation as at April 1, 2020	-	7.91	7.91
Amortization for the year	-	20.93	-
Accumulated amortisation on deletions	-	-	-
Closing accumulated Amortisation as at March 31, 2021	-	**28.84**	**7.91**
Carrying value as at March 31, 2020	-	**7.09**	**7.09**
Carrying value as at March 31, 2021	**0.18**	**31.39**	**31.57**

13 Other non-financial assets

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	276.12	29.44
Withholding taxes and other taxes receivable	69.55	56.38
Advance payment to vendors for supply of goods and services	96.41	22.33
Total other non financial assets	**442.08**	**108.15**

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14 **Debt securities**

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Debt securities carried at amortised cost		
Non convertible debentures	10,000.00	5,000.00
Total	**10,000.00**	**5,000.00**
As a percentage of total liability	**39.29%**	**25.14%**

During the year ended March 31, 2021, the Company issued two series of 9.50% secured listed rated redeemable non-convertible debentures, ₹ 2500 lakhs each ,with maturity date of March 11, 2022 and May 10, 2022 respectively. The interest on these debentures is payable quarterly from the date of issue.The Debentures were issued at par with maturity at par.

During the year ended March 31, 2020, the Company issued two series of non convertible debentures namely, 9.50% and 9.75% secured unlisted rated redeemable non convertible debentures, with a maturity date of September 25, 2022 and September 25, 2024 respectively. The interest on the debentures is payable biannually on March 31 and September 30 of each year. The Debentures were issued at par with maturity at par.

The Company has not defaulted in any repayment due till date and in payment of interest thereon.

14.01 **Repayment terms of debt securities**

₹ in Lakhs

Due in next	As at March 31, 2021	As at March 31, 2020
0-1 year	2,500.00	-
1-3 years	5,000.00	2,500.00
3-5 years	2,500.00	2,500.00
More than 5 years	-	-
Total	**10,000.00**	**5,000.00**

15 **Borrowings(other than debt securities)**

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loan repayable on demand		
from banks	2,418.97	2,732.56
Term Loan		
from banks	6,783.00	3,395.39
from others financial institutions	150.00	-
Total secured borrowings	**9,351.97**	**6,127.95**
Unsecured		
Loan repayable on demand		
from related party	2,978.44	1,370.15
Total unsecured borrowings	**2,978.44**	**1,370.15**
Total borrowings	**12,330.41**	**7,498.10**
In India	12,330.41	7,498.10
Outside India	-	-
Total	**12,330.41**	**7,498.10**
As a percentage of total liability	**48.45%**	**37.70%**

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15.01 Repayment terms of borrowings(other than debt securities)

₹ in Lakhs

Due in next	As at March 31, 2021	As at March 31, 2020
0-1 year	8,807.93	6,388.66
1-3 years	2,373.07	1,109.44
3-5 years	648.73	-
More than 5 years	500.68	-
Total	**12,330.41**	**7,498.10**

All loans repayable on demand and cash credit facility are assumed to be matured in six months to one year however all are renewable in nature.

16 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liability carried at amortized cost		
Book overdraft	-	4,633.96
Security deposits received	1,015.49	863.29
Interest accrued but not due	171.49	87.12
Employee benefit payable	79.60	71.45
Accrued Expenses	142.43	140.06
Total other financial liabilities	**1,409.01**	**5,795.88**
As a percentage of total liability	5.54%	29.14%

17 Provisions

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity*	73.79	48.93
Leave Encashment*	40.91	25.24
Provision for CSR	-	72.08
Total provision	**114.70**	**146.25**

* Refer note 31 employee benefits

17.01 Corporate social responsibility

The ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibilities (CSR) w.e.f. 1 April 2014. In accordance with the provisions of said section, the Board of Directors of the Company had constituted a Corporate Social Responsibility Committee.

a) Reconciliation of provision

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	72.08	48.60
Provision made during the year	75.88	71.99
Amount spent during the year	(147.96)	(48.51)
Closing provision	**0.00**	**72.08**

b) Details of amount spent

₹ in Lakhs

	for the year ended	
Particulars	March 31, 2021	March 31, 2020
i) Construction/acquisition of any asset	-	-
ii) on purpose other than (i) above	147.96	48.51
Total	147.96	48.51

c) During the year the Company contributed ₹ 49.96 Lakhs (PY ₹ 1.51 Lakhs) to SMC Global Foundation, a trust controlled by parent company, as CSR contribution.

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18 Other non-financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unearned income	156.01	164.41
Withholding taxes and other payables	55.52	75.92
Others	20.96	11.53
Total other non-financial liabilities	**232.49**	**251.86**

19 Equity share capital

19.01 Authorised, issued and subscribed capital

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized		
Equity Shares of Face Value of ₹ 10/- each	8,000.00	8,000.00
Issued, subscribed and paid-up		
Equity Shares of Face Value of ₹ 10/- each, fully paid	4,365.69	4,365.69
	4,365.69	**4,365.69**

19.02 Reconciliation of numbers of equity shares outstanding

(In Number)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance at the beginning of the year	4,36,56,920	3,96,56,920
Issued during the year	-	40,00,000
Closing balance as at the year end	4,36,56,920	4,36,56,920

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. 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 any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

19.03 Shares held by shareholders holding more than 5% shares

(In Number)

Particulars	As at			
	March 31, 2021		March 31, 2020	
Name of Shareholder	No. of Shares held	%	No. of Shares held	%
SMC Global Securities Limited*	4,36,56,920	100.00	4,36,56,920	100.00

* Includes Nominee shareholders as beneficial interest has been transferred to SMC Global Securities Limited

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20 Interest income

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On financial assets measured at amortised cost		
On Loans*	7,952.60	8,502.06
On deposits With banks	16.68	-
On Securitisation receipts	122.28	147.82
Total interest income	**8,091.56**	**8,649.88**

* Includes Loan processing fees and allied charges.

21 Fee and commission income

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from:		
Service and administration charges	66.05	60.72
Total fee and commission income	**66.05**	**60.72**

22 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income other than from financing business	0.48	0.56
Net gain on Derecognition of financial instruments measured at fair value through other	44.29	72.44
Liability no longer required written back	11.01	8.84
Miscellaneous income	0.01	-
Total other income	**55.79**	**81.84**

23 Fee and commission expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Client introduction charges	276.56	827.66
Total fee and commission expenses	**276.56**	**827.66**

24 Employee benefit expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and incentives	962.19	725.09
Staff welfare	10.56	23.16
Contribution to provident and other funds	38.93	36.61
Gratuity*	23.52	15.20
Total employee benefit expenses	**1,035.20**	**800.06**

* Refer note 31 Employee Benefit

25 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 from banks and financial institution	624.41	1,012.35
Borrowings from related party	512.64	1,342.45
Debt securities	705.08	248.51
Security Deposits	54.24	81.20
Other borrowing cost	50.91	27.80
Finance charges on lease	31.14	9.09
Total finance costs	**1,978.42**	**2,721.40**

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Notes to financial statements

26 Depreciation, amortization and impairment

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation on tangible assets	117.65	71.82
Amortisation of intangible assets	20.93	4.72
Depreciation on lease assets	59.56	30.94
Total depreciation, amortization and impairment	**198.14**	**107.48**

27 Impairment on financial assets

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
On financial assets measured at amortised cost/transaction price		
Loans	2,125.88	1,253.34
Securitisation receipts	-	-
Total impairment on financial assets	**2,125.88**	**1,253.34**

28 Other expenses

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Advertisement	1.39	2.28
Business promotion	0.40	20.44
Computer repair & maintenance	57.68	37.50
Conveyance & traveling expenses	23.57	33.18
Director sitting fee	3.11	2.45
Donation	10.00	2.51
Insurance	2.10	2.39
Legal & professional charges	127.10	170.09
Bank charges	16.60	12.31
Net loss on derecognition of asset held for sale	-	10.03
Office repair & maintenance	23.25	23.68
Printing and stationery	0.92	3.96
Rent	1.31	1.09
Electricity and water expenses	5.07	3.23
Membership fees & subscription	3.23	4.28
Communication expenses	4.78	3.74
Vehicle running & maintenance	4.84	9.45
Rates & taxes	1.16	4.44
CSR expenses	75.88	71.99
Miscellaneous expenses	12.27	15.25
Auditor's fees and expenses		
as statutory auditor	5.27	3.27
as tax auditor	1.04	0.54
Total other expenses	**380.97**	**438.11**

Wherever applicable, all above expenses in the current year includes GST reversal of 50 % as per section 17(4) of CGST Act 2017 applicable to NBFC.

29 Earning per Share

29.01 Numerator and denominator used in computation of basic and diluted earnings per equity share

₹ in Lakhs except otherwise stated

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Weighted average number of shares outstanding during the year (Nos.)	4,36,56,920	4,26,84,242
Profit attributable to equity share holders (₹ in Lakhs)	1641.54	1,853.35
EPS Basic and Diluted (₹)	3.76	4.34
Face value (₹)	10	10

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30 Income Taxes

30.01 Income tax expense recognised in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense		
Related to current financial year	686.72	703.71
Change in estimates relating to prior years	(7.72)	5.16
	679.00	**708.87**
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(102.31)	82.17
	(102.31)	**82.17**
Total income tax expense	**576.69**	**791.04**

30.02 Tax expense recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability / asset	2.04	0.73
Items that will be reclassified subsequently to profit or loss		
Fair value changes on investments	10.25	(1.23)
Total	**12.29**	**(0.50)**

30.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the Profit before tax

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	2,218.23	2,644.39
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	558.28	665.54
Non deductible permanent difference	2.05	34.66
Deductible permanent difference	24.08	8.08
Change in estimates relating to prior years	(7.72)	5.16
Change in Statutory tax rate	-	77.60
Income tax expense	**576.69**	**791.04**

30.04 Details of income tax assets and income tax liabilities

₹ in Lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
Income tax asset pertaining to current year		559.48	653.50
Income tax liability pertaining to current year		(686.71)	(703.71)
Net income tax asset/ (liability) pertaining to current year	(A)	**(127.24)**	**(50.21)**
Income tax assets pertaining to earlier years	(B)	137.75	124.27
		137.75	**124.27**
Total income tax assets/(liabilities)	(A+B)	**10.51**	**74.06**

This is the position of setoff at the year end. As the due date for payment of TDS is after the balance sheet date and the customer deposit the same after the balance sheet date, the tax liability decreases in next financial year for the previous financial year.

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30.05 Movement in current tax asset/ (liability)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Net current tax asset/ (liability) at the beginning of the year	74.06	(43.89)
Current year income tax expense	(679.00)	(708.87)
Refund received during the year	(122.88)	-
Tax deducted at source/Advance tax	738.33	826.82
Net current tax asset/ (liability) at the end of the year	**10.51**	**74.06**

30.06 Movement in the deferred tax asset

₹ in Lakhs

Particulars	Balance as at April 1, 2019	Recognised in profit or loss during 2019-20	Recognised in other comprehensive income	Balance as at March 31, 2020	Recognised in profit or loss during 2020-21	Recognised in other comprehensive income	Balance as at March 31, 2021
Provision for Employee benefits	15.90	3.48	(0.73)	18.65	12.25	(2.04)	28.86
Investment securities	8.64	-	1.23	9.87	-	(10.25)	(0.38)
Other Provisions disallowed under Income tax act	15.74	(10.89)	-	4.85	(4.85)	-	0.00
Property and equipment and intangible asset	12.71	5.03	-	17.74	10.45	-	28.19
Provision for impairment on receivable from clients	507.53	(30.62)	-	476.91	83.37	-	560.28
Other temporary differences	19.93	(14.58)	-	5.35	1.10	-	6.45
Origination and reversal of temporary differences	**580.45**	**(47.58)**	**0.50**	**533.37**	**102.32**	**(12.29)**	**623.40**
Carried forward of tax losses on capital gain	34.59	(34.59)	-	-		-	-
Total	**615.04**	**(82.17)**	**0.50**	**533.37**	**102.32**	**(12.29)**	**623.40**

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31 **Employee Benefits**

(a) **Gratuity**

31.01 Breakup of amount recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Defined Benefit Obligation	3.32	2.72
Current Service Cost	20.20	12.48
Total expense recognized in the Statement of Profit and Loss	**23.52**	**15.20**

31.02 Break up of amount recognised in the statement of other comprehensive income:

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	(9.88)	(11.03)
Actuarial (gains) / losses	8.09	1.15
	(1.79)	**(9.88)**

31.03 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of the Obligation as at the end of the year	73.79	48.93
Net Liability recognised in Balance Sheet	**73.79**	**48.93**

31.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligations		
Present Value of the Obligation as at the beginning of the year	48.93	35.42
Current Service Cost	20.20	12.48
Interest Cost	3.32	2.72
Actuarial (gain)/loss on obligations	(8.09)	(1.15)
acquisitions (credit)/cost	9.44	(0.54)
Benefit obligations at the end	**73.80**	**48.93**

31.05 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 0.5% increase in discount rate	(4.92)	(3.39)
Effect on DBO due to 0.5% decrease in discount rate	5.41	3.75
Effect on DBO due to 0.5% increase in salary escalation rate	4.41	2.99
Effect on DBO due to 0.5% decrease in salary escalation rate	(4.20)	(2.75)

31.06 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
With in one year	1.58	0.99
One to five year	13.61	8.94
More than five year	57.59	47.59

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31.07 Assumptions to determine the defined benefit obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.80%
Salary Escalation Rate (p.a.)	7.50%	7.50%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.
The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.
Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

As the liability is non funded Company, bears all the risk and rewards.

(b) Compensated absences

31.08 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of the Obligation as at the end of the year	40.91	25.24
Net Liability recognised in Balance Sheet	**40.91**	**25.24**

31.09 Number of compensated leave absences outstanding

Particulars	As at March 31, 2021	As at March 31, 2020
Total leave balance (days)	2,096.28	1,481.68

31.10 Assumption used in valuation

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.80%
Salary Escalation Rate (p.a.)	7.50%	7.50%
Leave availment rate	5.00%	5.00%

The estimates of future salary Increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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Notes to financial statements

32 Financial Instruments

32.01 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

₹ in Lakhs

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments carried at fair value through profit and loss				
Debt instrument	-	-	-	-
Investments carried at fair value through other comprehensive income				
Equity instruments	6.90	6.90	-	-
Debt instrument	23.28	23.28	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

₹ in Lakhs

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Investments carried at fair value through profit and loss				
Debt instrument	306.30	306.30	-	-
Investments carried at fair value through other comprehensive income				
Equity instruments	3.15	3.15	-	-
Debt instrument	20.07	20.07	-	-

Valuation techniques used to determine fair value
Following valuation techniques has been used for fair valuation of the assets:
(a) For Mutual Fund investments net asset value (NAV) is used as the fair value of investment.
(b) For Equity instrument quoted the market value is taken as the fair value.
(c) For certain other assets discounted cash flow technique is used for fair valuation.

32.02 Fair value of financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

₹ in Lakhs

Particulars	Amortised cost / Transaction price	Financial assets/liabilities carried at fair value through profit and loss		Financial assets/liabilities carried at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatorily required	Designated upon initial recognition	Mandatorily required		
Financial Assets:							
Cash and cash equivalents	424.49	-	-	-	-	424.49	424.49
Other bank balance	511.00	-	-	-	-	511.00	511.00
Trade and other receivables	142.00	-	-	-	-	142.00	142.00
Loans	55,695.11	-	-	-	-	55,695.11	55,695.11
Investments	366.04	-	-	-	30.18	396.22	396.22
Other financial assets	408.12	-	-	-	-	408.12	408.12
Total	57,546.76	-	-	-	30.18	57,576.94	57,576.94
Financial Liabilities:							
Trade and other payables	876.28	-	-	-	-	876.28	876.28
Lease liabilities	359.25	-	-	-	-	359.25	359.25
Debt Securities	10,000.00	-	-	-	-	10,000.00	10,000.00
Borrowings (other than debt securities)	12,330.41	-	-	-	-	12,330.41	12,330.41
Other financial liabilities	1,409.01	-	-	-	-	1,409.01	1,409.01
Total	24,974.95	-	-	-	-	24,974.95	24,974.95

The carrying value and fair value of financial instruments by categories as at March 31, 2020 were as follows:

₹ in Lakhs

Particulars	Amortised cost / Transaction price	Financial assets/liabilities carried at fair value through profit and loss		Financial assets/liabilities carried at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatorily required	Designated upon initial recognition	Mandatorily required		
Financial Assets:							
Cash and cash equivalents	551.04	-	-	-	-	551.04	551.04
Other bank balance	-	-	-	-	-	-	-
Trade and other receivables	9.45	-	-	-	-	9.45	9.45
Loans	48,334.32	-	-	-	-	48,334.32	48,334.32
Investments	1,190.65	306.30	-	-	23.22	1,520.17	1,520.17
Other financial assets	353.60	-	-	-	-	353.60	353.60
Total	50,439.06	306.30	-	-	23.22	50,768.58	50,768.58
Financial Liabilities:							
Trade and other payables	796.64	-	-	-	-	796.64	796.64
Lease liabilities	348.33	-	-	-	-	348.33	348.33
Debt Securities	5,000.00	-	-	-	-	5,000.00	5,000.00
Borrowings (other than debt securities)	7,498.10	-	-	-	-	7,498.10	7,498.10
Other financial liabilities	5,795.87	-	-	-	-	5,795.87	5,795.87
Total	19,438.94	-	-	-	-	19,438.94	19,438.94

33 Financial risk management

Financial risk factors

This note presents the information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company has exposure to the mainly following risks arising from financial instruments:
- Credit risk;
- Liquidity risk and
- Market risk

Financial Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial risk management framework within the Company is governed by well defined standardised policies and guidelines. The Company has identified various risks to which it may be exposed to and it has set-up appropriate risk limits & controls. For proper monitoring and management/ mitigation of the risk, responsibilities have been assigned to dedicated specific functions and forums

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Company above have been explained below:

i) Credit risk

The 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 receivable from loan and advances, investments other then the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Company is exposed to the risk that third parties that owe money will not perform their obligations. These parties may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure etc.. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Company's financial position, and ability to borrow incremental funds and ability to meet business expenses and to repay/ make the payment to its creditors in timely manner.

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The credit risk may also arise due to the business, operational and technological parameters and busines environment in which the Company operates. Due to some challenges specific to his/ her business or profession, a customer may not be able to meet its performance obligation and credit risk may arise. On the operational side, there could be a slippage in operational procedures and execution of policies leading to credit risk. Similarly, technological redundancy and obsoleteness may also pose credit risk.

(A) Management / mitigation of credit risk

The Company's main business is to grant loans to its customer. The Company is exposed to high credit risk due to the inherent nature of its business. The Company lends both secured and unsecured loans to its customer. To mitigate the credit risk, the Company has implemented various policies and mechanisms, including credit policy, to define the broad principles which the Company follows to accept borrowers and loan proposals, to manage loan portfolio, and recover its dues so as to protect business revenues with consumer satisfaction. To reduce the credit risk in financing, the Company performs a detail credit assessment on the prospective borrower or seek security over some assets of the borrower or a guarantee from a third party. The Company takes all reasonable and business precautions through policies and procedures to mitigate and manage the credit risk.

The senior management in the Company is responsible for evaluation of internal financial controls and risk management systems. The Company conducts regular internal audits of various business units to identify scope of improvement/ enhancement in the Company's processes, quality control, fraud prevention and compliance with laws & regulations. The internal audit reports are reviewed by the Audit Committee and also placed before the Board.

As the portfolio level, the Company manages credit risk through limiting concentration of credit at individual borrower level, group levels, industry level etc. The loan proposals are assessed based on various factors like repayment capacity, credit worthiness, repayment history, business/ professional profile, future business prospects etc. of prospective borrower, field investigation, quality & value of security etc.

Despite all the measure taken by the Company and its management it is inherent in the financing business that the customer may default in the repayment of the loan granted to him. The Company employs all recovery procedures including follow up with customer for payment, legal remedies for recovery, invocation and sale of collateral.

The credit risk is managed by a robust control framework by the risk and collection department which continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee

(a) Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables and other receivables	142.00	9.45
Loans (Gross carrying amount)	57,921.15	50,229.09
Investments	396.22	1,520.17
Other financial assets	408.12	353.60
	58,867.49	52,112.31

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(b) Credit quality of the Loan assets and provision against the same

₹ in Lakhs

Particulars		As at March 31, 2021			As at March 31, 2020		
		Gross carrying amount	Provision	Net carrying amount	Gross carrying amount	Provision	Net carrying amount
Performing assets							
Standard	Stage 1: Low credit risk	49,965.45	456.94	49,508.51	45,879.41	827.49	45,051.92
Standard	Stage 2 : Significant increase in credit risk	4,381.34	234.06	4,147.28	2,234.84	182.62	2,052.22
Non Performing Assets				-			-
Sub-standard	Stage 3 : Credit impaired Asset	771.70	77.17	694.53	1,615.54	635.01	980.53
Doubtful - 0- 1 year	Stage 3 : Credit impaired Asset	2,303.36	1,208.22	1,095.14	499.30	249.65	249.65
Doubtful - 1-3 year	Stage 3 : Credit impaired Asset	499.30	249.65	249.65	-	-	-
More than 3 years	Stage 3 : Credit impaired Asset	-	-	-	-	-	-
Loss Assets	Stage 3 : Credit impaired Asset	-	-	-	-	-	-
Sub-Total for NPA		3,574.36	1,535.04	2,039.32	2,114.84	884.66	1,230.18
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	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-
Total							
	Stage 1	49,965.45	456.94	49,508.51	45,879.41	827.49	45,051.92
	Stage 2	4,381.34	234.06	4,147.28	2,234.84	182.62	2,052.22
	Stage 3	3,574.36	1,535.04	2,039.32	2,114.84	884.66	1,230.18
		57,921.15	2,226.04	55,695.11	50,229.09	1,894.77	48,334.32

(c) Impairment of financial assets

The Company monitors all the loans continuously basis the factors considered while sanctioning the loan. If there are any indicators of impairment on management assessment of these loans, these are provided for. The Company uses ECL method of impairment and the prudential norms for income recognition and asset reclassification issued by RBI for the purpose of impairment of loans and other financial assets. Following are the reconciliations of the provision for impairment of financial assets .

Reconciliations of the provision for impairment of loans

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at the beginning of the year	1,894.77	2,208.53
Addition / (Reversal) during the year	2,125.88	1,253.34
Write offs during the year	(1,794.61)	(1,567.10)
Closing balance at the end of the year	**2,226.04**	**1,894.77**

(B) Loan to Value (LTV) for loan and advances to customer

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Company generally requests borrowers to provide it. The Company may take collateral in the form of a charge over immovable/ movable property, floating charges over pledge of securities or other assets and other liens and guarantees.

The table below stratify secured credit exposures. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral.

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₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Less than equal to 50%	8,248.32	16,193.32
51 - 70%	2,850.85	4,345.78
71 - 90%	16,291.30	7,423.07
91 - 100%	3,809.71	3,502.77
more than 100%	101.95	1,490.85
Total	**31,302.13**	**32,955.79**
Fair value of collateral held	84,574.63	87,073.14

(C) Credit quality of debt securities.

The Company invests in the debt instruments which are permitted by RBI. These debt instrument are posed to the credit risk. The table below sets out the credit quality of debt securities.

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Government bonds: Rated sovereign	23.28	20.07
Corporate bonds: Rated	-	306.30
Securitisation receipts Rated	366.04	1,190.65
Fair value and carrying amount	**389.32**	**1,517.02**

ii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's primary liquidity is required for:

(a) disbursement of loans to customers; and

(b) repayment of borrowings/credit lines taken

(c) meeting expenses incurred for operations.

(A) Management of liquidity risk

To meet the above requirements, the Company is mainly dependent on the borrowings and the profits of the Company. Based on the maturity profile of the loans and the future cash flows, the Company manages its liquidity position based on overall guidance of the Asset Liability Management Committee (ALCO) and the Board of Directors of the Company.

The central treasury team receives information from various business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Considering the same, the central treasury maintains surplus funds in cash and cash equivalents and other bank balance including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Company believes that the above monetary mechanism adequately addresses the liquidity risk.

Further the treasury team under the guidance of ALCO managed liquidity risk through various means like also diversified borrowing mix including debt securities, liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans.

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(A) Assets pledged as collateral

The Company has pledged its certain assets as collateral for liabilities . The below table set out the assets held as collateral:

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Encumbered	Unencumbered	Encumbered	Unencumbered
Financial Assets:				
Cash and cash equivalents	-	424.49	-	551.04
Other bank balance	501.00	10.00	-	-
Trade and other receivables	-	142.00	-	7.90
Loans(Gross Carrying amount)	27,546.21	30,374.94	16,082.31	34,146.78
Investments	-	396.22	-	1,520.17
Other financial assets	-	408.12	-	353.60
Total	28,047.21	31,755.77	16,082.31	36,579.49

The borrowings taken by the Company are secured by the hypothecation of the loans.

iii) Market risk

Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.

Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Company's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk

The Company have certain Investment in equity instrument and bonds as permitted by RBI. As the exposure to the same is limited by amount, the Company's exposure to price risk in the market is contained.

The table below sets out the assets and liabilities subject to price risk.

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Assets subject to price risk	-	306.30
Debt instrument fair value through profit and loss	6.90	3.15
Equity instrument fair value through other comprehensive income	23.28	20.07
Debt instrument fair value through other comprehensive income		
Total	30.18	329.52

(b) Interest rate risk

Interest rate risk arises from movements in Interest rates in the general economy which could have effects on the Company's net interest income (NII) or financial position. Changes in interest rates may cause variations in net interest margins (NIM) for the Company due to fluctuations in interest income and expenses resulting from interest-bearing assets and liabilities. Changes in interest rate may be due to macroeconomic conditions, changes in regulatory policies and frameworks, banking credit availability or industry specific factors. Interest rate risk may also arise due to changes in the fair value or the future cash-flows of a financial instrument which will fluctuate because of changes in economic / market interest rates. The Company's exposure to Interest rate risk relates to the loans and advances given to customers, borrowings taken from banks and financial institutions, investment in debt securities and investments of its excess funds in liquid instruments.

Management of Interest Rate Risk

The Company borrows from banking and financial institutions for its lending business with majority of borrowings on floating interest rates. The Company extends credit facilities to borrowers on both fixed interest rate and floating interest rate basis with majority of facilities with fixed interest rate arrangements. Hence, in an increasing interest rate scenario, the Company may have limited ability to forward higher interest rate costs to its borrowers and hence Interest rate risk is managed by way of regular monitoring of all interest rate bearing assets and liabilities along with macroeconomic and monetary indicators.However, most of its loans are extended for short to medium term tenures, thereby limiting the company's exposure to interest rate risk. The review and monitoring is done by the Asset Liability Committee (ALCO) through ALM policy.

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Segregation of Borrowing(other than debt securities) on the basis of Fixed & Floating interest rate

₹ in Lakhs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Weighted Average Rate	Amount borrowed	Weighted Average Rate	Amount borrowed
Secured				
Fixed Rate Borrowings	6.50%	203.84	7.90%	285.27
Floating Rate Borrowings	9.59%	9,148.14	10.03%	5,842.68
Unsecured				
Floating Rate Borrowings	9.35%	2,978.44	9.75%	1,370.15
Total		**12,330.42**		**7,498.10**

(c) Currency risk

The Company is not exposed to the currency risk as the Company does not operate internationally. The Company does not have any non functional currency exposure.

iv) **Sensitivity Analysis**

Below table shows the sensitivity analysis for different financial instruments

₹ in Lakhs

Particulars	Carrying value					For the year ended			
						March 31, 2021		March 31, 2020	
	Risk category	As at March 31, 2021	As at March 31, 2020	% change increase	% change decrease	Impact on fair value due to increase in parameter	Impact on fair value due to decrease in parameter	Impact on fair value due to increase in parameter	Impact on fair value due to decrease in parameter
Loans (Gross carrying value)	Interest rate	55,695.11	48,334.32	1%	1%	(548.17)	534.65	457.69	(445.48)
Investment									
(i)Equity	Price	6.90	3.15	5%	5%	0.35	(0.35)	0.16	(0.16)
(ii)Bonds*(Excluding SGB)	Interest rate	-	306.30	1%	1%	-	-	(20.79)	22.98
(iii)Sovereign gold bond(SGB)	Price	23.28	20.07	5%	5%	1.16	(1.16)	1.00	(1.00)
Debt securities	Interest rate	10,000.00	5,000.00	1%	1%	(100.00)	100.00	50.00	(50.00)
Borrowings(other than debt securities)	Interest rate	12,126.58	7,212.83	1%	1%	(121.27)	121.27	(72.13)	72.13

* As these are fair value through other comprehensive income hence will impact the other comprehensive income.

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34 Related Party Disclosures

Name of the related parties

34.01 Holding Company — **% of Holding**

SMC Global Securities Limited — 100%

34.02 Fellow Subsidiaries:-

a SMC Comtrade Limited
b SMC Insurance Brokers Private Limited
c SMC Capitals Limited
d Moneywise Finvest Limited
e SMC Investment & Advisors Limited
f SMC Global USA Inc
g SMC Global IFSC Private Limited
h SMC Real Estate Advisors Private Limited
i SMC Comex International DMCC

34.03 Key Managerial Personnel:-.

Mr. Ajay Garg	Director	
Mr. Himanshu Gupta	Director & Chief Executive Officer	
Mr. Pranay Aggarwal	Director	
Mr. Gunjit Sethi	Company secretary	resigned w.e.f. October 3 ,2020
Mr. Deepak Aggarwal	Chief Financial officer	
Mr. RP Mahipal	Non executive and Independent Director	
Mr. Kundan Mal Agarwal	Non executive and Independent Director	
Mr. Manoj Kumar	Company secretary	appointed w.e.f November 11,2020

34.04 Relatives of KMP:-

There are no transaction with relatives of KMP during the year.

34.05 Entities controlled by key management personnel and their close family members

Pulin Investments Private Limited
MVR Share Trading Private Limited
SMC Share brokers Limited

34.06 Entities jointly controlled by fellow subsidiary or holding company

SMC and IM Capitals Investment Manager LLP

34.07 Disclosure of Transactions between the Company & KMPs:-

₹ in Lakhs

Transactions with Key Management Personnel	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration		
Salaries, Wages & other benefit	67.91	136.49
Contribution to defined benefit plan	2.88	9.31
Total	**70.79**	**145.80**
Non-Executive Director		
Director Sitting Fee	3.11	2.45

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34.08 Significant Transactions with Related parties

₹ in Lakhs

Particulars of Transactions	Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Debt securities Issued	SMC Global Securities Limited	-	5,000.00
Borrowings taken/ (repaid) - Net	SMC Global Securities Limited	(378.48)	(5,594.33)
	SMC Comtrade Limited	-	(88.75)
	SMC Capitals Limited	(956.28)	120.26
	SMC Insurance Brokers Private Limited	2,978.44	(4,462.33)
	Moneywise Finvest Limited	(35.39)	35.39
	SMC Investment & Advisors Limited	-	(1,316.65)
Loan asset assigned*	SMC Investment & Advisors Limited	-	1,000.00
Reimbursement of Expenses (Net Recovered)	SMC Global Securities Limited	(4.76)	3.54
	SMC Insurance Brokers Private Limited	0.24	0.20
Interest income	MVR Share Trading Private Limited	-	2.59
Service and administration charges	SMC Global Securities Limited	-	1.34
Fee and commission expenses	SMC Investments & Advisors Limited	7.63	0.13
Interest paid (on other than debt securities)	SMC Global Securities Limited	276.69	817.91
	SMC Comtrade Limited	-	4.86
	SMC Capitals Limited	41.97	101.10
	Moneywise Finvest Limited	0.13	2.58
	SMC Insurance Brokers Private Limited	191.82	316.15
	SMC Investments & Advisors Limited	-	92.56
	SMC Share Brokers Limited	-	2.41
	Pulin Investments Private Limited	2.03	4.72
Interest paid on debt securities	SMC Global Securities Limited	4.85	94.04
	SMC Insurance Brokers Private Limited	328.88	149.75

34.09 Balance outstanding

₹ in Lakhs

Particulars		As at March 31, 2021	As at March 31, 2020
Debt Securities	SMC Global Securities Limited	264.00	1,904.00
	SMC Insurance Brokers Private Limited	1,900.00	3,000.00
Borrowings (other than debt securities)	SMC Global Securities Limited	-	378.48
	SMC Capitals Limited	-	956.28
	SMC Insurance Brokers Private Limited	2,978.44	-
	Moneywise Finvest Limited	-	35.39
Other Receivable/(payable)	SMC Global Securities Limited	6.69	3.60
	SMC Insurance Brokers Private Limited	2.73	(0.22)
Trade Receivable	SMC Global Securities Limited	68.82	-

* Refer Note38(C(V))

35 Contingent Liabilities and commitments

The company does not have any contingent liability and commitment as on reporting date.

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36 Operating Segments

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies. The company doesn't have any segment, hence no disclosure is required under Ind As 108.

37 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The Company, while registering the vendors for service, has taken the confirmation whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year(where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

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Notes to financial statements

38 The disclosures as required by the NBFC Master Directions issued by RBI
(Disclosures are made as per Ind AS financial statements except otherwise stated)

(A) Capital Adequacy Ratio

₹ in Lakhs except other wise stated

Particulars	As at March 31,2021		As at March 31,2020	
	Amount	%	Amount	%
CRAR (%)	NA	58.20%	NA	62.83%
CRAR - Tier I Capital (%)	33,237.36	57.41%	31,846.16	61.24%
CRAR - Tier II Capital (%)	456.93	0.79%	827.49	1.59%
Amount of subordinated debt raised as Tier II capital	NIL	NIL	NIL	NIL
Amount raised by issue of perpetual debt instruments	NIL	NIL	NIL	NIL

(B) Derivatives

The Company neither deals in nor holds any derivative financial instrument.

(C) Details relating to securitisation

₹ in Lakhs

(I) (a) Outstanding amount of securitised assets as per books of the SPVs

Particulars	As at March 31, 2021	As at March 31, 2020
No of SPVs sponsored by the NBFC for securitisation transactions*	-	-
Total amount of securitised assets as per books of the SPVs sponsored	-	-
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
a)Off-balance sheet exposures	-	-
*First loss	-	-
*Others	-	-
b)On-balance sheet exposures	-	-
*First loss	-	-
*Others	-	-
Amount of exposures to securitisation transactions other than MRR	-	-
a)Off-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
*First loss	-	-
*Others	-	-
ii)Exposure to third party securitisations	-	-
*First loss	-	-
*Others	-	-
a)On-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
*First loss	-	-
*Others	366.04	1190.65
ii)Exposure to third party securitisations	-	-
*First loss	366.04	1190.65
*Others		

*Only the SPVs relating to outstanding securitisation transactions may be reported here.

(b) Off-balance Sheet SPVs sponsored

There no Off-balance Sheet SPVs sponsored.

(II) Details relating to securitisation

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total number of contract for loan assets securitised during the year	-	-
Book value of loan assets securitised during the year	-	-
Sale consideration received for securitised assets during the year	-	-
Gain/Loss (if any) on sale on securitised loan assets	-	-
Quantum (Outstanding value) of service provided : Credit Enhancement (Fixed Deposit)	-	-

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Notes to financial statements

(III) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of Accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

(IV) Details of Assignment transactions undertaken by NBFCs

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of Accounts	-	-
Aggregate value (net of provisions) of accounts sold	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

(V) Details of non performing financial assets purchased/sold

₹ in Lakhs

(a) Details of Non-performing financial asset sold

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No. of accounts	-	1
Aggregate value (net of provisions) of accounts sold	-	698.66
Aggregate consideration	-	1000
Additional consideration realized in respect of accounts transferred in earlier years	-	0
Aggregate gain / (loss) over net book value	-	301.34

During the Financial year 2019-20 the company sold one of its NPA account to it's fellow subsidiary SMC Investments & Advisors Limited for a consideration of ₹ 1000.00 Lakhs, where in the principal outstanding of the same has been ₹ 998.08 Lakhs and total outstanding was amounting to ₹ 1482.52 Lakhs. The corresponding interest and charges have been reversed on the same advance.

(b) Non-performing financial asset purchased

₹ in Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No. of accounts purchased during the year	-	58
Aggregate outstanding	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-

(D) The below table set out the asset liability maturity as required by RBI and shows the future cash inflows and outflows in the operating activities.

₹ in Lakhs

As at March 31, 2021

Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	31-60 days	61-90 days	91-180 days	181-365 days	1-3 years	3-5 years	More than 5 years
Financial Assets:											
Cash and cash equivalents	424.49	424.49	-	-	-	-	-	-	-	-	-
Other bank balance	511.00	-	-	-	-	-		511.00	-	-	-
Trade and other receivables	142.00	124.42		1.93	13.23	2.42	-	-	-	-	-
Loans	55,695.11	1,577.09	203.48	1,223.76	2,101.24	3,020.69	6,180.19	23,348.87	12,148.31	3,963.91	1,927.57
Investments	396.22	-	-	75.25	75.03	75.58	140.18	-	23.28	-	6.90
Other financial assets	408.12	378.11		-	-	-	-	-	0.50	-	29.51
Total	57,576.94	2,504.11	203.48	1,300.94	2,189.50	3,098.69	6,320.37	23,859.87	12,172.09	3,963.91	1,963.98
Financial Liabilities:											
Lease Liablities	359.25	-	-	24.47	5.84	5.65	17.34	34.30	93.58	85.11	92.96
Debt securities	10,000.00	-	-	-	-	-	-	2,500.00	5,000.00	2,500.00	-
Borrowings (other than debt securities)	12,330.41	105.38	150.00	118.06	307.25	823.93	796.88	6,506.43	2,373.07	648.73	500.68
Trade and other payables	876.28	772.75	-	-	-	103.56	-	-	-	-	-
Other financial liabilities	1,409.01	316.82	0.10	210.42	51.54	16.38	85.50	121.82	581.68	24.75	-
Total	24,974.95	1,194.95	150.10	352.95	364.63	949.52	899.72	9,162.55	8,048.33	3,258.59	593.64
Assets over liabilities	32,601.99	1,309.16	53.38	947.99	1,824.87	2,149.17	5,420.65	14,697.32	4,123.76	705.32	1,370.34
Cumulative basis	32,601.99	1,309.16	1,362.54	2,310.53	4,135.40	6,284.57	11,705.22	26,402.54	30,526.30	31,231.62	32,601.96

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	As at March 31, 2020										₹ in Lakhs
Particulars	Carrying amount	1 to 7 days	8 to 14 days	15 to 30/31 days	31-60 days	61-90 days	91-180 days	181-365 days	1-3 years	3-5 years	More than 5 years
Assets:											
Cash and cash equivalents	551.04	551.04	-	-	-	-	-	-	-	-	-
Other bank balance	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	9.45	9.45	-	-	-	-	-	-	-	-	-
Loans	48,334.32	157.66	315.32	157.67	689.00	689.00	8,830.24	24,316.63	9,218.86	2,232.29	1,727.65
Investments	1,520.17	-	-	375.10	71.00	71.00	220.64	441.60	317.60	23.23	-
Other financial assets	353.60	329.70	-	-	-	-	-	-	7.20	0.10	16.60
Total	50,768.58	1,047.85	315.32	532.77	760.00	760.00	9,050.88	24,758.23	9,543.66	2,255.62	1,744.25
Liabilities:											
Lease liabilities	348.33	-	-	3.60	3.54	3.66	10.97	22.88	77.21	70.71	155.76
Debt Securities	5,000.00	-	-	-	-	-	-	-	2,500.00	2,500.00	-
Borrowings (other than debt securities)	7,498.10	59.52	-	62.50	288.69	125.92	592.27	5,259.76	1,109.44	-	-
Trade and other payables	796.63	468.58	182.43	0.40	-	-	51.45	93.77	-	-	-
Other financial liabilities	5,795.88	289.17	-	-	-	-	9.45	4,633.97	863.29	-	-
Total	19,438.94	817.27	182.43	66.50	292.23	129.58	664.14	10,010.38	4,549.94	2,570.71	155.76
Assets over liabilities	31,329.64	230.58	132.89	466.27	467.77	630.42	8,386.74	14,747.85	4,993.72	-315.09	1,588.49
Cumulative basis	31,329.64	230.58	363.47	829.74	1,297.51	1,927.93	10,314.67	25,062.52	30,056.24	29,741.15	31,329.64

(E) Exposures

(a) Exposure to real estate sector

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	-	-
Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	5,343.57	6,168.43
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
Residential	-	-
Commercial Real Estate	-	-
Others	629.46	563.29
Total	5,973.03	6,731.72

(b) Exposure to Capital Market

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-	6.90	3.15
(b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,474.28	1,151.49
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	35.79	210.26
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds	-	-
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	859.30
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(g) Bridge loans to companies against expected equity flows / issues;	-	-
(h) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market	1,516.98	2,224.20

* refer Note 7 Investments. The exposure pertains to investment in bonds and equity shares.

(c) Single borrower limits

There is no single borrower or group of borrowers who have exceeded the prudential exposure limits during the year ended March 31, 2021.

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Notes to financial statements

(d) Details of Financing of Parent Company Products

There are no financing of parent Company product during the year ended March 31, 2021 and March 31, 2020 respectively.

(e) Advances against Intangible Securities

There are no advances against intangible securities during the year ended March 31, 2021 and March 31, 2020 respectively.

(F) Registration obtained from other financial sector regulator

The Company is only registered with Reserve Bank of India as systemically important non deposit taking non banking financial Company as defined in section 45-IA of Reserve bank of India Act 1934.

(G) Penalties imposed by RBI and Other Regulators

No penalties have been imposed by RBI and Other Regulators during current year (Previous year - NIL).

(H) During the year the Company has got the credit rating assigned by different rating agencies as below.

₹ in Lakhs except other wise stated

Rating agency		CARE		ICRA		Migration in ratings during the year
Instrument name	Rating Type	Amount	Rating	Amount	Rating	
Non - Convertible Debentures	Long Term	10,000.00	CARE A/Stable	N.A	N.A.	Nil
Bank Facilities	Long Term	10,000.00	CARE A/Stable	10,000.00	ICRA A-/ Stable	Nil

(I) Remuneration of non-executive directors

₹ in Lakhs

Name of Directors	For the year ended March 31, 2021
Mr Kundan Mal Agarwal	1.42
Mr Rajendra Prasad Mahipal	1.69
Total	**3.11**

The above remuneration expense includes GST reversal of 50 % as per section 17(4) of CGST Act 2017 applicable to NBFC.

(J) Provisions and Contingencies

Breakup of ' Provisions and contigencies' shown in the statement of Profit and Loss

₹ in Lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for non-performing assets	650.38	(533.18)
Provision for income tax/deferred tax and tax adjustments of earlier years	576.69	791.04
Provision for standard assets	(33.47)	105.28
Other provision and contigencies	114.7	146.25

* negative figures due to write offs/reversals

(K) Drawdown from existing reserves.

The Company has made no drawdown from existing reserves.

(L) Concentration of deposits, advances, exposures and NPAs

₹ in Lakhs

(a) Concentration of advances (Loans)

Particulars	As at March 31, 2021
Total advances to 20 largest borrowers	16,409.38
Percentage of 20 largest borrowers to total advances relating to financing business.	28.33%

₹ in Lakhs

(b) Concentration of exposure (Loans)

Particulars	As at March 31, 2021
Total advances to 20 largest borrowers	16,409.38
Percentage of exposure to 20 largest borrowers to total advances relating to financing business.	28.33%

₹ in Lakhs

(c) Concentration of NPA

Particulars	As at March 31, 2021
Total Exposure to top 4 NPA Account	1,904.47
Percentage of exposure to top 4 NPA Account to total advances relating to financing business.	3.29%

(d) Sector-wise NPAs

Gross NPA to total advance % in that sector	As at March 31, 2021
Sector	**% of NPAs to total**
Corporate Borrowers	5.22%
MSME	8.70%
Unsecured personal loan	0.69%
Services	7.76%
Gross NPA percentage	**6.17%**

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Notes to financial statements

(M) Movement of NPAs

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Net NPAs to Net Advances (%)	3.66%	2.55%
Movement of NPAs (Gross)		
Opening balance	2,114.84	2,411.21
Additions during the year	2,453.01	1,615.55
Reductions during the year (includig loans written off)	(993.49)	(1,911.92)
Closing balance	3,574.36	2,114.84
Movement of NPAs (Net)		
Opening balance	1,230.18	993.37
Additions during the year	1,358.73	1,035.32
Reductions during the year	(549.59)	(798.51)
Closing balance	2,039.32	1,230.18
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	884.66	1,417.84
Additions during the year	1,094.27	734.88
Reductions during the year (including loans written off/written back)	(443.89)	(1,268.06)
Closing balance	1,535.04	884.66

(N) Disclosure of complaints

in Numbers

Customer Complaints Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No. of complaints pending at the beginning of the year	NIL	NIL
No. of complaints received during the year	1	NIL
No. of complaints redressed during the year	1	NIL
No. of complaints pending at the end of the year	NIL	NIL

(O) The disclosures as required by the Master Direction -Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

The frauds detected and reported for the year amounted to INR 458.84 lakhs (Previous year Rs. 678.59 Lakhs)

Total fraud till FY 2020-21(₹ in Lakhs)	1137.43
Total no. of cases till FY 2020-21	4.00

(P) Disclosure as required for liquidity risk

1) Funding Concentration based on significant counterparty

As at March 31, 2021

Number of Significant Counterparties*	10
Amount (₹ in Lakhs)	21261.08
% to total deposits	NA
% to Total Liabilities	83.54%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies

* It includes borrowings through debt securities.

2) Top 10 borrowings

As at March 31, 2021

Amount of borrowings from top 10 lenders (₹ lakhs)	12,330.41
% of Total Borrowings	55.22%

3) Top 20 large deposits (amount in Rs. lakhs and % of total deposits)

Not applicable, the company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept pubic deposits.

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4) Funding Concentration based on significant instrument/product

Name of the Instrument/product	As on March 31, 2021 Amount (₹ in Lakhs)	% of Total Liabilities
Debt Securities(Non- convertible Debentures)	10000.00	39.29%
Bank Borrowings	9201.48	36.16%
Inter Corporate loans and borrowings	2978.44	11.70%

5) Stock Ratios:

Particulars	As on March 31, 2021 As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
Commercial Papers*	-	-	-
Debt Securities(Non- convertible Debentures)*	-	-	-
Other short-term liabilities	58.55%	51.37%	21.94%

*No Commercial Papers are issued during current financial year and are outstanding as on reporting date and there are no Non-convertible Debentures with original maturity of less than a year hence not applicable.

6) Institutional set-up for Liquidity Risk Management

Refer Point number 33 (ii) of financial risk management

39 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

Provision comparison of Loss allowance as per ECL model as required by Ind AS 109 and provision required by IRACP norms

₹ in Lakhs

Particulars		As at March 31, 2021				
Asset classification as per RBI (1)	**Asset classification as per Ind AS 109 (2)**	**Gross carrying amount as per Ind AS (3)**	**Loss allowance (Provisions) as required under Ind AS 109 (4)**	**Net carrying amount (5) = (3) – (4)**	**Provision required as per IRACP norms* (6)**	**Difference between Ind AS 109 provision and IRACP norms (7) = (4) – (6)**
Performing assets						
Standard	Stage 1: Low credit risk	49,965.44	456.94	49,508.50	276.18	180.76
Standard	Stage 2 : Significant increase in credit risk	4,381.35	234.06	4,147.29	17.53	216.53
Non Performing Assets						-
Sub-standard	Stage 3 : Credit impaired Asset	771.70	77.17	694.53	77.17	-
Doubtful - 0-1 year	Stage 3 : Credit impaired Asset	2,303.36	1,208.22	1,095.14	230.34	977.88
Doubtful - 1-3 year	Stage 3 : Credit impaired Asset	499.30	249.65	249.65	99.86	149.79
More than 3 years	Stage 3 : Credit impaired Asset	-	-	-	-	-
Loss Assets	Stage 3 : Credit impaired Asset	-	-	-	-	-
Sub-Total for NPA		**3,574.36**	**1,535.04**	**2,039.32**	**407.37**	**1,127.67**
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	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	49,965.44	456.94	49,508.50	276.18	180.76
	Stage 2	4,381.35	234.06	4,147.29	17.53	216.53
	Stage 3	3,574.36	1,535.04	2,039.32	407.37	1,127.67
		57,921.15	**2,226.04**	**55,695.11**	**701.08**	**1,524.96**

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40 **Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI**

(i) Type of Restructuring- Others**

₹ in Lakhs

Type of Restructuring		Others				
Asset Classification		Standard*	Sub Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1, 2020	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1.00	-	-	1.00
	Amount outstanding	-	771.70	-	-	771.70
	Provision there on	-	77.17	-	-	77.17
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-		-	-	-
	Provision there on	-	-	-	-	-
Writeoffs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
Restructured Accounts as on March 31, 2021	No. of borrowers	-	1.00	-	-	1.00
	Amount outstanding	-	771.70	-	-	771.70
	Provision there on	-	77.17	-	-	77.17

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).
**Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

(ii) Banks and NBFCs shall make appropriate disclosures in their financial statements, under 'Notes on Accounts', relating to the MSME accounts restructured under these instructions as per per RBI notification reference RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21

During the financial year there were 45 accounts which were restructured amounting to ₹ 1510.34 Lakhs

(iii) During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with respective RBI circulars.

Disclosures under Resolution Framework for COVID-19-related Stress as per RBI notification reference RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 August 6, 2020 to be made in the quarters ending March 31, 2021

Type of borrower	(A)Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan (₹ in Lakhs)	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan (₹ in Lakhs)
Personal Loans	1	6.24	-	-	0.65
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1	6.24	-	-	0.65

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Notes to financial statements

40 **Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.**

₹ in Lakhs

Particulars	As at March 31, 2021
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended*	3320.84
ii) Respective amount where asset classification benefits is extended	3309.16
iii) Provision made on the cases where asset classification benefit is extended	217.45
iv) Provisions adjusted/reversed during the respective accounting periods against slippages and the residual provisions	217.45

*The company has created covid in- general provision for all accounts where moratorium was provided to the borrowers, in Q4 FY 2020 and Q1 FY 2021 as per the regulatory requirements and guidance from RBI Circulars stated above.The said provision have been released, return back and/ or adjusted on 31st March 2021.The Company has made adequate provisions in line with approved ECL Model for its portfolio on March 31, 2021.

41 **Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package under RBI circular number RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 17th April 2021**

The Company has provided an amount of ₹ 44 lacs as on 31st March 2021 to provide for interest refund / reversal to borrowers charged with interest on interest during moratorium period from March 2020 to August 2020. These borrowers are covered under RBI circular number RBI/2021-22/17DOR.STR.REC.4/21.04.048/2021-22 dated 17th April 2021 and shall be settled on actual basis.

42 **COVID 19 Impact**

The Government of India announced a nationwide lockdown starting in Mar'20. Additionally, local governing authorities implemented lockdowns during different time periods to manage and contain the spread of the pandemic. This resulted in contained economic activity and a significant change reduction in economic activities due to restrictions on business and individual activities. This had considerably impacted the Company's business operations during the year ended March 31, 2021. Apart from other adverse effects; the pandemic resulted in a significantly lower business acquisition and constrained recovery of overdues from customers for the large part of the year. This led to a rise in the number of borrower defaults and consequently an increase in corresponding provisions for the Company.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Packages dated March 27, 2020 and April 17, 2020 further extended by package dated May 23, 2020 , the Company has offered a moratorium on the payment of instalments falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers. Consequentially the day past due (DPD) of the cases was frozen and ECL calculation for the financial year 2019-20 was based on the DPD of February, 29 2020. The company has also provided for the provision, as per the RBI Circular dated April 17, 2020 COVID-19 Regulatory Package - Asset Classification and Provisioning.(Refer point no. 43)

Further, Hon'ble Supreme Court, vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. During the validity of the interim order, the Company had classified the accounts in various stages (keep the accounts in pre-NPA Stage 3) and had provided accordingly. The interim order stood vacated on March 23, 2021 vides the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular, dated April 7, 2021 issued in this connection, the Company has classified the NPA accounts as per the delinquency levels and additional provision was made accordingly. For the period ending March 31, 2021, the Company has done asset classification and NPA recognise as per the actual DPD status of the loan accounts and after reversal of all effects of NPA freeze as per Hon'ble Supreme Court's order. The DPD is calculated and maintained as per actual repayment history and defaults by the borrowers during the year. (Refer point no. 33(i))

During the year ended March 31, 2021, the Company has restructured loan accounts of its borrowers to relieve COVID-19 pandemic related stress to eligible borrowers. The restructured resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020.

The Company has considered these accounts as 'restructured' in accordance with Ind-AS 109, and basis such significant increase in credit risk has recognized incremental provision on such restructured accounts in accordance with its Expected Credit Loss Policy. (Refer point no. 39)

The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announce a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The Company had implemented the ex-gratia scheme and credited the accounts of the eligible borrowers as per the Scheme.

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its investments and loans as at March 31, 2021. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. Since the situation is rapidly evolving, final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macroeconomic factors impacting the operations of the Company.

As per our report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

Ajay Garg
Director
DIN: 00003166

Deepak Aggarwal
Chief Financial Officer

Manoj Kumar
Company Secretary

Financial Services (P) Ltd. New Delhi Moneywise

Moneywise Financial Services Private Limited

Annexure (Forming part of financial statements)

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 - Systemically Important Non-Deposit taking Company and Non-Deposit taking Company (Reserve Bank) Directions, 2016

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities side :		
1 Loans and advances availed by the non- banking financial Company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	10,000.00	5,000.00
Unsecured	-	-
(b) Deferred Credits	-	-
(c) Term Loans	6,933.00	3,395.39
(d) Inter-corporate loans and borrowing	2,978.44	1,370.15
(e) Commercial Paper	-	-
(f) Overdraft from bank and financial institution	2,418.97	2,732.56
(Represents overdraft and cash credit)		
Assets side :		
2 **Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
(a) Secured	31,302.13	32,955.79
(b) Unsecured	26,619.02	17,273.30
3 **Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
4 **Break-up of Investments :**		
Current Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

Moneywise Financial Services (P) Ltd. * New Delhi

Moneywise Financial Services Private Limited

Annexure (Forming part of financial statements)

₹ in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
2. Unquoted :		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii)Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)		
Long Term investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	6.90	3.15
(b) Preference		
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	23.28	20.07
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others- Investment in securitised assets	366.04	1,190.65

5 **Borrower group-wise classification of assets financed as in (2) and (3) above :**

Category		
1. Related Parties		
(a) Subsidiaries		
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	57,921.15	50,229.09
Total	57,921.15	50,229.09

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

Category		
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties		
2. Other than related parties	30.18	23.22
Total	30.18	23.22

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Annexure (Forming part of financial statements)

₹ in Lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
7	Other information		
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	3,574.36	2,114.84
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	2,039.32	1,230.18
	(iii) Assets acquired in satisfaction of debt	240.76	240.76

As per our report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
ICAI Firm's Registration No: 013214N

Rajendra Chauhan
Partner
Membership No. 089108
UDIN : 21089108AAAAEG5668
Place : Delhi
Date : June 5, 2021

For and on behalf of the Board

Himanshu Gupta
Director & Chief Executive Officer
DIN: 03187614

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