Annual Report 2020-21

CAPRI GLOBAL
CAPITAL LIMITED

Endurance. Persistence. Growth.

Contents

INVESTOR INFORMATION

Market Capitalisation
as on March 31, 2021: ₹**66,529 Million**

CIN: L65921MH1994PLC173469

RBI Registration Number: B-13.01882

BSE Code: 531595

NSE Symbol: CGCL

Bloomberg Code: CGCL:IN

AGM Date: September 15, 2021

AGM Venue : AGM of the Company is being conducted through VC/ OAVM Facility

Find our online version at
https://capriglobal.in/financial-report/
Or simply scan to download

Cautionary Statement

The statements made in this report describe the Company's objectives and projections that may be forward-looking statements within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

Endurance. Persistence. Growth.

Endurance, Persistence, and Growth. These aren't just three words strewn together; they define the journey of Capri Global Capital Limited (CGCL) in an unprecedented year.

Overcoming the initial challenges posed by the nationwide lockdown, we focused on strengthening our resilience. We prioritised the health and well-being of our people and extended all possible support to our customers. It was a true test of our own endurance, but we emerged stronger to continue pursuing our purpose. From extending moratorium to explaining the implications of availing the facility, we empowered our customers to make informed decisions to tide over the pandemic.

Persistence is a quality deeply woven into our DNA. Be it identifying our chosen customer segments or making capital as a catalyst for change, CGCL has remained focused on delivering large-scale social impact through financial empowerment since inception. Even when the pandemic challenged the traditional way of life and doing business, we stayed anchored to our core values while ensuring business continuity, helping unserved/under-served customers by creating need-based solutions and strengthening the foundations to propel our next phase of growth.

As the unlocking began and the economic engines restarted, we were well-positioned to tap the emerging opportunities across all business segments. Our strong growth in disbursements while registering the best ever net profit bears testimony to our ability to expand our balance sheet without compromising the asset quality.

FY 2020-21 HIGHLIGHTS

₹48,480 Million
Assets under Management (AUM)
↑ 20%*

8.7%
Net Interest Margin (NIM)
↓ 80bps*

₹25,456 Million
Total Disbursement
↑ 85%*

₹1,770 Million
Profit after Tax (PAT)
↑ 10%*

₹4,484 Million
Net Total Income
↑ 3%*

₹17,173 Million
Net Worth
↑ 12%*

₹3,848 Million
Net Interest Income (NII)
↓ 1%*

3.2%
Return on Assets (RoA)
↓ 50bps*

* As compared to FY 2019-20

About Capri Global

Capri Global Capital Limited (CGCL), along with its 100% wholly owned subsidiary Capri Global Housing Finance Limited (CGHFL), offers a comprehensive product portfolio in high-growth segments such as Micro, Small and Medium Enterprises (MSME) loans, Affordable Housing Loans, Construction Finance and Indirect Lending. We primarily cater to Self-Employed Non-Professional (SENP), first-time and women borrowers who lack access to formal credit channels, while contributing to India's financial inclusion agenda and 'Housing For All by 2022' mission under 'Pradhan Mantri Awas Yojana (PMAY)'.

Our Mission

Our mission is to revolutionise the way credit works in India with our flexible and intuitive loans. We deliver credit to wide spectrum of MSMEs and individuals with limited credit history to drive a financial and social impact for our customers and society at large.

Our Vision

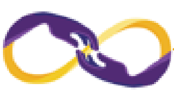
We aspire to become an institution that is known for pioneering fair, transparent credit to MSMEs and prospective homeowners.

Our Values

Equal Right To Progress.
Everyone has the right to progress: in both their personal and professional aspirations. Capital is the foundation to a better future for individuals, businesses, and in turn, society. And we see ourselves as part of the formula that will enable this progress.

Identity Beyond Economic Status.
We hope to level the playing field for the economically underserved segments of the society. Rather than labelling individuals without a credit history as credit unworthy, we assess a customer's repayment capabilities through a unique discussion-based approach.

People Take Priority.
We see the individual behind the business, as a human first and customer second. We are motivated by the financial and social wellbeing of the lives we touch.



Capital As A 'Change For Good'.
The right capital at the right time has the potential to create opportunities and trigger the cycle of change for good. We act as catalysts of this change.

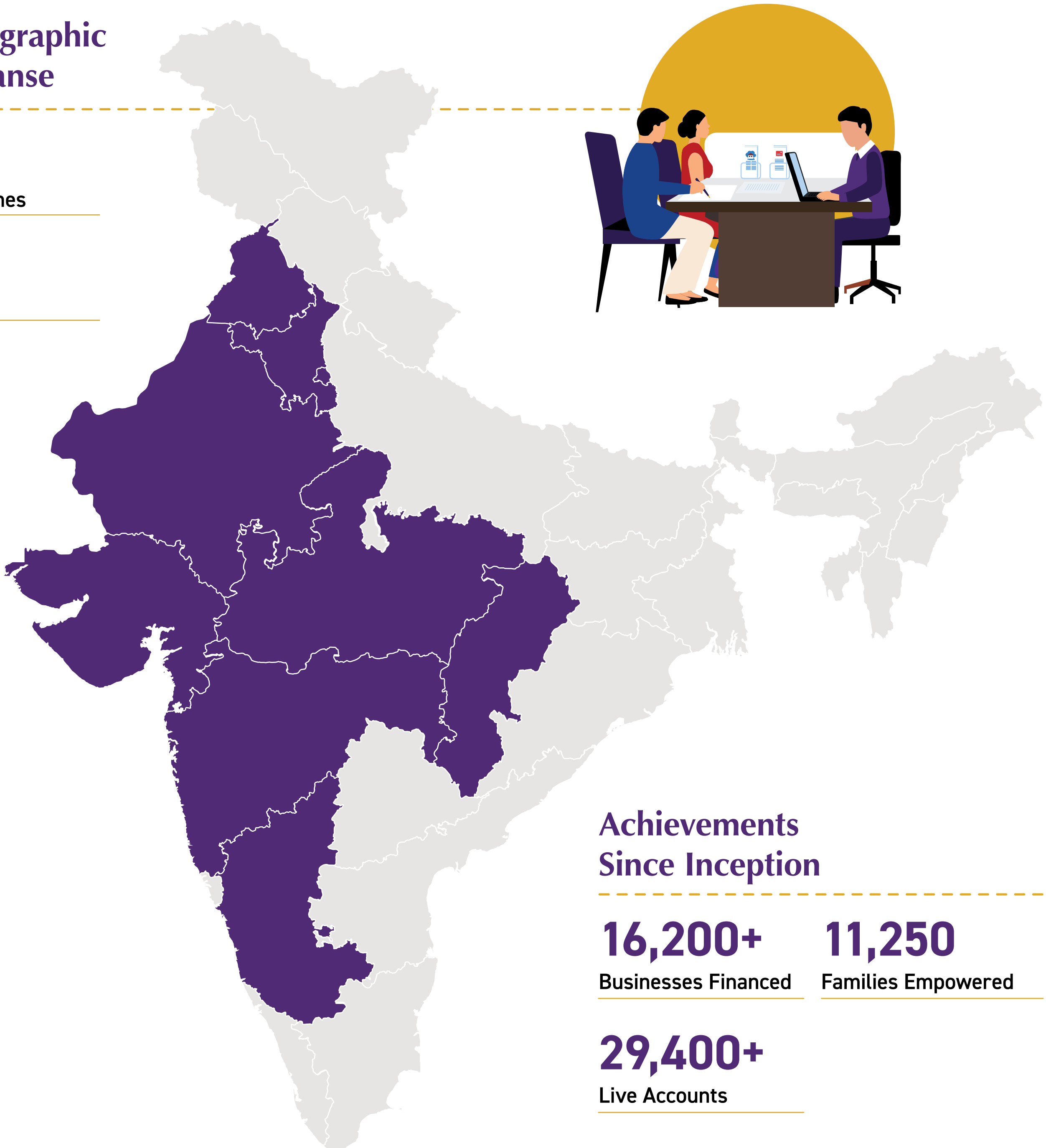
Collective Social Growth and Wellbeing.
The loans we give to the MSME sector and for the provision of affordable housing to the underserved has a domino effect that goes well beyond the scope of our customers.

One Team. One Purpose.
1,900+ dedicated employees, numerous departments, and multiple locations. All united by a single goal. Each of us have a unique role to play as we work towards delivering opportunities for change.

Geographic Expanse

90
Branches

9
States



Achievements Since Inception

16,200+
Businesses Financed

11,250
Families Empowered

29,400+
Live Accounts

Our Lending Partners

Key Performance Indicators

Net Worth

(₹ in Million)

CAGR **10.3%↑**

FY16-17	11,607
FY17-18	12,517
FY18-19	13,827
FY19-20	15,392
FY20-21	**17,173**

Net worth improved at a CAGR of 10% owing to higher retained earnings and better profitability year after year.

Profit after Tax

(₹ in Million)

CAGR **32.1%↑**

FY16-17	581
FY17-18	649
FY18-19	1,357
FY19-20	1,612
FY20-21	**1,770**

Profit after tax improved at a CAGR 32% to ₹1,770 Million in FY 2020-21 on account of continued cost rationalisation measures and margin-accretive product mix.

Total Assets

(₹ in Million)

CAGR **30.6%↑**

FY16-17	19,966
FY17-18	29,711
FY18-19	42,770
FY19-20	44,455
FY20-21	**58,131**

Total assets grew at a CAGR of 30% to ₹58,131 Million during FY 2020-21 due to better AUM growth.

Total Income

(₹ in Million)

CAGR **33.1%↑**

FY16-17	2,351
FY17-18	3,511
FY18-19	5,913
FY19-20	7,195
FY20-21	**7,371**

Our total income has increased at a CAGR of 33% to ₹7,371 Million in FY 2020-21 on account of overall improvement across all lines of business.

Earnings Per Share (EPS)

(₹)

CAGR **32.1%↑**

FY16-17	3.32
FY17-18	3.71
FY18-19	7.75
FY19-20	9.21
FY20-21	**10.10**

EPS grew at a CAGR of 32% in FY 2020-21 on better net profit performance due to cost efficiencies.

Book Value Per Share

(₹)

CAGR **10.3%↑**

FY16-17	66.27
FY17-18	71.47
FY18-19	78.95
FY19-20	87.89
FY20-21	**97.97**

Book value per share improved at a CAGR of 10%, on account of better net profits.

Assets Under Management

MSME
(₹ in Million)

CAGR 19.9%↑

FY16-17	12,138
FY17-18	15,592
FY18-19	19,709
FY19-20	20,466
FY20-21	**25,114**

Housing Loans
(₹ in Million)

CAGR 265.1%↑

FY16-17	65
FY17-18	2,450
FY18-19	7,926
FY19-20	8,982
FY20-21	**11,553**

Construction Finance + Indirect Retail
(₹ in Million)

CAGR 18.3%↑

FY16-17	6,028
FY17-18	10,541
FY18-19	13,397
FY19-20	10,899
FY20-21	**11,813**

Disbursement

MSME
(₹ in Million)

FY16-17	7,230
FY17-18	7,871
FY18-19	8,050
FY19-20	5,040
FY20-21	**7,096**

Housing Loans
(₹ in Million)

FY16-17	65
FY17-18	2,986
FY18-19	5,090
FY19-20	2,533
FY20-21	**3,725**

Construction Finance + Indirect Retail
(₹ in Million)

FY16-17	6,000
FY17-18	8,239
FY18-19	10,459
FY19-20	5,190
FY20-21	**4,551***

* excluding Short Term Secured Treasury Lending of ₹. 10,084 Million

During FY 2020-21, we witnessed growth in both AUM and disbursements across all our product segments, except for lower disbursements of Construction Finance and Indirect Retail Lending, as part of our strategy for a conscious approach towards these segments. We witnessed growth returning to markets since H2 FY 2020-21, as the economy unlocked and pent-up demand was visible.

Message from the Managing Director

"Despite an extremely challenging external environment, we recorded the best ever net profit in our history, which grew by over 10% to ₹1,770 Million on revenues of ₹4,484 Million. Our AUM also recorded a phenomenal rise of over 20% to ₹48,480 Million, with core MSME AUM increasing by over 23% to ₹25,114 Million and Housing Finance AUM rising 29% to ₹11,553 Million. This performance is attributable to our unwavering focus on innovation and customer-centricity."

Dear Shareholder,

I hope this message finds you and your family in good health. As I write to you, the global pandemic that started at the beginning of FY 2020-21 continues to wreak havoc with a much more intense second wave in tow. The only viable route to put the crisis behind us is to get vaccinated, and I believe you are taking adequate care about the safety and well-being of your loved ones.

That said, it gives me immense pleasure to present our resilient performance in a year that constantly threw unprecedented operating challenges at us. What started as a health crisis rapidly turned into an economic one, putting millions of livelihoods at stake and making the customer segments in which we operate more vulnerable. We stood by all our stakeholders during these testing times and demonstrated our inherent, resilient strengths. Their health and well-being continue to be our top priority.

PERFORMANCE OVERVIEW

Despite an extremely challenging external environment, we recorded the best ever net profit in our history, which grew by over 10% to ₹1,770 Million on revenues of ₹4,484 Million. Our AUM also recorded a phenomenal rise of over 20% to ₹48,480 Million, with core MSME AUM increasing by over 23% to ₹25,114 Million and Housing Finance AUM rising 29% to ₹11,553 Million. This performance is attributable to our unwavering focus on innovation and customer-centricity.

In the past few years, we maintained a cautious stance on expanding the Construction Finance (CF) and Indirect Retail Lending (IRL) book, as we committed more to the retail book in the MSME and Home Loan segments. This strategy paid off quite well during the year under review, as we managed to improve our spreads and NIMs.

We also repaid and prepaid our high-cost debt, and re-negotiated rents to rationalise our costs. Our branch network expanded and service areas were redefined for existing branches, driving higher efficiencies and substantially reducing our cost-to-income ratio to 32% from 38% in FY 2019-20.

We have a well-funded balance sheet with a comfortable liquidity position (~₹2,422 Crore) to meet future obligations and adequate firepower to aid future growth. We also had additional undrawn credit lines of ₹395 Crore at the end of March 31, 2021. Our CRAR of 37.7% and zero ALM bear testimony to our prudent financial management.

CUSTOMER-CENTRICITY

At CGCL, we are deeply committed to our customers for making a positive impact across the underserved segments of the society. During FY 2020-21, the RBI announced a six-month moratorium (three months and later extended by three more months) on all term loans granted by any lending institution. We extended the same to our customers, with additional information on how the moratorium will affect their tenor and lead to additional interest expenditure. We digitalised numerous processes ranging from origination to collection and lead generation to customer service. This enabled us to service customers' requirements at a faster pace, leading to enhanced customer experience. Digitalised processes also improved the ease of doing business with us, leading to an overall delightful experience of availing loan from CGCL.

DIVERSIFYING WITH SMALLER MARKETS

During FY 2020-21, we specifically focused on the Tier-III and Tier-IV centres in Gujarat, Rajasthan and Madhya Pradesh. Some of these markets experienced limited pandemic impact, leading to better business prospects. We rationalised the number of existing branches, while expanding with new centres. This also led to expanding the areas of existing branches, while continuing with our low-cost hub-and-spoke model, with each hub catering to a greater number of spokes and thus enabling us to rationalise the number of branches.

HIGHER THRUST ON DIGITALISATION

FY 2020-21 witnessed an accelerated adoption of digitalisation. We also renewed our focus on digital adoption, as we invested in the deployment of cutting-edge digital technologies such as artificial intelligence, and advanced data analytics for data-driven decision-making. These initiatives ensured reduction in manual intervention and turnaround times. Tech-enabled loan origination, management and collection witnessed significant traction.

PEOPLE FIRST APPROACH

At CGCL, we have always believed that it is our people, who are the biggest enablers of our success. During FY 2020-21, we witnessed the grit and determination of the Caprians to make things happen. We cherish their contributions towards our growth and continue to reward them with best-in-class monetary and non-monetary compensation. Our learning and development programmes were seamlessly made available online through the Capri Pedia Mobcast app for anytime, anywhere access. We also have a well-structured leadership development plan in place and exceptional performers are nurtured and groomed for the next level. Further, we continued to celebrate all the festivals and other important occasions through the year on the Capri Pedia Mobcast.

SOCIAL INTERVENTIONS

The pandemic proved to be quite challenging for effectively delivering our social initiatives. We had to modify the internal programmes based on the prevailing situation and circumstances. For instance, our education initiatives progressed with Radio, IVRS and WhatsApp-based learning, in the wake of the pandemic. I am happy to report that during the year, we managed to touch over 40,000 lives through our CSR interventions.

I strongly believe that the worst is behind us, and things will start getting better from here onwards. In conclusion, I would like to thank my fellow Board members who steered our organisation safely through these testing times. I also express my gratitude towards our leadership team and all the Caprians, who continued to deliver to the best of their abilities. I also thank all our stakeholders, including creditors, bankers, the government and to you, our valuable shareholders, for reposing faith in our capabilities and allowing us to get closer to our vision.

Let us continue this exciting growth journey, which creates a multiplier effect, leading to positive social impact.

Thank You,
RAJESH SHARMA
Managing Director

Product Bouquet

We act as enablers of growth, delivering positive social impact through our diverse loan products. Our loans address the key challenges of aspirational segments of the society, incorporating the Government's financial inclusion and 'Housing for All' agendas.

MSME Lending

The MSME segment is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports and employment generation. There are over 63 Million MSMEs in India, but there exists significant credit gap. The pandemic has posed significant challenges for MSMEs, due to the lockdowns and supply chain disruptions. The share of MSMEs in total commercial credit was 26.79%, up by 5.7% (Y-o-Y, February 2021) to ₹19.9 Trillion.

₹19.9 Trillion

MSME segment credit exposure in India (February 2021)

MSME SEGMENT AT CGCL

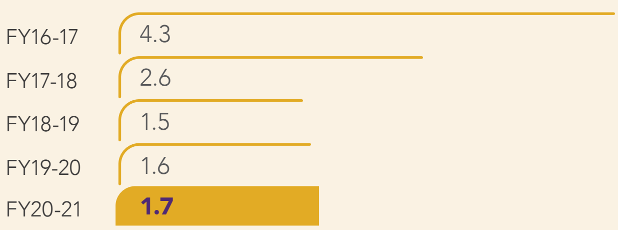
The MSME segment is the highest contributor to our growth story since its launch in FY 2012-13. Our customers mostly belong to the informal sector, which include Kirana stores, repair shops, hardware or building material suppliers or contractors, small-scale private schools, food and catering businesses, among others. Majority of our customers are new to the formal credit system. Our focused customer profiling enables us to offer bespoke solutions.

Tejdu Kumar Rajbhar,
Mumbai, Maharashtra

Quick facts

Product Portfolio: Secured business loan against residential/commercial/industrial properties
Ticket Size: ₹0.5-7.5 Million,
average ticket size of ₹1.7 Million
Tenor: Upto 180 months,
with average tenor of 4-6 years
Security: First and exclusive charge on collateral property with clean and marketable title

Average Ticket Size
(₹ in Million)



₹25,114 Million
AUM

50%
Average Loan to Value

₹7,096 Million
Disbursement

100%
Self-origination Loan Model

16,141
Customer Outreach

5.5%
Gross Non-Performing Asset (GNPA)

16.1%
Portfolio Yield

84%
Collection Efficiency

STRATEGY

During FY 2020-21, we shifted our focus from urban and semi-urban cities to the rural and Tier-III and IV cities. We partnered with over 16,000, entrepreneurs across India in their credit formalisation and growth journey.

- **Secured and focused**

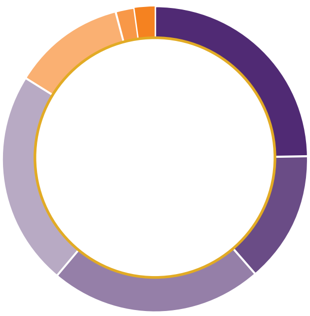
Our loans are secured by self-owned residential, industrial or commercial properties. With a strong focus on financial inclusion, ~38% of borrowers are first-time applicants to formal credit and ~96.7% of them are female borrowers or co-borrowers, who, we believe, bring in more discipline into loan repayment.

- **Far-reaching presence**

We operate on a network of over 90 branches and 900+ Branch Sales Team, catering majorly to Western and Northern India. We have recalibrated our branch network, opened new branches and expanded the scope of existing branches, shifted/closed non-promising / non-profitable branches. The maximum recasting was witnessed in Gujarat, Rajasthan and Madhya Pradesh.

Geographic distribution (value-wise)

(%)



Delhi NCR	25%
Maharashtra	14%
Gujarat	23%
Madhya Pradesh	23%
Rajasthan	12%
Punjab	2%
Haryana	2%

90

Branches operated with 900+ Branch Sales Team

- **Loan origination and execution**

Our Direct Sales Team (DST) is responsible for business origination. They carry out customer briefings and document collections through doorstep personal meetings. Following the loan application, our underwriters conduct in-field due diligence. They analyse the current cash inflows to devise solutions and correctly profile borrowers to arrive at the best eligibility and rate of interest, while ensuring adequate risk-adjusted returns. Authenticity is assessed by our technical managers by conducting collateral valuations, while the legal team verifies documents. Upon approval, the operations team conducts payment-related formalities, besides digitising and storing the files. FY 2020-21 witnessed further digitalisation of our loan origination process.

31%

Login to Disbursal Ratio

- **Stringent due diligence**

We operate in a niche segment, where we deal with inadequate formal documentation and credit history. We, thus, conduct a stringent multi-level scrutiny and post-disbursement monitoring. We maintain a robust Loan to Value (LTV) of 50%. A dedicated credit manager performs thorough due diligence on the loans before sanction. Disbursements of sanctioned accounts are monitored every month.

- **Delivering delight**

Our responsive customer service team facilitates easy loan origination. They welcome the customers to the CGCL family, send payment reminders to prepare for approaching payment dates, resolve their queries, requests, complaints and feedback (QRCF) and are aided by our grievance redressal system, to ensure that the customers receive all the support required. We focus on customer delight with our prompt service and resolution. Our technological interventions have enabled us to digitalise various manual processes to reduce the turnaround time of loan origination. We are working to reduce it further from 3-4 days to less than 60 minutes.

- **Collection efficiency**

Our collection-related processes are managed by an independent department. The delinquent cases are followed-up with rigorous process that includes actions like customer visits, legal proceedings under Section 138 of the Negotiable Instrument Act, 1881, Arbitration and recovery through legal means, among others. During FY 2020-21, we extended the RBI-mandated moratorium to our customers. However, our proactive efforts towards educating the customers and rightly guiding them, facilitated customer collections, even from customers exercising moratorium.

- **Technological advancement**

We made a significant technological overhaul during FY 2020-21 and are moving towards a data-driven predictive analytics, which closely estimate the probability of defaults and provide our customers with seamless sales, service support and grievance redressal. Our customer service number is operational on all working days during working hours to serve our customers. We have introduced the Sales Mobility app, which digitises ~50% of the processes, including on-boarding new joiness. We have also implemented features like OCR-based documentation, eNACH registration, Video KYC and digital signatures, laying the foundation for end-to-end digitalisation during the year. We also incorporated UPI payments from leading payment service providers and gateways into our system.

- **Intelligent sourcing**

Sourcing of new customers and retention of existing ones is a challenge in the MSME sector. We are emphasising on per person productivity of existing sales personnel and retaining good customers. We are yielding business from references of existing customers because of our seamless service. We are also focusing on requisite branch expansion to gain new business in the area.

Housing Finance

INDUSTRY POTENTIAL

During 2011, 30% of the population lived in cities. By 2030, 40% of the population will live in cities. The government has been providing several schemes to facilitate Economically Weaker Section (EWS)/Lower Income Group (LIG) to progress. The Pradhan Mantri Awas Yojana (PMAY) was introduced to bridge the gap between the housing demand and actual housing infrastructure through affordable housing, both in urban and rural markets. To fulfill the home ownership aspiration of people, the Government, under PMAY-Urban has sanctioned 11.2 Million homes, of which over 5 Million houses have been completed. Similarly, 19.9 Million homes have been sanctioned under PMAY-Gramin (Rural) scheme, of which 15 Million have been completed. These statistics represent huge opportunities in the Housing sector, especially the affordable housing segment.

HOUSING FINANCE AT CGCL

The Housing Finance business is managed by our wholly owned subsidiary, Capri Global Housing Finance Limited (CGHFL), which is a Premier Lending Institution (PLI) for Credit Linked Subsidy Scheme (CLSS) under PMAY with National Housing Bank (NHB). We provide easy financial access for housing and have been successful in fulfilling the dream of 13,000+ families of owning a home.

13,000+

Families benefited with easy financial access for housing

STRATEGY

The Housing Finance division primarily serves the middle and lower middle-income population in the Tier-II and -III cities. Our loans are secured with the residential property as security. Better customer service, with 360-degree customer evaluation and faster turnaround times are our USPs. Once the loans are disbursed, regular monitoring is carried out for timely payment by the customers. We have special emphasis on extending housing loan products to female customers (as borrowers or co-borrowers), as we believe this makes them more self-reliant and imbibes discipline within the loan account for better risk management. As of FY 2020-21, female borrowers stood at 8.45% of total Housing Finance AUM.

Atul Kumar Sharma,
Udaipur, Rajasthan

QUICK FACTS

Product Portfolio: Home loans for
- Purchase of ready/under-construction residential units
- Construction/extension and renovation of homes
- Plot purchase and home equity loans

Ticket Size: ₹0.2-5 Million with average ticket size of ₹1.1 Million

Tenor: Loan period 20-25 years; average tenor of about 8 years

Security:
- Up to ₹3 Million loan: LTV of 90%
- Above ₹3 Million loan: LTV of 80%
- Average LTV of 59%

Borrower Profile:
- Low/mid income group in Tier-II and III cities
- Self-employed with limited financial documentation and/or first-time home buyers

₹11,553 Million
AUM

₹3,725 Million
Disbursement

100%
Self-origination Loan Model

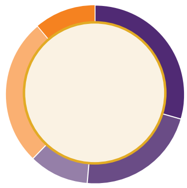
1.8%
Gross Non-Performing Asset (GNPA)

13,149
Customer Outreach

13.3%
Portfolio Yield

93%
Collection Efficiency

Geographic distribution (value-wise)



Maharashtra	30%
Gujarat	22%
Delhi-NCR	11%
MP	27%
Rajasthan	11%

Product Bouquet

Construction Finance

INDUSTRY POTENTIAL

Real estate is the second highest employment generating sector in the Indian economy. The sector has witnessed significant regulatory reforms in the past few years, aimed at improving transparency and safe-guarding homeowners' interest. Further, the government's concerted push towards 'Housing for All' by 2022 has provided a much-needed boost to the sector.

CONSTRUCTION FINANCE AT CGCL

We launched our construction finance business in 2010 and have built a robust loan book with a focus on providing construction-linked loans to small and mid-sized real estate developers with a good track record. By keeping the portfolio granular, we minimise the risk. Our flexible financing options help developers to complete their projects on time, even during unfavourable market conditions. Since 2017, we have turned a bit cautious in expanding the business and have also kept the average sanction amount in the range of ₹150-200 Million. We have financed housing projects which are located at progressive centres and most of them have all approvals in place. Our systematic expansion plan involves consolidating our presence in key markets and expanding to emerging regions.

₹150-200 Million
Range of average sanction amount

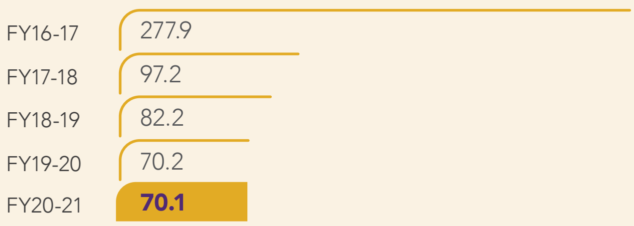
Aditya Sangle,
Mumbai, Maharashtra

Product Bouquet

QUICK FACTS

Product Portfolio:
Construction-linked loans to small and mid-sized real estate developers
Ticket Size: ₹70-270 Million, average ticket size (outstanding) of ₹70.1 Million
Tenor: 3-5 years
Security: Exclusive lending with escrow mechanism, secured against cash flow cover of 2.5x and asset cover of 2x

Average Ticket Size
(₹ in Million)



₹8,734 Million
AUM

₹4,171 Million
Disbursement

100%
Self-origination Loan Model

126
Customer Outreach

0.2%
Gross Non-Performing Asset (GNPA)

17.7%
Portfolio Yield

IMPACT OF COVID-19

The construction finance market remained muted during most of 2020, except for Q4FY21. We continued handholding our clients for prudent financial management. We supported them with disbursements where the construction was ongoing and the client was able to retain the labourers and arrange tie-ups for raw materials. We also ensured that the existing funded projects are on track with no adverse impact, which helped in improving the collections significantly once the economy started recovering.

Since August 2020, we selectively started exploring new businesses. Apart from the Central Government's Atmanirbhar Bharat package, various state government's announcement of stamp duty reduction led to an increase in housing sales, helped us finance small projects of ticket size ₹150 - 230 Million, with an average outstanding of ₹80 - 90 Million.

STRATEGY

We have developed a cautious approach towards the construction finance portfolio and have a robust internal system to mitigate the risks inherent in the sector. We conduct due diligence throughout the lifecycle of loan. Our credit appraisal process is based on 3Cs – Character, Cash flows and Collateral. Our specialised business, credit and monitoring teams work together to ensure disbursements to high-quality clients with solid track record and fundamentals. Loan proposals pass through multiple screenings on various parameters, such as promoter background, project location, construction status, market analysis and projected cash flows.

- **Outreach**
We cater to 10 Tier-I and Tier-II cities across India.

- **Stringent credit appraisal**
In addition to a designated team present across all locations to evaluate initial loan proposals, we have a central credit team that scrutinises the proposals in detail based on the pre-defined strict parameters which include promoter background, track record, project location, construction status, market analysis and projected cash flows. Further, an exhaustive internal rating module is used for screening high quality proposals. Loans are approved by a committee of business heads and Board members to maintain the highest standards of due diligence. These measures have ensured virtually nil NPAs in this vertical.

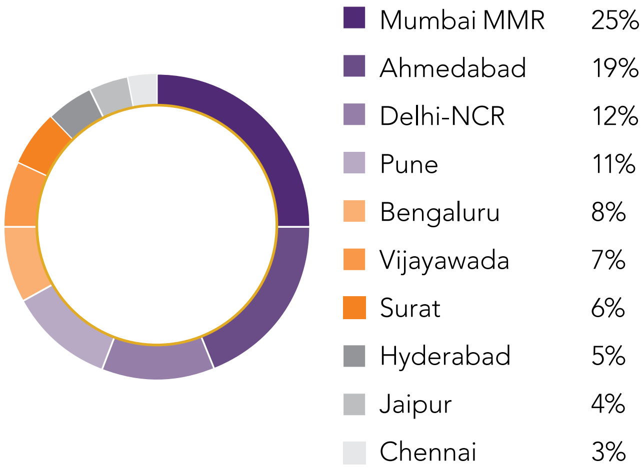
- **Robust monitoring process**
Being in a risk prone sector, monitoring the projects has been an important aspect of our business operations. It involves regular site visits, tracking monthly projects of each account through regular formal monitoring MIS, periodic review of milestones, mapping of project inventory, sales and cash-flow management analysis. We also conduct a quarterly review of each account as a preventive mechanism for possible delinquencies which allows us to detect any early warning signals and helps in timely corrective actions.

- **Sectoral outlook**
The external environment is likely to remain challenging, especially for FY 2021-22, due to renewed restrictions following the second wave of the COVID-19 pandemic.

We are cognisant of the developments around our operational areas and are prepared for the volatilities. Our strategies for the near term include.

- Primary focus on maintaining portfolio quality
- Close monitoring of accounts and collections
- Focused performance analysis of cities impacted by COVID-19

Geographic distribution (value-wise)
(%)



Indirect Retail Lending

We entered indirect retail lending in FY 2018-19 to providing financing to small NBFCs. We cater primarily to NBFCs with net worth of over ₹500 Million and AUM of ₹1,000-1,500 Million. We had paused lending to this segment since the 2018 NBFC crisis, but restarted operations cautiously in FY 2020-21. The customers we work with are fintech-based NBFCs, Small and Medium Enterprises (SMEs) and auto-finance companies. These companies have strong credentials and at least a 2-year-old portfolio, which is either unrated or has a BBB credit rating. We have adopted a cautious approach and assess aspects such as promoter history, business sustainability, delinquencies, key financial ratios, among others, which has resulted in Nil NPAs in this segment. Our committee approach for credit decisions, instead of individual decisions, has led to ideal risk management conditions in this segment.

QUICK FACTS

Product Portfolio:
Lending to retail-focused NBFCs with net worth over ₹500 Million

Ticket Size: Sanction of ₹30-1,000 Million, with average ticket size (outstanding) ₹50.3 Million

Tenor: 2-4 years

Security: Secured through hypothecation of receivables and personal guarantee of promoters/corporate guarantee with 1 to 1.2x cover

₹3,079 Million
AUM

₹380 Million
Disbursement

100%
Self-origination Loan Model

14
Customer Outreach

10.2%
Portfolio Yield

Value Proposition

At CGCL, we ensure that our value proposition is in line with our credos and that all the stakeholder feel connected with our mission of serving the under-served people, with regards to availability of formal credit and financial inclusion.

FOR OUR CUSTOMERS

We firmly believe that lack of capital shall not deter our customers from achieving their growth ambitions. Easy to obtain loans, with simple documentation and focus on supporting the lowest strata of the entrepreneurship and societal pyramid are some of the USPs of our loans. Our target customers are people, who are loan-worthy, however, are deprived of formal credit, due to low documentation or unavailability of credit history. Easy access to capital can drive collective progress and well-being. We proactively provide our customers with clear, transparent information on all the important matters, thus gaining customers' trust as a reliable partner in progress. This enables us to get closer to our mission, while creating economic value for these customers. This generates a multiplier effect creating a positive social impact. Our loans also further government's financial inclusion agenda.

29,400+
Live accounts across MSME and Housing Finance

126
Projects financed under Construction Finance

14
Customers financed in Indirect Lending

Nirmala Devi, Bhilwara, Rajasthan

FOR OUR SHAREHOLDERS

Generation of superior, risk-adjusted returns is our core value proposition for our shareholders. Our shareholders receive the benefit of an investment avenue, which fulfils the financial inclusion and 'housing for all' agendas of the government. These segments have large unfulfilled demand, representing huge growth potential for us.

Our cost-efficient, focused business operations, managed by highly experienced leadership team and guided by the diversified board enable us fulfil the market demands to generate higher returns for the shareholders.

₹10.10
Earnings per share

₹97.97
Book value per share

FOR OUR EMPLOYEES

We provide an open and dynamic environment for our people to advance their careers at CGCL. Our best-in-class remuneration and rewards and recognition, healthy work-life balance, learning and development further motivate our employees. All our products, processes, transparent conduct and flexible approach underpin our people-first policies. These policies empower our people to take risks, face challenges and perform to the best of their abilities.

32
Employees selected for Management Training Programme

711
Branch trainings conducted

167.5 hours
Online learning sessions

FOR OUR COMMUNITIES

Serving the communities is one of our core values. The community members provide us with the social license to operate. We believe that giving back to the society is an important aspect in creating value for all stakeholders. This philosophy of giving back to the society stems from our ethos and is an essential part of the Capri Group since inception. Our focused interventions improves the lives of the people and generate long-term value for the community.

40,000+
Lives touched

External Environment

The BFSI industry in India is evolving at a fast pace. As one of the leading players in the NBFC space, we closely monitor the emerging trends that have significant impact on our opportunity landscape and value-creation abilities.

HIGHER ADOPTION OF DIGITAL TECHNOLOGIES

Rising usage of smartphones, enhanced internet connectivity, cheaper data plans and government's push for a 'Digital India' and BharatNet has accelerated the adoption of digital technologies in financial services. There has been a rise in formal economy, especially post demonetisation and particularly after GST implementation, leading to acceptance of multiple modes of payments by businesses. The digital payments have become more acceptable due to rising simplicity, public awareness, faster turnaround times and lower costs. Additionally, growth in e-commerce transactions has led to higher acceptance of digital payment solutions. The pandemic has further expanded the digital economy with growing demand for contactless services on the back of severe restrictions on physical mobility to contain the virus spread.

Digital payments volume in India recorded a CAGR of over 55% to 34.3 Billion in FY 2019-20[1]

UPI transaction volume grew by 116.5% from 1.2 Billion in March 2020 to 2.7 Billion in March 2021, while transaction value grew by 144.1% from ₹2.1 Trillion to ₹5.0 Trillion[2]

Digital payments are expected to increase to over ₹7,000 Lakh Crore by FY 2024-25[3]

[1] RBI [2] KPMG [3] India Trend Book Report

CREDIT GAP IN MSME FUNDING

MSMEs contribute to over 30% of India's gross domestic product (GDP) and about 40% of India's overall exports. The Government is committed to driving growth for this sector and help increase the contribution of this sector to around 40% of GDP. However, there is a huge unmet credit demand in this sector, primarily due to lack of documentation and credit history required to access financing from formal banking channels.

The original credit requirement and the actual credit exposure of formal channels to MSMEs represent huge gap, and in turn a huge opportunity in MSME lending to the extent of ~$ 380 Billion[4]

MSME lending in 2020 witnessed a Y-o-Y growth of 6.7% (March 2020 to March 2021)[5] demonstrating high growth trend in the MSME segment.

[4] World Bank estimates

[5] Care Ratings (https://www.careratings.com/uploads/newsfiles/03052021051622_Bank_Credit_Profile_-_March_2021_-_Non-food_credit_growth_recorded_a_lowest_growth_in_last_four_years.pdf)

Hitesh Sohanlal, Pali, Rajasthan

LIQUIDITY-ENHANCING MEASURES

The Government of India implemented a host of fiscal measures to tackle the COVID-related disruptions and revive economic growth. These efforts were complemented by the RBI's aggressive rate cuts, massive liquidity infusion, and moratorium as a temporary relief to the borrowers, and a time-bound window for restructuring of assets. This led to decadal low interest rates and boosted demand for credit, as it becomes more affordable. Also, these measures amplified the liquidity in the market, encouraging more credit uptake to boost the economy.

On Tap-Targeted Long-Term Repo Operations (TLTRO) scheme extended to NBFCs for exposures upto ₹25 Lakh per borrower

100% Credit Guarantee Scheme (ECLGS) of ₹3 Lakh Crore for credit infusion for MSMEs

Restructuring Loans to ease burden for MSMEs to manage post moratorium repayment stress

Special Liquidity Scheme (SLS) amounting to ₹30,000 Crore for the NBFCs to manage liquidity issues

Co-lending by banks and NBFCs to priority sector, with minimum 20% share of individual loans by NBFCs

OUR RESPONSE

At CGCL, we have responded to these opportunities with our focused efforts on higher digitalisation, prioritising lending for the MSME segment, taking into consideration the amplified risks on account of the pandemic disruption and cost rationalisation measure.

→ Please refer to Page 18 for our Strategic Priorities

Strategic Priorities

We aspire to become a pioneering institution that drives fair and transparent financing to MSMEs and prospective homebuyers. In the process, we aim to drive positive social impact, as our customers prosper. To achieve this objective, we have identified four strategic focus areas to capitalise on the emerging opportunities in a new, digital India.

DIGITALISATION

During FY 2020-21, we have undertaken significant digitalisation of our internal and customer-facing processes, as a leading financial services provider.

- State-of-the-art technology for smoothening processes such as loan origination and management
- Faster onboarding of customers with lower turnaround times through digital sourcing
- Use of analytics on customer data, for data-driven decision-making
- Business and servicing enablers, in addition to datamart, centralised MIS capabilities, hybrid cloud, data backup solutions, integrated payment, customer relationship management self-service portal
- Debt collection system backed by machine-learning and automated reconciliation tool
- VPN, SD-WAN based connectivity to facilitate work from home

MSMES AND AFFORDABLE HOUSING

Our core business segments – MSME and Housing Finance – account for over 75% of our AUM. With focused initiatives, we ensure that these segments are performing optimally.

- Focus on Tier-III and Tier-IV centres, as these markets were less impacted by the pandemic
- Cost-efficient branch expansion, with special attention to increasing productivity of sales personnel
- Consistent disbursal growth in the core sectors on a quarterly basis throughout the year
- Robust growth in average ticket size and number of live accounts on a Y-o-Y basis
- Improvement in collection efficiency towards the end of FY 2020-21 for both MSME and Housing Finance portfolios

INHERENT RISK MANAGEMENT

Risk management is of prime importance for us to thrive in the business. Some of the risk management practices have been imbibed within our processes, so that additional efforts are not required for those particular risks.

- Focus on granular loans
- 100% secured loans
- Diversified loan book
- Focus on quality borrowers with significant Loan to Value (LTV)
- Enhance collection efficiency to lower delinquencies
- Digitalisation of processes for lower human error factor in routine processes
- Data-driven credit decision to avoid human biases

COST-CONSCIOUS EXPANSION

Our branches are the major touchpoints for our customers to connect. We aim to enhance productivity levels across all our branches.

- Continued the hub-and-spoke model to ensure cost effectiveness
- Combined a few branches to increase productivity levels
- Optimised productivity for existing branches by increasing the coverage area
- Expansion to high potential semi-urban and rural locations

Customer Success Stories

Every customer is unique, and so are their stories. We endeavour to provide custom products and solutions which not only enable them to fulfil their aspirations, but also create a multiplier effect on the entire ecosystem around them.

MR. INDRA CHAND
Ratangarh, Rajasthan
MSME loan

PROMOTING FIRST-GENERATION ENTREPRENEURSHIP

Indra Chand is an astute businessman from Ratangarh, Rajasthan and owns 'Rockstar', a popular fashion retail store. Inspired from the latest Bollywood trends, 'Rockstar' is a favourite among the millennials and enjoys a loyal customer base.

However, Indra's ambitions were not limited to clothing business. He wanted to diversify into an all-season venture, which led him to groceries. To expand, he approached us through a recommendation from a friend. We processed his MSME loan and Indra was successful in opening a grocery store, which is now managed by his elder son. Proceeds from our loan not only helped Indra setup his new venture, but also add staff for his grocery store and comfortably manage working capital for both his businesses. With better working capital, Indra managed to increase sales at his clothing store.

Indra is confident of paying off loans well in advance and expand with more branches of both his clothing and grocery businesses. Such indomitable spirit of our customers makes us work harder to continue creating a positive social impact through our loans.

MR. NATHULAL MEENA
Jaipur, Rajasthan
MSME loan

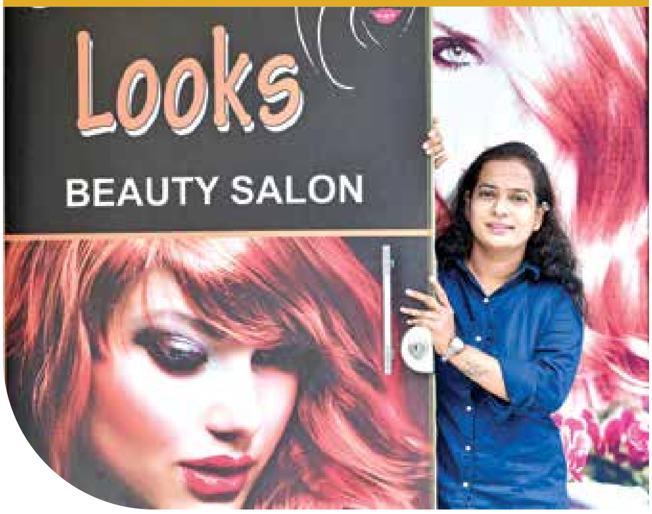
GIVING WINGS TO DREAMS

Nathulal Meena, along with his brother, runs a school and the only college in the Paldi Meena village in Jaipur offering Bachelor's and Master's degrees in Arts, Science and Commerce. A passionate educator, Nathulal wanted to improve the infrastructure at the educational institution under the aegis of the National Literacy Mission's (NLM) Siksha Samiti.

He applied for a loan from CGCL, but was not sure about getting approval from other directors on the Board of Education. However, his commitment to the greater good won over the education board. At CGCL, we truly believe that education is an important tool for nation building. After receiving timely disbursements, the Meena brothers have built a playground and a library for the school while a state-of-the-art science laboratory and a 600-capacity examination centre been set up in the college. They are now planning to expand their course offerings.

These stories inspire us to continue on our journey of delivering positive wide-scale social impact while driving the inclusive development agenda of the nation.

MS. PRAJAKTA DESAI
Mumbai, Maharashtra
Home loan

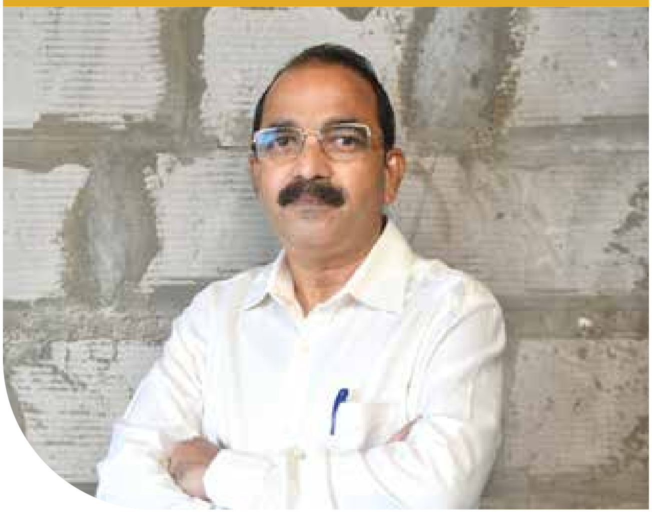


EMPOWERING INDEPENDENT WOMEN

Prajakta Desai is a beautician by profession. She, along with her mother, had to shift to her maternal uncle's house following the unfortunate demise of her father. Prajakta spent most of her formative years at the place and harboured the dream of owning her home one day. Soon after completing her primary education, she opened a salon with her cousin. Prajakta began saving money for the down-payment of her own home.

After 12 years of dedication and hard work, she built a loyal customer base and earned around ₹60,000 a month. After zeroing on her dream apartment, Prajakta approached CGCL for a home loan. She knew that the traditional lenders won't be able to provide any solutions in the absence of a guarantor or a co-applicant. A friend advised her to approach us. Availing our home loan with simple documentation and hassle-free processing, Prajakta today is the proud owner of a home that is equipped with several amenities. She is an inspiration for all women and represents the small but fast growing segment of independent women borrowers.

MR. DYANSEHWAR PAWAR
Mumbai, Maharashtra
Construction loan



DELIVERING TRUE SOCIAL IMPACT

It is a story of sheer grit and determination to do something worthwhile for the community. It is the story of Mumbai-based Dyansehwar Pawar, who endeavoured to improve the life and living in Asia's largest slum – Dharavi – home to over a million people. Dharavi is also home to a billion-dollar economy comprising many small-scale industries including leather, wax, printing, pottery and waste recycling.

Having studied Dharavi for decades, Dyansehwar was well aware about the numerous challenges in developing housing projects there. He was also aware of the immense potential Dharavi offers to bring meaningful change. Initially, Dyansehwar started with commercial real estate, but soon changed track to build affordable housing projects, sensing the sentiment and sense of longing among local residents.

Further, unable to secure financing from formal financial channels, Dyansehwar approached CGCL. With our loan and following approval from the Slum Rehabilitation Authority (SRA), Maharashtra, Pearl Residency started to take shape – a 200-apartment tower comprising 1-BHK and 2-BHK residences. The residential tower will serve as an inspiration to all those striving for SRA project development in Mumbai, aligning with the government's social development agenda.

Life at Capri Global

At CGCL, we believe that our people are the biggest enablers of our success. We are committed to hiring, developing, retaining and growing talent to power our next leg of growth while creating a conducive work environment that enables our people to reach their full potential. We provide an open culture, which values diverse perspectives and enables dynamic career progression, aligned with the organisational objectives.

During the FY 2020-21, we consolidated most of our branch and office locations to enhance productivity and profitability. As the lockdown prolonged, we equipped people for work-from-home with collaboration of our Technology and People teams. VPNs were enabled and people were provided laptops. We also increased our strength from ~1,400 employees in FY 2019-20 to 1,900+ in FY 2020-21, with focus on diversity and inclusion for a balanced team, which is committed towards our corporate vision.

1,900+
Team Size

COVID IMPACT

Safety and well-being of our people during this pandemic was our top priority. We constantly engaged with them during the lockdowns and utilised the downtime to further upgrade their skills and capabilities.

Significant measures include

- Continuous communication, including circulation of Dos and Don'ts
- Proactive reaching out by the leaders to motivate teams
- Webinars from doctors and free distribution of homeopathic medicines
- Distribution of sanitisers, masks and PPE kits based on the profiles of the employees
- Tie-up with pharmacies for discounts

ENGAGEMENT

Employee engagement played a crucial role, especially during FY 2020-21, as the pandemic-induced disruptions impacted both physical and mental health. We kept them motivated through our Capri Pedia Mobcast platform, a social media app, on which they could share their posts. Like every year, we celebrated Diwali, Independence Day, Holi, Christmas Celebration and Women's Day, albeit online. Within a short period of time, more than 1,000+ people joined Capri Pedia Mobcast platform.

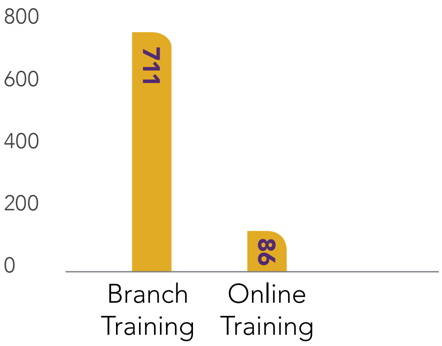
LEARNING AND DEVELOPMENT

At CGCL, we believe in continuous learning and skill upgradation. The lockdown provided our teams with ample downtime to upgrade their existing skillsets and learn new skills. We offered a wide range of programmes through the Capri Pedia Mobcast app, which hosted a vast library of learning resources.

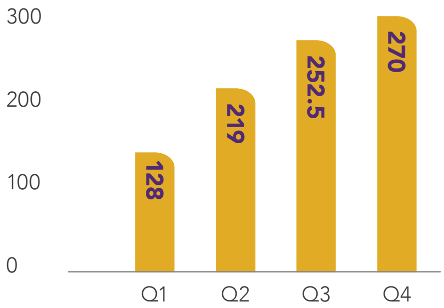
86
Online Training Programmes conducted

167.5
Online Learning Hours

Learning Programmes Conducted
(Number)



No of Training hours
(Hours)



LEADERSHIP DEVELOPMENT

At Capri Global, we believe a strong leadership is not just key to building a solid foundation, but also to develop an exciting roadmap for the journey ahead. It is important to nurture and develop future leaders within the organisation. Our senior management ensures that the eligible employees get ample opportunities to take up additional responsibilities and be adequately prepared for the next level. We encourage employees to experiment and improve on-the-job efficiency. We have tie-ups with online training platforms like Udemy.

32
Employees selected for Leadership Development Programme

REWARDS AND RECOGNITION

At CGCL, we believe that one of the most important factors that contribute to employee motivation is how often their hard work is recognised. We have spot, monthly, quarterly as well as annual rewards for exceptional performers. Our performance appraisal system has been designed to recognise and reward exceptional performers. We also award employee stock ownership plan (ESOP); ~90% of our senior management have received ESOP.

→ Please refer to page 43 of Management Discussion and Analysis for more details on our people initiatives

Social Impact

We are committed to creating a positive impact on the lives of the less privileged members of our society, improving the Human Development Index along with social change agents operating at the ground level. Led by our CSR team, we undertake focused interventions in the areas of sustainable livelihood, education and health.

CSR MISSION

We are committed to go beyond our business and make a difference to the community. While our mandate is to multiply returns for our stakeholders, it is also based on fulfilling our larger responsibility towards society.

Our CSR activities are carefully designed to enhance the all-round quality of life. We have launched various programmes, in association with our NGO partners, which became even more critical during the year under review as the pandemic particularly disrupted the lives of the lower strata of the society.

PROJECT EXECUTION MODEL

We have adopted a 360° project approach for implementation of all our CSR activities. While designing and implementing the interventions, we engage with all the relevant stakeholders, including implementing partner, Government, community and private players. Participatory Rural Appraisal (PRA), Problem Tree Analysis, Gap Analysis, and Desk Review, among others, are used as effective programme planning tools. Customised, well defined and structured Exit Policy for the implemented projects with the simultaneous formation/strengthening of self-help groups/institutions is in place for facilitating community ownership of the respective projects.

CORE CSR INITIATIVES

CAPRI CSR INITIATIVES

Health Initiatives
- Preventive health care
- Curative health care

Health, Nutrition, Hygiene Initiatives
- Combating malnutrition and child healthcare

Sustainable Livelihood Initiatives
- Financial Inclusion and literacy
- Women entrepreneurship and farmer producer company

Education Initiatives
- Scholarship support /Seed funding
- Access to quality education

ACTIVITIES/PROJECT	BENEFICIARIES	PARTNERS
Enabling women's economic empowerment	9,046	Buzz India and Seva Mandir
Enabling women to become successful entrepreneurs	1,246	Save the Children and EA
Supported women entrepreneurship and women farm producer company for sustainable economic development	1,558	Mann Deshi and WISE
Inclusive growth of children through education, health, nutrition	687	Parivaar and CSA
'Hello Saheli', a one-stop free virtual solution for menstrual health and reproductive health concerns of women and girls	24,817	Sukhibhava
Supported breast cancer survivors across India and access of primary health care services and active case finding for tuberculosis	800	Win Over Cancer and Doctors for You
Transforming lives of students through quality education	801	SVEP & Scholarship, Kshamtalaya
Awareness sessions to stop child sexual abuse and BCC sessions on better hygiene practices	800	Sakshi and Smile
Providing relief during the pandemic	1,000	Oxfam India, Bright Future, CSA
Total lives touched	**40,755**	

SUSTAINABLE LIVELIHOOD

Under this initiative, we reach out to the un-banked and the under-banked segments of society. We continue to support woman who are financially excluded by offering skills training, credit counselling, financial literacy and market linkages. The Capri Livelihood projects address the income generation needs of local communities focusing on rural and semi-urban women through customised skills and competency building programmes such as sustainable agriculture, poultry, weaving and stitching skills, BPO training, nursing and strengthening of Self Help Groups (SHGs).

11,850

Beneficiaries of community initiatives across Madhya Pradesh, Rajasthan, Nagaland, Maharashtra and Karnataka

HIGHLIGHTS OF ACHIEVEMENTS

- Women were provided trainings on financial literacy, basic business skills, financial management and legal rights; after completing programme, 80% of the participants opened their saving accounts, accessed credit facilities and connected with financial institutions
- Survivors of human trafficking and at-risk category women were trained with different employability skills and supported for either setting up their enterprise or placed in BPO or facility management
- With the support of one of our implementing partners, women farmers were provided agronomy services, including skill-based trainings on farming practices, access to revolving funds, formation of supply chain for the production of women farmers in the region
- The networks supported by us have been procuring orders locally and also externally. ‘Kala Maitri’ is the brand launched by the network of women to drive sales

HEALTH, HYGIENE AND NUTRITION

The quality of healthcare services remains inadequate. The annual spending on the sector is among the lowest globally. Although the government is focusing on delivering primary healthcare services to the last mile, there exists a significant gap. We thus have included health as one of our top priority areas for intervention.

Reduction in infant mortality rates

Lack of easy access to institutional care and low level of awareness about proper care for mothers and babies lead to mortality among and infants in remote rural areas. One of our supported initiatives is set to run community clinics to reduce mortality among neonates and infants.

Nutrition programme

The efforts in the areas of Health and Nutrition in partnership with one of the renowned NGOs include provision of nutritious diet to the children who are in need of care and protection, those who attend government schools and those attending Capri Supported educational centres in tribal areas. This project ensures that malnutrition and dropout rates are decreased substantially.

Improving women's health

We have partnered with a Bengaluru-based NGO to work with women and adolescent girls in the communities of Bhopal, MP to reduce stigma around menstruation in the community and facilitate constructive conversation around it. The organisation has launched the emergency helpline 'Hello Saheli' - a one-stop free virtual solution for menstrual health and reproductive health concerns of women and girls. In addition, we help breast cancer patients across India and provide breast prosthesis to the cancer survivors, along with income generation activities.

24,815
Subscriptions on helpline for women's health

2,852
Resolutions through helpline agents and doctors on women's health issues

25,617
Beneficiaries of Health, Hygiene and Nutrition initiative across India

HIGHLIGHTS OF ACHIEVEMENTS

- A total of 24,815 subscriptions received on the IVR platform and provided 2,852 resolutions via helpline agents and doctors on the issues related to reproductive health
- Children are provided access to quality nutrition care even under the institution settings
- Community clinics are set up in tribal localities of MP
- Children are provided access to the health check-ups and treatment especially in institutional care
- Breast cancer awareness generation sessions and webinars were conducted across the states

EDUCATION INITIATIVES

We provide adequate teaching and learning materials, infrastructure and conducive environment, thus aligning to national priorities. We view education as one of the building blocks of the nation and thus consider it a priority area for our CSR initiatives.

We are supporting an ongoing programme to provide quality education along with supplementary nutrition to children of tribal families, in childcare institutions. The children were engaged constructively during the pandemic by enhancing the DEP model. The programme is delivered through digital classrooms, online schools, webinars and masterclasses.

We have undertaken incubation project in partnership with IIT Kanpur to support and nurture a vibrant ecosystem of start-ups that use cutting-edge technologies for solving real-world problems. The programme includes Tech Talks, which is a community intervention for connecting with the young innovators where they can learn, engage and exchange problems, ideas and solutions with experts from various fields.

We partnered with leading organisations to raise awareness on child sexual abuse. The programme is working with the National Service Scheme volunteers to develop a pre-emptive and proactive mindset, speak up against child sexual abuse and build a culture of accountability.

RADIO PROGRAMME

We have associated with an implementing partner based at Rajasthan Udaipur, under which we have created a 5,000-minutes of Radio programme – for children to support their foundational learning skills. The programme would help children bridge the learning gap created due to COVID-19 and remain relevant in the post-pandemic scenario as well. The students will come to schools in small groups to avail these digital classrooms and would also be working in small cluster learning circles.

LEARNING THROUGH MISSED CALLS AND WHATSAPP

The programme has also launched an IVRS learning platform that families can access by just giving a missed call to a toll-free number. The Community Mobilisers have created WhatsApp groups wherever possible so that children are able to learn from the comfort of their homes.

2,288

Students reached under diverse education programmes

COVID RELIEF

The COVID-19 pandemic has impacted humanity in an unprecedented manner. We believe that the best response is the one that engages communities in building solutions, supporting local humanitarian leadership. At CGCL, we have partnered with several grassroot non-profits to consolidate structured relief efforts by identifying communities and responsibly directing funds. Our teams and our partners worked together to provide access to food, hygiene facilities and drinking water.

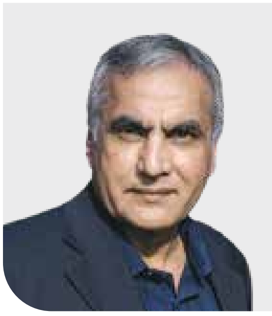
OUR EFFORTS TOWARDS COVID RELIEF

- Ready-to-eat meals, dry ration and personal hygiene kits to the needy communities
- Medical equipment to government hospital
- Personal protective equipment (PPE) kits to 100+ frontline health workers

Board of Directors

MR. RAJESH SHARMA
Managing Director

Mr. Rajesh Sharma is a qualified Chartered Accountant with over 26 years of experience in Capital Market and Financial Advisory Services. A forward thinker, a first-generation entrepreneur and a thought leader, he has diverse experience in corporate finance, investment banking, merchant banking and asset financing domains. He has expertise in innovating financial products, designing investment strategies for clients and financial risk management.

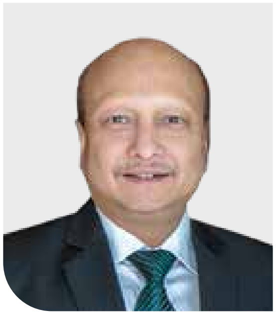


MR. AJAY KUMAR RELAN
Director

Mr. Ajay Relan holds a Master of Business Administration (MBA) from the Indian Institute of Management, Ahmedabad and holds a B.A. in Economics from St. Stephen's College, Delhi University, where he achieved the top rank.

Mr. Relan has more than four decades of experience in corporate and investment banking in multiple geographies. He was founder and Managing Partner at CX Partners and he also founded Citibank N.A. in India. He was head of Citigroup Venture Capital International (CVCI), a position he held since the inception of business in India in 1995. Mr. Relan has worked with several financial firms in multiple geographies, starting with Citi in 1976 and eventually becoming the CEO of a Citi-affiliated brokerage firm, Citicorp Securities & Investments Limited.

Mr. Relan serves on Board of several reputed Companies including Hindustan Media Ventures Ltd. and HT Media Ltd., Next Mediaworks Ltd., Digicontent Ltd. and Triveni Engineering & Industries Ltd.



MR. AJIT SHARAN
Independent Director

Mr. Ajit Sharan is a graduate of IIT Delhi, Master's in Business Administration from Louisiana State University in the United States and Master's in Development Economics from the University of Wales in UK.

Mr. Sharan was a Member of the Indian Administrative Service since 1979. Mr. Sharan has held various senior positions in the State Government of Haryana as well as in the Government of India. He has held the positions of Principal Secretary for Power, Finance, Technical Education and Urban Development in the State. In the Central Government, he was a Joint Secretary in the Department of Banking and Insurance. He was closely associated with the opening up of the insurance sector and the initial reforms. He has also worked as Secretary to the Government in the Ministries of Sports and Ayush before his retirement in the year 2017.

Mr. Sharan serves as Independent Director on Board of Dabur India Limited.

MR. BENI PRASAD RAUKA
Independent Director

Mr. Beni Prasad Rauka is a qualified Chartered Accountant and Company Secretary and has more than three decades of post-qualification experience in the field of accounting, audit, taxation, fund raising, compliance and management.

Mr. Rauka is group Chief Financial Officer of one of the listed Company of SEB Group, which is amongst Top 500 BSE/NSE companies. He also holds office of Director in couple of other public/private limited companies and a listed company. He is also actively involved in philanthropic work, being member of CSR committee/s of the Board and as a trustee of couple of charitable trusts.

Under his vision to advance the growth of MSME sector, CGCL grew into one of India's leading Non-Deposit Taking Systemically Important Non-Banking Financial Companies (NBFC-ND-SI).

Mr. Sharma is an astute businessman and his deep insights in the debt markets are reflected in his ability to strategise the entire stakeholder value creation. Building a business on the principles of ethics, economic empowerment and equitable growth, he envisions the Company to rise as one of India's premier financial institutions.

MRS. BHAGYAM RAMANI
Independent Director

Mrs. Bhagyam Ramani holds Master's Degree in Economics from University of Mumbai with specialisation in Industrial and Monetary Economics. She was a Director of General Insurance Corporation of India from 2009 till her retirement in 2012.

Mrs. Ramani is currently serving as Independent Director on the Boards of prominent companies including Saurashtra Cement Ltd., Gujarat Sidhee Cement Ltd., Lloyds Metals and Energy Ltd., L&T Hydrocarbon Engineering Ltd., L&T Special Steels and Heavy Forgings Private Ltd., and NSE Clearing Limited.

MR. DESH RAJ DOGRA
Independent Director

Mr. D. R. Dogra is a Certified Associate of the Indian Institute of Bankers, MBA (Finance) from FMS, University of Delhi and a Master in Agriculture from Himachal Pradesh University. Mr. Dogra has four decades of experience in the financial sector and credit administration. He retired as the Chief Executive Officer and Managing Director at Credit Analysis and Research Limited (CARE) in August 2016. He was also Vice Chairperson and Public Interest Director at Metropolitan Stock Exchange of India Ltd. until September 2016. Prior to CARE, he worked with Dena Bank for over 15 years.

Mr. Dogra serves as Independent Director on the Board of many large companies including S Chand and Company Ltd., Welspun Corp Ltd., Asirvad Micro Finance Ltd., Micro Finance Institutions Network and IFB Industries Ltd., Axiscades Technologies Ltd., and G R Infraprojects Limited.

MR. MUKESH KACKER
Independent Director

Mr. Mukesh Kacker was an Indian Administrative Service officer with the Government of India for three decades. He holds a Master's Degree in Economics from Harvard University as well as a Bachelor of Science and Master of Political Science from Allahabad University.

As a member of National Highway Authority of India, Mr. Kacker played an instrumental role in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualised the policy on Investment Regions. The Government of India inducted him as Member, Task Force on Infrastructure Development and Mega Projects. Mr. Kacker serves as Independent Director on the Board of DMIC Haryana Global City Project Ltd., DMIC Haryana MRTS Project Ltd.

Awards and Recognition

Best BFSI Brand 2021

by The Economic Times

Rajesh Sharma, Most Promising Leader of Asia

by The Economic Times

Statutory Reports & Financial Statements

Management Discussion and Analysis

Economic Overview

GLOBAL ECONOMY AND OUTLOOK

FY 2020-21 was a year like no other. The pandemic disruption was witnessed throughout the year and even continued beyond financial year 2021. COVID impacted millions of lives across the globe with regards to health, finances and social behaviour. Economies came to a halt and supply chains were disrupted on account of lockdown and social distancing.

Governments' stimulus measures and encouraging private investments supported the economies to recover at a faster rate and prevented much deeper global recession. Additionally, the Central banks played a key role through modification of regulations for capital and liquidity requirements and payout restrictions for banks, asset purchase programmes, funding-for-lending facilities, forex swap lines and interest rate cuts.

As per the World Bank's Global Economic Prospects, June 2021 edition, it is estimated that the global economy contracted by 3.5% in 2020. It projects a rebound in 2021 and 2022, with global GDP growing at 5.6% and 4.3%, respectively. New mutants and new waves of infection makes the outlook for 2021 uncertain. However, there is an expectation that vaccination drives supported by policy measures from large economies, will accelerate the recovery in markets.

Region-wise contribution

(%)

	Estimate	Projections	
Country/Region	2020	2021	2022
World Output	–3.5	5.6	4.3
Advanced Economies	–4.7	5.4	4.0
Emerging Market and Developing Economies	–1.7	6.0	4.7

(Source: World Bank's Global Economic Prospects, June 2021)

5.6%
World GDP for 2021 (Projected)

DOMESTIC ECONOMY AND OUTLOOK

For India, FY 2020-21 was an aberration, as it started with the lockdown, which was a spill over from March 2020. Since June 2020, India started to gradually unlock. However, the pace of unlocking was gradual and uncertainties from the pandemic resurfaced. The CY 2021 was off to a good start, with vaccination drive raising hope for the Indian economy to grow at double digits. A recent announcement by the Reserve Bank of India (RBI) estimated Indian GDP for FY 2021-22 to grow at 9.5%. This indicates a strong recovery from an estimated contraction of 7.3% during FY 2020-21.

Prime economic indicators such as GST collections, Index for Industrial Production (IIP), Purchasing Manager's Index (PMI), energy demand, steel and auto sector sales suggest that India's economic activity is closer to the pre-COVID levels. The recovery was due to various policy measures by the government, supported by liquidity enhancement measures by RBI. These included stimulus to the extent of 10% of India's GDP, liquidity enhancing measures, decadal low interest rates, moratorium and time-bound resolution for specified sectors.

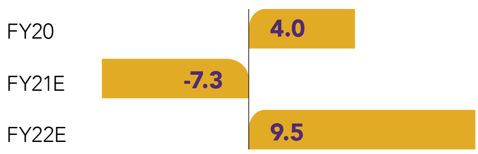
Recovery was accelerated with other initiatives such as policy measures for MSMEs, higher budgetary allocation towards infrastructure, production-linked incentives and vocal for local schemes of Atmanirbhar Bharat Abhiyan, besides tax, labour, and land reforms, insolvency and bankruptcy code to attract more investments for long-term productivity enhancement.

The credit growth gained pace from November 2020 as the economy started opening up after pandemic-triggered lockdowns, after hitting a three-year low of 5.1% in the first half of FY 2020-21. Non-food credit grew by 4.9% in FY 2020-21, whereas agriculture and allied sectors continued its uptrend at 12.3%, over FY 2019-20. However, the credit to industry grew marginally by 0.4% on a Y-o-Y basis, for FY 2020-21.

During March 2021, the Consumer Price Index (CPI) stood at 5.52%, contracting from 7.22% estimated in April 2020, indicating green shoots in the economy. Another indicator was a significant rise in employment. Unemployment declined from 23.52 % in April 2020 to 6.52% in March 2021. India also initiated the world's largest vaccination drive and provided immunity to millions of people from the infection. This raises confidence against the more devastating second wave of the pandemic, which again disrupted India since March 2021.

9.5%
India GDP for FY 2021-22 (Estimated)

India GDP Growth
(%)



E – Estimate

(Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI)

Industry Overview

NBFC

NBFCs have witnessed tremendous growth over the past few years. The balance sheet of NBFCs (including HFCs) have more than doubled from ₹20.72 Trillion in 2015 to ₹49.22 Trillion in 2020. Better connectivity and customer engagement, lower transaction costs, quick decision-making and prompt provision of services have typically differentiated NBFCs from banks. NBFCs have served the unbanked or underbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services in the coming years.

Source: IBEF, RBI

6.6%
GNPA for NBFCs (2020)

Impact of COVID on NBFCs

NBFCs witnessed a deterioration in asset quality, as slippages increased during FY 2019-20. The asset quality impairment intensified during FY 2020-21 (upto September 2020). The GNPAs for NBFCs grew from 6% in 2019 to 6.6% in 2020. Asset classification analysis reveal that while the composition of standard assets remained almost constant from 93.49% in March 2020 to 93.28% in September 2020, the doubtful assets grew from 2.43% to 2.91% during the same period.

The pandemic triggered the NBFC industry to reconsider its operating model and customer acquisition strategy. Digitisation and automation have become the focus areas. With an increased demand from the Micro, Small and Medium Enterprises (MSME) and retail segments, financial institutions have adopted new delivery models for their customers. Newer digital lending products introduced by fintech players have been willingly accepted by customers, thereby creating disruption, especially around customer acquisition and retail lending products. A smooth customer journey has emerged as the ultimate objective for the industry. The digital loan products entails self-service applications, supported by back-end processing of loan applications on risk rating processes. Growth in digital payments helped in business-to-business (B2B) transactions and increased the adoption of e-commerce.

RBI's Support for NBFCs

The 'On Tap Targeted Long-Term Repo Operations (TLTRO)' scheme by RBI for NBFCs towards incremental lending, is expected to provide appropriate liquidity for NBFCs. The new co-lending guidelines would facilitate higher operational flexibility to the NBFCs. The revised scheme's primary focus, rechristened as the Co-lending Model (CLM), aimed to improve credit flow to the unserved sections of the economy.

Resolution Framework 1.0

The RBI also introduced scheme to restructure existing loans to MSMEs, Resolution Framework 1.0, which permitted restructuring without downgrade in the asset classification in cases where the banks, AIFIs and NBFCs have aggregate exposure of not more than ₹250 Million and are classified as 'standard' as on March 1, 2020. These measures aimed at improving the liquidity and business prospects of NBFCs helped the sector manage the impact of the pandemic.

Moratorium and Resolution Framework 2.0

RBI announced moratorium on term loan EMIs beginning March 2020 and extended upto August 2020. For customers who availed the moratorium during 2020 due to financial difficulties were allowed to extend the same by 2 years, to accommodate the financial difficulties faced on account of the second wave of COVID. Borrowers who did not avail the moratorium were allowed to restructure their loans under Resolution Framework 2.0 announced in May 2021.

NPA Classification

The Supreme Court of India ordered that those availing moratorium upto August 31, 2020 shall not be classified as NPAs starting September 1, 2020 until further notice. This blanket order was withdrawn in March 2021.

Industry Trends in Commercial Lending

As of September 2020, the total on-balance sheet Commercial Lending exposure in India stood at ₹71.25 Trillion, which grew by 2.1% Y-o-Y, with the MSMEs constituting ₹19.09 Trillion, a Y-o-Y growth of 5.7%. Micro Loans (credit exposures less than ₹10 Million) and SME Loans (Credit exposures ₹10 Million– ₹250 Million) have shown Y-o-Y growth, whereas there is 0.7% of Y-o-Y growth in large (> ₹50 crs) segment.

₹19.90 Trillion
Commercial exposure to MSMEs

Balance Sheet Commercial Credit Exposure

(in ₹ Trillion)

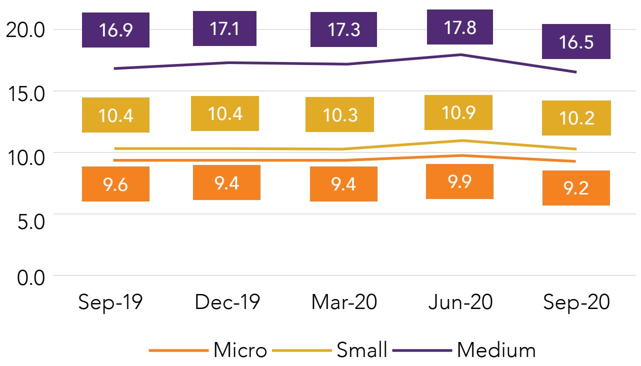
Partial List of Lenders	Very Small <₹ 0.1 Million	Micro 1 ₹ 1 – 5 Million	Micro 2 ₹ 5 – 10 Million	Small ₹ 10 – 100 Million	Medium 1 ₹ 100 – 250 Million	Medium 2 ₹ 250 – 500 Million	Large > ₹ 500 Million	Overall
Sep'19	0.89	2.20	1.47	7.25	3.47	2.78	51.50	69.57
Dec'19	0.92	2.23	1.50	7.33	3.48	2.77	51.49	69.73
Mar'20	0.93	2.19	1.45	7.02	3.33	2.62	52.03	69.58
Jun'20	0.93	2.27	1.51	7.39	3.55	2.80	53.46	71.92
Sep'20	0.94	2.34	1.57	7.68	3.68	2.89	52.17	71.25
Y-o-Y growth	**7.0%**	**9.0%**	**8.0%**	**6.2%**	**5.6%**	**3.6%**	**0.7%**	**2.1%**

Source: MSME Pulse, February 2021

The overall NPAs for commercial lending were steady till June 2020, and reduced across all the segments in September 2020. The reason for lower NPAs is higher credit supply since ECLGS. Within MSMEs, NPAs are higher for large ticket sizes. In September 2020, NPAs stood at 16.5%, 10.2% and 9.2% for Medium, Small and Micro enterprises respectively.

Segment wise NPA Rate

(%)



Source: MSME Pulse, February 2021

Key Growth Drivers

India has a huge proportion of un-banked and underbanked consumers and businesses. Hence, there is a greater potential to tap these segments.

- Increasing demand from the Micro, Small and Medium Enterprise (MSME) segment and serving it with new and dynamic operating models
- Accessing new customers and cheaper funding sources by developing a viable co-lending business model
- Diversifying assets by targeting new profitable segments and developing the capabilities required to serve those segments
- Rising digitalisation boosts business for digital-first and technology-focused NBFCs
- Using advanced analytics, artificial intelligence and machine learning to build propensity models for lead generation, making real-time offers available to sales representatives by using customer data from multiple internal and external sources
- Synergistic alliances with fintech companies to tap niche markets, with customised product offerings
- Increasing fee income through advisory services

Outlook

NBFC sector is at an inflexion point, given the potential transformational, operational and stakeholder changes influenced by the growth drivers. The NBFCs and HFCs are being recognised as vital facets for the growth of Indian economy. NBFCs are here for the long-term and play an important role in the economic growth and financial inclusion.

As India's economy grows, the requirement for credit will increase disproportionately. Both banks and NBFCs need to rise to the occasion and power the economy with free-flowing credit. NBFCs with robust business models, strong liquidity mechanisms, governance and risk management standards are poised to reap the benefits of this market opportunity.

NBFCs that are well-capitalised and ready with their business continuity and contingency plans will quickly bounce back in the post-COVID era. With robust planning and strategic initiatives in place, NBFCs can limit and overcome the impact of this pandemic-induced disruption.

MSMEs

MSME sector in India plays a vital role in the economic development and acts as a breeding ground for entrepreneurs and innovators, with considerable support in strengthening the business ecosystem. India is home to 63 Million MSMEs. They employ 110 Million individuals, contributing to over one-third of India's GDP. More than 6,000 products are produced by them for local and global consumption. These statistics highlight the fact that MSMEs are the backbone of Indian economy.

Impact of COVID on MSME

MSMEs earnings have been impacted by 20-50%*, owing to the disruptions caused by the pandemic. Micro and small enterprises were the worst impacted, primarily due to the liquidity issues. Disruption of supply chains and lockdown led to many MSMEs in the remote areas face difficulties. Some enterprises innovated their ways by shifting focus from non-essential commodities, to essential commodities and witnessed business continuity in terms of predictable cash flows.

(*Source:timesofindia.com)

MSME sector has been through a challenging phase in 2020. While the pandemic impacted business activity, a quick and decisive response from the government and RBI helped them stabilise. RBI changed the definition of MSMEs, widening their scope, based on turnover, launched Emergency Credit Line Guarantee Scheme (ECLGS), moratorium, restructuring, stressed MSME scheme and current opening guidelines. Credit Growth to the MSME sector witnessed a sharp rebound with 5.7% Y-o-Y growth in September 2020 on government's policy stimulus, including ECGLS . Commercial credit enquiries have grown again and generated pre-COVID levels. Approval rates have surpassed pre-COVID levels on the back of a 100% guarantee scheme. However, the second wave hitting the country led to a decline Y-o-Y credit growth to 1.5% in March 2021, the lowest level since May 2020.

(Source: TransUnion CIBIL: MSME Pulse-Feb 2021)

Government's fiscal measures for the MSMEs

The Government of India announced the ₹20 Trillion package, the focus of which is to make India self-reliant by developing and strengthening local supply chains. During the lockdown, the importance of local supply chains and retailers came to highlight. Dedicated announcements for the MSMEs to infuse liquidity, included ₹3 Trillion collateral-free loans, ₹50 Billion equity infusion for MSMEs through Fund of Funds and liquidity relief measures worth ₹30 Billion for NBFCs, HFCs etc. Interest subvention scheme for MSMEs was extended for Co-operative banks, providing an interest subvention of 2% p.a. to outstanding loans lower than ₹10 Million, providing more avenues to avail the benefits. Threshold of default under Section 4 of the Insolvency and Bankruptcy Code (IBC) was raised from ₹0.1 Million to ₹10 Million to prevent triggering of insolvency proceedings against micro, small and medium enterprises (MSMEs) which are going through a phase of financial distress. These measures ensured ample support for the MSMEs to allow them build resilience against the challenging macro-economic conditions.

Outlook

The long-term prospects for the MSME sector remain positive, despite being severely impacted by COVID. The benefit of various government measures, policies, and programmes aim to encourage MSMEs' growth. Budget allocation for MSMEs in FY 2021-22 have been more than doubled to ₹157 Billion (US$ 2.14 Billion) as against ₹7.57 Billion (US$ 1.03 Billion) in FY21. The government's reform measures will help fast-track MSME sector's recovery and revival. 'Vocal for Local', an effort to boost products made in India, will provide a much-needed growth push for the sector. Additional measures such as focus on infrastructure and production-linked incentives (PLI) for manufacturing sector are expected to boost demand for MSMEs, operating as OEMs or supplying ancillaries to the core industries.

AFFORDABLE HOUSING

The affordable housing market in India has received significant boost with the announcement of 'Housing for All by 2022' initiative of the Government of India. The residential sector in India is expected to receive a significant growth with targeted 20 Million homes across urban centres in India by 2022. More developers are foraying into the affordable housing category to meet the rising demand. The housing finance companies and PE Funds have also been focusing on this segment due to immense growth potential on account of robust demand.

Impact of COVID on Affordable Housing segment

The lockdowns led to complete stoppage of construction work. While the input prices have seen the northward curve, the availability of labour dipped during unlocking, raising the costs for real estate

developers and delaying the projects at the same time. The banks and financial institutions have tightened the lending norms. Lower demand and economic activity compounded the situation, creating a financial crunch for the real estate developers, especially the affordable housing sector.

Government's measures for the Affordable Housing segment

Public welfare schemes such as Pradhan Mantri Awas Yojana (PMAY) for the economically weaker sections, lower-and middle-income families and the recently launched Affordable Rental Housing Complexes (ARHCs) for urban migrant workers displaced during the reverse migration during lockdowns, are expected to provide investment boost to the affordable housing segment. Special Window for completion of construction of Affordable and Mid Income Housing (SWAMIH-I) supported housing projects have started witnessing fresh sales and collection of dues from existing homebuyers. Additionally, tax holiday on affordable housing projects have been extended upto March 31, 2022.

Outlook

With the projected completion date for Housing for All nearing, it is expected that the government will push more reforms and beneficial schemes so that the target is achieved. The COVID-related disruptions will also peter out on account of the on-going vaccination drive developing a herd immunity. The demand for affordable housing will continue to remain high, due to the gap in existing infrastructure availability and the segment of population lacking the basic need of housing. The supply side is being boosted with new initiatives to bridge this gap. These trends are expected to bode well for the affordable housing segment.

CONSTRUCTION

The Indian real estate sector is the second highest employment generator after agriculture and contributes to ~7% to the GDP. The sector is expected to be sized at $180 Billion* in 2020 and by 2030, it is expected to strengthen to reach $1 Trillion*. The construction sector receives third largest FDI in the country, as the cumulative FDI in the sector stood at $50.81 Billion between April 2000 to March 2021. The Indian real estate sector attracted $5 Billion institutional investments in 2020. Additionally, the Private Equity investments in the sector may bring an investment of $6 Billion in 2021, registering a Y-o-Y growth of 30%.

Impact of COVID on Construction Sector

The pandemic has had a detrimental effect on the Indian real estate sector. KPMG has estimated that the sector lost over ₹1 Trillion since the pandemic broke out, resulting in slump in sales and a liquidity crunch. The demand was impacted on multiple grounds:

₹1 Trillion
Loss in Real Estate Sector since pandemic

- Owing to loss of income from prospective buyers
- Lockdown also caused non-availability of labour due to reverse migration, affecting construction work progress
- Raw material supplies dried up due to supply chain disruptions on account of lockdown

The residential demand declined by as much as 40% in H1 FY 2020-21, as per India Ratings. This also led to a huge rise in unsold inventory, increased from 15 quarters in FY 2019-20 to over 19 quarters in H1 FY 2020-21, as per Liases Foras.

For commercial properties, the demand witnessed a decline due to the concept of 'work-from-home' catching up with companies. The market is dominated by few big players with pan-India presence. The operating model has shifted from sales to leasing and maintenance. The office space leasing activity is expected to pick up in 2021 and is likely to be at par with the 10-year average, i.e., 30-31 Million sq. ft. Business activity is shifting from CBDs to SBDs and Tier-I to Tier-II cities. The retail segment was one of the worst hit, as the malls and standalone shops still suffer due to lockdown. Limited mobility of consumers from visiting these destinations have exacerbated the circumstances. This led to delays in new project executions, decline in lease rentals and dampened demand.

Government's measures for the Construction Sector

The Government has undertaken major initiatives for the real estate – especially, the housing sector. Housing sector accounts for over 50% of the retail loans. Since 2019, the Reserve Bank of India had included home loans under ₹3.5 Million under the priority sector lending. Allowance of 100% FDI for townships and settlement development projects and reduction of minimum capitalisation for FDI from $10 Million to $5 Million are expected to provide substantial amount of FDI over the next two years, with US$ 8 Billion capital infusion by FY 2021-22.

Additionally, certain state governments introduced market-specific waivers in stamp duty to provide a fillip

*Statista.com

to the residential real estate. The Atmanirbhar Bharat 3.0 package announced in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value up to ₹20 Million (US$ 271,450.60) from November 12, 2020 to June 30, 2021. Buyers have been allowed to purchase homes at 20% below the circle rate without attracting any tax penalties. Construction premiums and levies, which account for >30% of the project costs are expected to be halved for a period of one year in Maharashtra, to provide a boost to the real estate sector.

Real Estate Investment Trusts (REITs) are newer investment instruments which help mobilising investments in the non-residential real estate. The first REIT was launched in March 2019 and during FY 2020-21, another IPO was oversubscribed by over 8 times. As of March 31, 2021, there are three listed REITs in India. This augurs well for the construction sector, as they have more avenues to raise funds. REITs help in mobilising funds from investors to the construction sector.

Outlook

With the numerous initiatives from the government and ambitious plans, greater opportunities exist in niche sectors within the real estate space. These include education, healthcare, senior citizen housing, smaller office spaces, serviced apartments and hotels. Apart from these niche sectors, the long-term prospects for the real estate sector remains positive, barring the current pandemic-related disruptions, which are expected to wither as vaccination drive progresses across the country.

The lower rate regime continued with the Union Budget's announcement to allow debt from foreign portfolio investors. Income diversification and stability are expected to gain importance, as the pandemic-induced new normal leads to somewhat lower the values of office properties and specialised assets like warehouses and data centres tend to gain prominence. Also, retail and hospitality will improve, as economic recovery progresses. Asset pricing is expected to improve as economy recovers during 2021. Income certainty will tend to score high, as opportunistic investments witness price corrections during these challenging times.

Business Review

STRATEGIC REVIEW

We, at CGCL, are committed to make a positive impact to our core focus segment – the underserved citizens, through our lending services. We aim to empower individuals and entrepreneurs, be a force of change to transform their aspirations into achievements. FY 2020-21 has been a year like no other for us, as we achieved our highest after-tax profits, despite the pandemic disrupting the economy. Our focussed approach towards innovation, agility and customer-centricity are responsible for this growth. Since couple of years, we have maintained a cautious stance on disbursements and as a conscious strategy, we have been slow to originate loans in both the Construction Finance (CF) and Indirect Retail Lending (IRL) book, as we commit more to the retail book in MSME and Home Loan segments. Despite being a challenging year, we were able to grow our AUM, as well as improved our spreads and NIMs resulting in better profitability during FY 2020-21.

During the year, we focused on cost rationalisation measures such as strategic repayment and pre-payment of high-cost debt, rent re-negotiations and so on. Further, we expanded our branch network and redefined the service coverage area of our existing branches, so that our branches now cover more area, driving efficiency improvement during the year, which substantially reduced cost to income ratio to 32% in FY 2020-21 from levels of 38% in FY 2019-20.

Our focus on expanding retail book and prudent lending practices enabled us to add new customers in MSME and Home Loan segments. The Company added new bank lines of ~₹22,950 Million in FY 2020-21; and have a comfortable liquidity position of ~₹6,350 Million and additional undrawn credit lines of ₹7,890 Million at end of FY 2020-21, which supports us for our future growth and meeting our operational and borrowing obligations.

Employee's health and well-being continue to be our top priority during these challenging times. We also displayed empathy towards our employees, customers and communities during the pandemic. We continued our focus on Tier-III and IV cities, with more granular portfolio.

OPERATIONAL REVIEW

Financial review

Performance Highlights						(₹ in Millions)
	Standalone			Consolidated		
Particulars	FY 2020-21	FY 2019-20	Y-o-Y Change (%)	FY 2020-21	FY 2019-20	Y-o-Y Change (%)
Total Revenue	5,760	5,821	-1	7,371	7,195	2
Total Expenses	3,831	3,925	-2	5,014	4,975	1
Profit Before Tax	1,929	1,896	2	2,357	2,219	6
Profit After Tax	1,435	1,357	6	1,770	1,612	10
Assets Under Management (AUM)	36,927	31,365	18	48,480	40,347	20
Earnings per share (₹)	8.19	7.75	6	10.10	9.21	10
Net Worth	16,273	14,826	10	17,173	15,391	12
Net Interest Income (NII)	3,259	3,275	0.5	3,848	3,872	-1
Net Interest Margin (%)	9.50	10.20	-7	8.7	9.50	-8
Interest Coverage Ratio	2.2	2.1	5	2.0	2.0	-
Debt Equity Ratio	1.6	1.4		2.2	1.8	
ROA (%)	3.5	3.8		3.2	3.7	
ROE (%)	9.2	9.6		10.9	11.0	
GNPA (%)	3.8	2.7		3.3	2.4	
NNPA (%) (post entire ECL Provision)	1.1	0.9		0.9	0.8	
Book Value per share (₹)	92.8	84.7		98.0	87.90	

The Standalone Gross Income of the Company was ₹5,760 Million for the year ended March 31, 2021, as against ₹5,821 Million in the previous year, thereby registering a reduction of 1%. This was majorly due to the COVID disruption impact, which was minimised due to operational efficiencies and relentless business focus. Total Expenses stood at ₹3,831 Million for the year ended March 31, 2021 as compared to the ₹3,925 Million in the previous year, registering a reduction of 2%, in line with reduced Gross Income. Net Profit registering a growth of 6% at ₹1,435 Million for the year ended March 31, 2021 as compared to the Net Profit of ₹1,357 Million in the previous year due to cost optimisation and better operational controls.

The Gross NPA of the Company stood at 3.8% and the Net NPA was at 1.1 % as of March 31, 2021, which is well below the industry averages.

The Consolidated Gross Income of the Company for the Financial Year ended March 31, 2021 is ₹7,371 Million, as compared to ₹7,195 Million in the previous year, thereby registering a growth of 2 %, on account of efficiencies and better business management. Consolidated Net Profit for the Financial Year ended March 31, 2021 was ₹1,770 Million, as compared to ₹1,612 Million in the previous year, registering an increase of 9.75 % due to cost optimisation and better operational controls.

The Consolidated Gross NPA of the Company stood at 3.3% and the Net NPA was at 0.9% as of March 31, 2021, which is well below the industry averages, corroborating our robust collection efficiency.

During the year, the Company focused on improving operating efficiencies of the organisation through successful implementation of IT initiatives and spread to Tier-III and Tier-IV locations, which assisted in tapping underserved markets in cost-efficient manner. Further, the Company optimised and realigned branch network that drove efficiency improvement during the year and reach to desired market segment.

Liquidity Position and Borrowings

We have comfortable liquidity position in terms of cash and bank balances and liquid investments of ₹1,956 Million and ₹4,394 Million, respectively, besides having un-availed bank limits of ₹7,890 Million as at end of FY 2020-21. Our Debt Service Coverage Ratio (DSCR) of 2.3 times and Interest Service Coverage ratio 2 times corroborate the fact. We are well positioned in meeting our short and medium-term obligations. We have a positive asset liability position in all buckets of < 1 year, 1-5 years and > 5 years. Our CRAR at 37% is strong and adequately capitalised. We have strengthened our relationships with banks and FIs and got an additional sanction of ₹22,950 Million during FY 2020-21. As on March 31, 2021, borrowings from public sector banks, private sector banks and FIs in term loans (tenure of 5-8 years)/Cash Credit (CC) limits were ₹36,189 Million as against ₹19,122 Million in FY 2019-20. Our gearing, as on March 31, 2021 is 2.2 times.

Product Analysis

We continued with the strategy of going granular and focused on sourcing small ticket size loans in all our verticals, spread over wider geographical area resulting into de-risking our loan portfolio, better control over delinquencies and better risk spread in the medium to long term.

MSME Financing

This segment continues to be our prime growth driver, contributing more than 52% to the total loan book of the organisation. As of March 31, 2021, we are present in over 85 locations. We have expanded to Tier-II and III cities in Gujarat, Rajasthan, Madhya Pradesh, etc. We have strengthened our retail business vertical, with MSME loan book swelling by 22.71% to ₹25,114 Million with 16,141 customers (previous year ₹20,466 Million with 12,578 customers).

The loan book is adequately secured with collateral in form of self-occupied residential or industrial or commercial property with an LTV of ~50% and average yield of 16% . All the incremental loans sanctioned in FY 2020-21, were sourced directly by the organisation. This allows us to maintain a better risk mitigation framework and easier post-sanction monitoring of loans. We have been moving towards a granular loan book, our average ticket size of loans is ~₹1.7 Million, our GNPA is 5.5%, lower than the industry average in this sector .

Outlook

We have a two-pronged approach to sustainable AUM growth in the MSME space: increasing productivity per head of our existing sales personnel and cost-effective branch expansion. Regular training sessions are underway to increase productivity of sales personnel, while maintaining a good quality asset book. We are also in the process of expanding our branch network to other Tier-II and III cities in India, while maintaining cost-efficiency at all times.

16%
Average yield of MSME Financing

13.3%
Average yield of Housing Finance

Housing Finance

Majority of our business growth arrives from Tier-III and Tier-IV cities. We have been gradually expanding our reach within the affordable housing segment through our subsidiary since the launch of this vertical in 2016. Branch network within this segment was expanded to 84 locations, providing the best utilisation of our existing infrastructure, reducing the overall costs, as it gets allocated to a wider base and we are using our synergies from our existing MSME segment's expertise to cross-sell Housing loans . In line with the industry averages, GNPA in the housing finance space remains contained at 1.8% due to our vigilant risk mitigation framework and prudent post-sanction monitoring of loans. We only lend to the affordable housing segment and to the customers applying for self-stay. Average ticket size in this segment stood at ₹1.1 Million for FY 2020-21 and average yield of 13.3%. We maintain LTV of ~59% on the housing finance book. Home loan segment has shown an impressive growth of 29% at ₹11,553 Million during FY 2020-21 as against ₹8,982 Million in FY 2019-20, and increasing our reach to 13,149 customers from 10,207 in previous year.

Outlook

Our housing finance business is expected to perform significantly and will be a prime growth driver in the coming years. We focus on the quality of the borrowers, with significant loan to value and cost control measures.

17.7%
Average yield of Construction Finance

Construction Finance

We continued with the cautious stance and monitored the developments during H1 FY 2020-21. Beginning Q3FY21, green shoots were visible in the NBFC and real estate sector. We spotted opportunities and re-started lending to this segment on selective basis. This move, however, did not affect our existing customers, thereby not impacting the status of the already-funded projects. Our focus was on minimum risk projects with clearly visible cash flows and adequate cover. Our construction finance AUM was at ₹8,734 Million with 126 customers (previous year ₹9,619 Million with 134 customers) due to cautious approach taken by us on wholesale lending in construction finance. We have maintained the lowest in industry GNPAs at 0.2% with average yield of 17.7%. This has been made possible by our strict lending parameters, through which we only finance developers in the affordable housing segment, with a preference given Tier-II and III cities exhibiting high employment rates. Accordingly, our construction finance business is focused on ~10 cities in India. Also, since we have a centralised team, which eliminates majority of requirements of branches, we are able to maintain a very low cost to income ratio, which augurs well for our growth and development. To ensure prudent risk mitigation, our strategy is to reach to a larger number of accounts, while reducing the average ticket sizes. Ticket size in construction finance in FY 2020-21 stood at ₹70.1 Million as compared to ₹70.2 Million in FY 2019-20.

Outlook

We will expand cautiously within this segment while focusing on risk-adjusted returns. This segment will continue to contribute ~24% of our consolidated loan book.

₹3,079 Million

Loan book of IRL segment

Indirect Retail Lending (IRL)

We lend to the NBFCs with net worth of over ₹500 Million and AUM of ₹1,000-1,500 Million. Our stringent lending terms and detailed verification and analysis of the borrower's profile reduce our risk to a great extent. Receivables are hypothecated and personal guarantees of promoters/corporate guarantee of holding company to add another layer of security. Our customers include fintech NBFCs, SMEs and Auto-finance companies, with BBB credit rating or unrated with strong credentials with at least a 2-3 year old portfolio. We always co-lend as additional lender to this category of borrowers. Indirect Lending segment is ~6% of total loan book at ₹3,079 Million with 14 customers in FY 2020-21 as against ₹1,280 Million having 9 customers in FY 2019-20.

Outlook

We will be more selective in building customer portfolio and will remain risk-free with strict lending parameters.

Human Resources

In these challenging pandemic times, safety and well-being of each of our team members was our top priority. Our people are the biggest enablers for our success. We cherish our relationship with all our people, providing them open and dynamic work culture, to ensure that they are deeply engaged with us and perform to the best of their abilities. We engage with our employees through various initiatives utilising multiple modes of connectivity.

Our people's team ensures that all our employees feel valuable and take pride in our broader vision of making a positive social impact.

FY 2020-21 has witnessed many challenges in the global economy due to the outbreak of the pandemic. It has significantly impacted the personal and professional lives of the people.

HR INITIATIVES IN RESPONSE TO COVID

- Availability of sanitisers, masks and necessary Personal Protective Equipment's (PPEs), based on the role requirements of the employee
- Fumigation and deep cleaning of offices, common areas and individual workspaces
- Regular communications highlighting protocols and best practices
- Provision of healthy food and supplements to boost immunity
- Tie-up with pharmacy chains, for discounts on medicine and FMCG products for our employees
- Tie-up with TPA to provide 24x7 COVID assistance to our employees remotely. A helpline number was dedicated to all employees, in case of any assistant required
- Doctors were empanelled to provide consultancy in case of any requirement by the employees
- Personal collaborations were replaced with e-mail and video conferencing
- Webinars were arranged for all the employees for the awareness about COVID
- Our people's team was focussed on ensuring that all our employees receive our support during this pandemic situation and they are completely engaged and motivated

Learning and Development

We believe that learning is a continuous process, especially while working in a dynamic business scenario. Our focused employee training, on-the-job learning and other development initiatives ensures the employees develop the right skills and are able to use these skills and their knowledge, while executing their responsibilities at work. We ensure that the skills and knowledge of our people are upgraded on a regular basis. With the help of the Training Need Analysis (TNA), employees at the branch levels were trained on monthly basis which helped them to understand the business in a better way and perform well.

The objective was to achieve uniformity in processes across the organisation. This was achieved through interactive classroom-based sessions conducted in each state for our Managers and above designations. These sessions covered functional aspects like policies training, documentation expertise, legal and technical valuations through interactive formats and incentive structure. This included role plays, quizzes, and feedback. Systems training was launched for Sales Mobility. During the year, we launched Capri Pedia Mobcast* - a mobile learning application for our team members.

Rewards and Recognition

We have designed our rewards and recognition (RNR) programme, which further builds their sense of belongingness at the workplace. Employees are rewarded with E-certificate/vouchers, which keeps them motivated.

Recruitment

Our brand strength can be recognised in the collective strength of our employees, who also act as our brand ambassadors. Our dedicated team members contribute relentlessly towards the growth of our organisation. With the employees' trust in the brand, we attract and retain quality talent.

We have a strong employee referral programme running throughout the year, which serves dual purposes. Our employees can refer their friends, who have the opportunity of becoming their work colleagues and for us, we get trust-worthy team members. Preference is given to referred candidates due to this reason. The trend is showing an increase from 90% to 94% in employee referrals for the FY 2020-21.

Employee Engagement Initiatives

Employee engagement has emerged as a critical drive of business success in today's competitive marketplace. Engaged employees have a positive attitude towards life and have high levels of enthusiasm and productivity. Employees are provided with opportunities to take up challenging roles, helping them in career progression, reduce boredom and keeping them engaged.

Festivals such as Diwali, Independence Day, Holi and Christmas were celebrated with great fervour. To appreciate the efforts of each woman working with Capri, we celebrated Women's Day with personalised e-card for all the female employees. These celebrations included fun-filled games, which inculcated team spirit and extended the engagement levels to the families of the employees.

Technology as an Enabler for the People

With the help of our in-house technology team, we have evolved our HR process reducing our manual intervention with automation. This has helped us to focus on strategic aspects of HR function. To facilitate automation, we adopted tools like self-service employee portals, onboarding, exits and performance reviews. We have also developed an interface for prospective candidates to complete their documentation and interview process during the offer stage. Technology has enabled us to gather, collect and deliver information, as well as communicate with employees more easily and efficiently.

* Please refer to page 45 for details on Capri Pedia Mobcast app

CAPRI PEDIA MOBCAST

It is a user-friendly mobile application, which can be accessed from anywhere and anytime. This application was launched with an objective of quick learning and easy access to product knowledge, Standard Operating Procedures (SOPs), organisational announcements, among others. Our learning programme is now accessible across geographies, which leads to enhanced employee participation in learning.

It also doubles up as a social media-styled mobile application, which helped us to stay connected with our employees virtually and help us engage with them on a daily basis. We celebrated festivals with our colleagues and their families through this app. Within very short period of time, we had 1,000+ members in this app.

Diversity and Inclusion

In the current volatile business environment, achieving diversity is the factor for competitiveness and growth of any organisation. To create an inclusive and dynamic environment, we ensure that everyone receives an equal opportunity to succeed. We at Capri, ensure that we employ people without any bias towards gender or any other traits, such as religion, caste, creed or sexual preference. It also includes providing equal chances of promotion, pay-rises, and inclusion in decision-making process.

31 years

Average age of employees (as on March 31, 2021)

We had a talent pool of 1,900+ committed employees, with an average age of 31 years as on March 31, 2021. During the year, we recruited 1,207 new team members, 14 among, which were female to enhance the gender diversity. Our attrition in the FY 2020-21 stands at 11.5% much below the industrial levels.

Our people team, guided by the top management, relentlessly undertakes various people-centric activities to keep all our employees engaged and provide them with suitable opportunities.

With an enthusiastic team, experienced leadership and a visionary leader, we have our fundamentals in place to face any challenge coming our way. In FY 2020 -21, we continually invested in developing the talent on board to make sure each sales personnel was performing at their best capacity.

Information Technology

We deploy state-of-the-art technologies to improve and simplify business processes, which reduce costs, enhance productivity and efficiency, leading to better customer experience. This ultimately helps us realise our mission of financially empowering India. During FY 2020-21, we continued to leverage digital channels and high-end technology to grow more profitably, while keeping a tab on the risk management framework.

We continued investing in state-of-the-art technology on various platforms which has strengthened the Loan Origination as well as Processing and Management of loans. With implementation of these technology initiatives, we have achieved significant reduction in Turnaround Time (TAT) and easier loan processing across various stages. Also, we are in continuous pursuit to improve customer experience and create better and enhanced risk monitoring and risk management framework through technology. Technological initiatives ensured continued business operations during the COVID-19 related lockdown.

We implemented digital initiatives to enable faster onboarding and better client servicing. This included digital sourcing, data and analytics-driven decision-making, apart from business and servicing enablers.

We deploy specialised applications sourced from niche professional vendors, so that they take care of our specific requirements. Our analytics driven underwriting include applications such as Credit Risk Classification (CRC) scorecard and bureau scrubs, whereas tools for enabling digitised workflow include mobility applications and verification and screening tools.

We have centralised MIS and datamart capabilities, in addition to our learning and development application. We have deployed integrated payment solutions, through self-service portal. We also have a machine-learning driven debt collection engine and an automated reconciliation tool.

During COVID, we deployed various digital tools to enable business continuity and aid our people to work from home. VPN, SD-WAN based branch connectivity, systematic network management, vulnerability management tool, mobile device management system being some of them. We also upgraded our platforms and implemented some cutting-edge core technologies including hybrid cloud, data backup technologies and infrastructure security systems for a robust information security technology.

Risk Management

Risk management at CGCL involves identification and clear definition of all the risks applicable, assessing the impact of the risks and strategising mitigation measures. Risk management framework is of prime importance, due to the mature nature of our business. Our Board of Directors regularly keep an oversight on this function, with a specially designated Risk Management Committee, which strengthens our Risk Management function. It provides the mechanism for identifying, assessing and mitigating risks. We have an Asset Liability Management (ALM) Policy, approved by the Board, which is controlled by the Asset Liability Management Committee (ALCO) to assess the risk arising out of the liquidity gap and interest rate sensitivity.

Safe lending

Credit assessment of a customer's profile is an important precursor to safe lending. The right selection of customers ensures better asset quality and higher profitability. To strengthen our customer onboarding process, we have undertaken following initiatives:

- Continued engaging with CICs to access proven data, strengthening customer mapping
- Continued learning and development programmes to impart functional trainings at branch, regional and national levels
- Made the onboarding process stronger by segregation of duties and stronger maker and checker approach

- Continued legal and technical vetting at regional level
- Continued the process of dual property visit by technical team and credit team, ensuring the right selection of assets for financing

Navigating through COVID

The pandemic we braved was a one-of-its-kind event, since World War-II. While there has been widespread disruption, we have undertaken the following mitigation measures against this:

- Fumigation, deep cleaning and sanitisation of all premises on a regular basis to protect employees and others visiting our offices from infection.
- Making employees equipped with masks, sanitisers, PPE, provision of healthy food and supplements, discounts on medicines to ensure people are safe and healthy during the pandemic.
- Compliances with all government regulations and guidelines during and post lockdown
- Extensive use of technology to keep business continuity intact. These initiatives included implementation of new digital solutions enabling work from home.
- Digitalising customer service, employee processes and routine operational processes such as collections, issue of receipts, statements, employee onboarding, training, learning and development, employee engagement and so on.

RISK AND DEFINITION	RISK MITIGATION
Credit Risk	
The most common risk faced by any lending institution is the borrower's inability to repay the loan. The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy.	• We have stipulated prudent lending policies for each business vertical, considering the risk involved with different products and customer profiles. • We have designed a robust and dynamic credit appraisal system to minimise the probability of default. • Our credit appraisal system conducts customer meetings (business and residence) and field investigations, credit information bureau checks, in-house technical and legal verification, adequate loan to value ratio and term cover for insurance. Thorough reference checks of the borrower's overall goodwill and integrity in the market are conducted. This is followed by a thorough business assessment and long-term viability by analysing cash flows of the potential customers. • All loans are fully secured by mortgages and we have first and exclusive charge on collateral properties. We have put in place an in-house Fraud Control Unit (FCU), having expert knowledge in fraud detection and forensic analysis of documents, to detect and eliminate potential frauds being committed on CGCL.
Operational Risk	
It is the risk of possible losses, arising due to lack of proper flow and inadequate controls over our internal processes, people, systems and operations. Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability.	• We have a state-of-the-art technology-driven process flow and operational control system. • A responsive customer portal for enhanced efficiency and deeper engagements with customers. • Our internal control infrastructure is well-aligned with our underwriting and collection processes, which are managed by a highly competent and trained team.

RISK AND DEFINITION	RISK MITIGATION
Liquidity Risk	
Liquidity risks emanate from the gaps in financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.	• We have a dedicated treasury team to manage liquidity and monitor fund availability and deployment on daily basis. • Reports are submitted to ALCO members, and are used to make relevant liquidity forecasts on quarterly basis for the next 6 months. • We have exposure to all long-term funds with repayment tenure of 5-10 years and are sourced from banks and FIs. We are in a strong position to mobilise funds for growth having higher CRAR of 37%.
Portfolio Concentration Risk	
This category of risk is associated with the concentration of credit in a particular segment of borrowers, products or geography. Skewed exposure in one particular sector and geographical concentration may result in losses if the sector or geography does not do well. It affects the quality of the asset-book and assessment by financing institutions.	• Our key competitive advantage lies in our ability to build a de-risked portfolio with exposure to multiple sectors, wider geographies, varied customer profiles and lower ticket size loans. • The MSME segment, with its high untapped potential and lower risk continues to be the largest contributor to CGCL's total portfolio followed by Construction Finance, Home Loans and Indirect Retail Lending. • Each lending segment has varied customer profiles and focus on smaller ticket sizes coupled with a large customer base and fair distribution of geographical risk. • Our expansion plan envisages the risks involved vis-à-vis new business opportunities while selecting a potential location for expansion.
Strategic and Business Risk	
It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions. Lack of timely response to such unforeseen conditions can lead to major tremors in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of available spreads, slow-down in certain customer segments are some of the potential business risks faced by us.	• Our strategy, business and risk teams keep a track of key economic trends, sector developments and market competition, which allows us to take well-informed and intime strategic decisions. • Our customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. • Business issues which are of strategic importance are referred to the Board members, who are experts with rich experience in their respective fields. Intense brainstorming sessions are conducted to evaluate and design the relevant strategies, which help us in tackling the business uncertainties and circumventing business disruptions.
Interest Rate Risk	
Volatility in interest rates can have a negative impact on our borrowing costs, decline in interest income and net interest margins. This can cause a mismatch on our asset–liability position and could lead to lower profitability and lower returns.	• Interest rate movements are tracked and reviewed by Asset Liability Management Committee (ALCO) on a quarterly basis and base lending rate i.e. Long-Term Rate of Return (LTRR) is decided by ALCO after considering various factors. • Most of our portfolio is built on floating interest rates. • Interest rates are primarily market driven and our interest risk strategy is well adept at managing the changing market dynamics.

RISK AND DEFINITION	RISK MITIGATION
Regulatory and Compliance Risk	
CGCL is a systematically important non-deposit taking NBFC (NBFC-ND-SI), under the regulatory supervision of the RBI. Being a listed entity, CGCL is required to comply with regulations, directions issued by Securities & Exchange Board of India (SEBI). Non-compliance of the rules, regulations and statutes leads to stringent actions and penalties from the Regulator or Statutory Authorities.	• We have a separate compliance department, headed by a Senior Personnel. We keep ourselves abreast with all recent developments and changes in the regulatory framework/guidelines to ensure a timely, effective and proper implementation and compliance. • We diligently comply with Capital Adequacy Norms, Fair Practice Code, Asset Classification, KYC/PMLA Guidelines, Provisioning Norms, Corporate Governance framework, Timely Reporting with RBI/SEBI/Stock Exchanges/ Ministry of Corporate Affairs, etc. among others to ensure a comprehensive compliance framework. This is continuously reviewed and monitored by a robust internal audit and control framework.
Information Technology Systems Risk	
We deploy information technology systems, including Enterprise Resource Planning (ERP), Loan Management applications, Data Repository and Mobile Solutions to support our business processes, communications and customer details and loan records. Data integrity and physical assets. Risks could primarily arise from the unavailability of systems and/or loss or manipulation of information or information data security.	• We have robust Information Security Risk monitoring systems and tools to guard and protect sensitive customer data and guard against potential hackers and viruses. • Robust governance, controls and sophisticated technology is adopted across lines of business to ward off cyber threats and protect information available with the Company. • To mitigate these risks, we use back up procedures, restricted access to applications and other security restrictions. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis and users are educated on adherence to the policies to eliminate data leakages. • As a part of the Business Continuity Plan (BCP), we have created a remote Disaster Recovery Site, which gets tested on a regular basis.

Internal Controls

Adequate internal control systems commensurate with the size and nature of our operations are in place at CGCL. Internal control systems comprising policies and procedures and well-defined risk and control matrix are designed to ensure orderly and efficient conduct of business operations, safeguard our assets, prevention and detection of errors and frauds, ensure strict compliance with applicable laws and assure reliability of financial statements and financial reporting. An extensive programme of internal audits, and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. The efficacy of internal control systems is tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

Directors' Report

Dear Members,
Capri Global Capital Limited

The Directors of the Company are pleased to present 27th Annual Report together with the Annual Audited Consolidated and Standalone Financial Statements for the Financial Year ended March 31, 2021.

FINANCIAL PERFORMANCE

I. Financial Highlights

The summary of the Company's Financial Performance, both on consolidated and standalone basis, for the Financial Year 2020-21 as compared to the previous Financial Year 2019-20 is given below:

(₹ In Mn)

	Standalone		Consolidated	
Particulars	**2020-21**	2019-20	**2020-21**	2019-20
Total Revenue	5,760.51	5,821.62	7,371.37	7,195.04
Less: Operating Expenses & Provisions	1,197.97	1,415.84	1,477.40	1,740.14
Less: Impairment on financial instruments (Expected Credit Loss)	462.69	265.17	544.68	299.23
Profit before Interest, Depreciation & Taxes (PBIDT)	4,099.85	4,140.61	5,349.29	5,155.67
Less: Depreciation	85.27	84.72	105.11	107.84
Less: Interest & Finance Charges	2,085.20	2,159.72	2,887.05	2,828.02
Profit Before Tax	1,929.38	1,896.17	2,357.13	2,219.81
Less: Provisions for taxation	494.20	538.91	587.58	607.48
Profit After Tax (PAT)	1,435.18	1,357.26	1,769.55	1,612.33
Profit After Tax (PAT) including Other Comprehensive Income	1,439.60	1,360.18	1,774.26	1,615.16
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	287.92	272.04	287.92	272.04
Earnings per Share (EPS) (₹) Basic	8.19	7.75	10.10	9.21
Earnings per Share (EPS) (₹) Diluted	8.13	7.70	10.03	9.15
Net Worth	16,272.68	14,826.17	17,173.01	15,391.85
Loan Book / Assets Under Management (AUM)	36,930	31,366	48,480	40,348

OPERATIONAL PERFORMANCE/STATE OF AFFAIRS

I. Standalone Financial Performance

The Gross Income of the Company stood at ₹5,760.51 Mn for the year ended March 31, 2021 as against ₹5,821.62 Mn in the previous year. The Company reported a Net Profit of ₹1,435.18 Mn for the year ended March 31, 2021 as compared to the Net Profit of ₹1,357.26 Mn in the previous year due to cost optimisation and better operational controls.

The loan book has grown by 18% and stood at ₹36,930 Mn as against ₹31,366 Mn in the previous year. The Company has further strengthened its retail business vertical and MSME Loan book has grown by 23% to ₹25,110 Mn having 16141 customers (previous year ₹20,470 Mn having 12,578 customers) with the average ticket size at ₹1.70 Mn. Construction Finance business loan portfolio (including indirect lending) stood at ₹11,800 Mn with 140 customers (previous year ₹10,899 Mn with 134 customers) due to cautious approach of the management towards wholesale lending in construction finance.

The Company along with its wholly-owned subsidiary company viz. Capri Global Housing Finance Limited, had presence across 85 locations spread over 9 States during the year as compared to 87 locations spread over 8 states of the previous year.

The Company had continued with strategy of going granular and focused on sourcing small ticket size loans in all its verticals, spread over wider geographical area resulting into de-risking the loan portfolio, better control over delinquencies and better risk spread in the medium to longer term.

The Gross NPA of the Company stood at 3.8% and the Net NPA was at 1.1 % as of March 31, 2021, which is well below the industry averages.

II. Consolidated Financial Performance

The Consolidated Gross Income of the Company for the Financial Year ended March 31, 2021 is ₹7,371.37 Mn vis- a-vis ₹7,195.04 Mn in the previous year, thereby registering a growth of 2.45 %. Consolidated Net Profit for the Financial Year ended March 31, 2021 is ₹1,769.55 Mn as compared to ₹1,612.33 Mn in the previous year, registering an increase of 9.75 % due to cost optimisation and better operational controls.

During the year, the Company focused on improving operating efficiencies of the organisation through successful implementation of IT initiatives which helped in tapping and spreading to underserved markets in Tier 3 and Tier 4 locations in cost-efficient manner. Further, the Company optimised and realigned branch network that drove operational efficiency during the year and reach to desired market segment.

Due to Covid-19, it has been a challenging year especially for the financial services sector due to issues relating to constrained movements and lockdown across the country. It affected all the non-essential sectors and the major urban markets during the first three quarters, while the situation returned to normal during the last quarter. MSME and Construction finance sector faced many challenges, but the company was successfully able to achieve growth due to its conservative, cost efficient and tech driven business model.

The Company continues to focus on being there for its employees, customers, clients and communities during the unprecedented and uncertain environment due to COVID 19 pandemic. The Company's business strategy continued to be focused on Tier 3 & 4 cities, building granular portfolio, and having cautious and multi-layered credit approach and adequate collateral-based lending.

RESOURCE MOBILISATION

The Company has strengthened its relationships with banks /financial institution and got fresh sanctions of ₹14,750 Mn during the financial year under review. As of March 31, 2021, borrowings from Public sector, private sector banks and financial institutions in term loans / CC limits were ₹19,777 Mn as against ₹19,123 Mn in FY 2019-20. The Company, during the FY 2020-21, has raised ₹5,000 Mn through Secured Redeemable Non-Convertible Debentures through Private Placement. The gearing of Company as of March 31, 2021 is 1.61 times. The Company has not issued any Commercial Papers and has NIL outstanding as on March 31, 2021.

DIVIDEND

The Directors have recommended final dividend of ₹0.40 per share of the face value of 2/- each for the Financial Year 2020-21 (previous year ₹0.20 per Share). The final dividend on Equity Shares, if approved by the Members in the upcoming Annual General Meeting, would involve a total outgo of ₹70 Mn for the Financial Year 2020-21 as against ₹35 Mn for the previous year and will be paid to those Members, whose names appear on the Register of Members/beneficial holders' list at the close of business hours on September 08, 2021.

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations"), the Board of Directors of the Company has formulated the Dividend Distribution Policy setting out the parameters and circumstances that will be considered by the Board in determining the distribution of dividend to its Members. The Policy is available on the website of the Company at https://www.capriglobal.in/corporate-governance/.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to ₹235,824.84 as on date of holding of Annual General Meeting, i.e., July 31, 2020. During the year, Unclaimed Dividend for the Financial Year 2012-13 amounting to ₹33,923 was transferred to Investor Education and Protection Fund on November 25, 2020.

The Company has uploaded the details of unclaimed dividend on the Company's website at https://www.capriglobal.in/unclaimed-shares-unclaimed-dividends/ and also on website specified by the Ministry of Corporate Affairs http://www.iepf.gov.in/IEPF/services.html.

IEPF is holding 35,615 Shares of the Company, at the end of the year under review.

TRANSFER TO RESERVES

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. Accordingly, the Company has transferred ₹287.92Mn (previous year ₹272.04 Mn) to Statutory Reserve Account. No amount is proposed to be transferred to General Reserve.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

AWARDS AND RECOGNITION

The Company received an award "ET Best BFSI Brand" and Mr.Rajesh Sharma received an award for Most Promising Business Leader of Asia by The Economic Times.

SHARE CAPITAL

As on March 31, 2021, the Authorised Share Capital of the Company stood at ₹7,200 Lakhs (36,00,00,000 Shares of ₹2/- each) and the Issued, Subscribed and Paid-up Equity Share Capital of the Company stands at ₹350.57 Mn. (comprising of 17,52,85,355 Equity Shares of ₹2/- each). During the Financial Year 2020-21, the Company has issued and allotted 150,550 equity shares of ₹2 each on exercise of Stock Options granted to the employees of the Company.

RBI GUIDELINES

Your Company is registered as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI) with RBI. Accordingly, during the year, the Company has not accepted any deposits from the public and therefore, there is no deposits which become due for repayment or renewal. The Company has complied with the 'Master Directions - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', amended from time to time and all other applicable Directions/regulations/circulars of RBI during the Financial Year 2020-21.

CAPITAL ADEQUACY RATIO

As on March 31, 2021, the Company's Capital Adequacy Ratio (CAR), stood at 37.7% of the aggregate Risk Weighted Assets on Balance Sheet and Risk Adjusted Value of the off-Balance Sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

EMPLOYEES' STOCK OPTION SCHEME

During the year under review, the Nomination and Remuneration Committee of the Board has granted 3,15,000 stock options to the eligible employees under the Employee Stock Option Scheme 2009. The Company has issued and allotted 150,550 equity shares of ₹2 each on exercise of Stock Options granted to the employees of the Company.

The disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015, is attached to this Report as Annexure I hereto and is also available on website of the Company at https://www.capriglobal.in/investor-information/.

A certificate from the Statutory Auditors certifying that Employee Stock Option Scheme 2009 has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) passed by the Members would be uploaded on website of Company www.capriglobal.in during the Annual General Meeting of the Company for inspection by the Members.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Board has adopted accounting policies which are in line with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organisation's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee periodically, reviews and evaluates the adequacy of internal financial control and risk management systems. Efficacy of Internal control systems are tested periodically by Internal Auditors and Internal Control over Financial Reporting is tested and certified by Statutory Auditors.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

SUBSIDIARY ENTITIES

(a) As on March 31, 2021, your Company has 2 (two) subsidiaries namely Capri Global Housing Finance Limited and Capri Global Resources Private Limited. Your Company's subsidiaries have considerably contributed to the overall growth of your Company during the year. There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Act and Regulation 34 of SEBI Listing Regulations, the consolidated financial statements of the Company and all its subsidiary companies have been prepared and are forming part of this Annual Report. A statement containing salient features of the financial statements of subsidiary and associate companies is stated in the prescribed Form AOC-1 as Annexure I, attached to the Consolidated Financial Statements of the Company.

In accordance with the provisions of Section 136 of the Act, the annual financial statements and related documents of the subsidiary companies are placed on the website of the Company at www.capriglobal.in. Members may download the annual financial statements and detailed information on subsidiary companies from the Company's website and are also available for inspection during business hours at the registered office of your Company. Any Member who is interested in obtaining a copy of the audited financial statements of your Company's subsidiaries may write to the Company Secretary at the Registered Office of your Company.

(b) Financial Performance & position of Subsidiaries

1. **Capri Global Housing Finance Limited**

   Capri Global Housing Finance Limited ("CGHFL"), a registered Housing Finance Company licensed by National Housing Bank is a wholly owned subsidiary of your Company and it primarily serves the housing loan needs of middle and lower-income families, classified as affordable housing.

CGHFL has shown an impressive growth of 29 % in its loan portfolio to ₹11,550 Mn. in the Financial Year 2020-21 as against ₹8,982 Mn. in the Financial Year 2019-20 and has increased its reach to 13,149 customers from 10,207 customers in previous year. Total Income increased by 17.31% to ₹1,636.18 Mn. in the Financial Year 2020-21 as against ₹1,394.69 Mn. in the Financial Year 2019-20. Profit after tax registered a growth of 37.46% at ₹334.48 Mn. in the Financial Year 2020-21 as against ₹243.32 Mn. in the Financial Year 2019-20

2. Capri Global Resources Private Limited
   Capri Global Resources Private Limited ("CGRPL"), is a wholly owned subsidiary of your Company. CGRPL has reported loss of ₹1 Mn. during the year.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Rajesh Sharma (DIN:00020037), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Board of Directors recommend his appointment.

During the year under review, pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Desh Raj Dogra (DIN: 00226775) as an Additional Independent Director of the Company for a period of five years with effect from February 1, 2021, subject to the approval of the members in the ensuing 27th Annual General Meeting of the Company.

Pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Jayesh Doshi (DIN:00017963) as an Additional Director of the Company and he was also appointed as Whole-time Director and designated as Executive Director & Group President of the Company for a period of five years with effect from November 7, 2020. Mr. Jayesh Doshi (DIN:00017963) resigned for personal reasons from his position and was relieved of his duties w.e.f. March 31, 2021.

During the year under review Mr. Ajay Relan (DIN:00002632) ceased to be an Independent Director w.e.f. October 2, 2020 and was re-designated as Non-Independent Non-Executive Director of the Company.

The brief details of the Directors proposed to be re-appointed as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI Listing Regulations is provided in the Notice convening Annual General Meeting of the Company.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

As of March 31, 2021, the Company has five Independent Directors including one woman Director.

In compliance of Section 203 of the Act and as recommended by the Nomination and Remuneration Committee, Mr. Raj Ahuja was appointed as Group Chief Financial Officer of the Company w.e.f. December 15, 2020. Mr. Ashish Gupta, who was appointed as Chief Financial Officer of the Company w.e.f. May 3, 2019, resigned w.e.f. July 8, 2020.

Further, Mr. Harish Agarwal was appointed as Senior Vice President & Company Secretary and Compliance Officer of the Company w.e.f. November 7, 2020. Mr. Abhishekh Kanoi resigned as a Vice President & Group Company Secretary at the close of business hours on November 6, 2020.

As on the date of this Report, Mr. Rajesh Sharma, Managing Director, Mr. Raj Ahuja, Group Chief Financial Officer and Mr. Harish Agrawal, Senior Vice President & Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations.

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act. All the Directors meet the 'Fit and Proper' criteria as per the policy of the Company and as stipulated by RBI.

Opinion of the Board regarding Independent Directors appointed during the year

Mr. Desh Raj Dogra (DIN: 00226775) was appointed as an Independent Additional Director of the Company with effect from February 1, 2021. The Board of Directors acknowledge and confirm regarding integrity, expertise and experience of Mr. Dogra, being eligible for discharging his functions and providing requisite contribution to the Board as an Independent Director of the Company.

Board Meetings

During the year, 6 (Six) meetings of the Board of Directors were held. Details about the Board Meetings and Committee Meetings are given in report on Corporate Governance forming part of this Report.

Constitution of various Committees

The Board of Directors of the Company has constituted various Committees including the following:

I. Audit Committee

II. Nomination and Remuneration Committee

III. Corporate Social Responsibility Committee

IV. Stakeholders' Relationship Committee

V. Risk Management Committee

Details of each of the Committees stating their respective composition and terms of reference are uploaded on Company's website atwww.capriglobal.in and are stated in brief in the Corporate Governance Report attached to and forming part of this Report.

Policies on Appointment of Directors and their Remuneration

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). Further, the Company has in place the orderly succession plan for the appointments at the Board and Senior Management level.

The Company's policy on Directors' appointment and remuneration and other matters as provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

The relevant Policy(ies) have been uploaded on the website of the Company and can be accessed through the link https://www.capriglobal.in/corporate-governance/.

Annual Evaluation of Board, its Committees, and Individual Directors

The Company has devised a Policy for performance evaluation of the Board, its Committees, and other individual Directors (including Independent Directors) which includes criteria for Performance Evaluation of the Non-Executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communicating inter se Board Members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual evaluation of the performance of the Board, its Committees and Individual Directors and Chairperson. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

Familiarisation Program for Independent Directors

Familiarisation Program for Independent Directors is mentioned at length in Corporate Governance Report attached to this Report and the details of the same have also been disclosed on the website of the Company at https://www.capriglobal.in/corporate-governance/.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure;

b) they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

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

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

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

AUDITORS

A. STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, conducted the statutory audit for the financial year 2020 - 21. There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their Audit Report for the financial year 2020-21.

The RBI Circular DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, prescribes that the tenure of the Statutory Auditors shall not be more than three continuous years. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration no. 117366W/W-100018), Mumbai, were appointed as Statutory Auditors of the Company in the Twenty Third AGM held on July 17, 2017 for a period of five years and the said appointment was valid till the conclusion of Twenty Eighth AGM. Pursuant to the aforestated RBI Circular, Deloitte Haskins & Sells LLP have completed a period of three years as a Statutory Auditors of the Company and have conveyed their ineligibility to continue as Statutory Auditors of the Company for Financial Year 2021-22.

To be compliant with the above mentioned RBI circular, The Board of Directors at their meeting held on August 2, 2021 has recommended appointment of M/s. M M NISSIM & CO. LLP, Chartered Accountants, (Firm Registration no. 107122W/W100672), Mumbai, as the Statutory Auditors of the Company with effect from the conclusion of this (Twenty Seventh) AGM till the conclusion of the Thirtieth AGM (for a period of three years). M/s. M M NISSIM & CO. LLP, Chartered Accountants have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and aforestated RBI circular.

B. SECRETARIAL AUDIT

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed Mr. Haresh Sanghvi, Practicing Company Secretary for conducting Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2021 is appended to this Report as Annexure II (A). There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the financial year 2020-21. The other observations, if any, of the Secretarial Auditor, are self-explanatory.

In terms of Regulation 24A of the Listing Regulations, the Secretarial Audit Report of material subsidiary of the Company i.e Capri Global Housing Finance Limited for the financial year ended March 31, 2021, is annexed to this Report as **Annexure II(B)**.

C. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor of the Company have reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Policy of the Company, inter alia, list the activities that can be undertaken or supported by the Company for CSR as envisaged in Schedule VII of the Act, composition and meetings of CSR Committee criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The details of CSR Policy of the Company are available on the website of the Company at https://www.capriglobal.in/corporate-governance/. The composition and terms of reference of the CSR Committee are provided in the Report on Corporate Governance.

In terms of Section 135 of the Act, the details of the CSR spent during the year under review is provided in the Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 and attached to this Report as **Annexure III**.

RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, review and monitor the risk management plan for the Company and ensuring its effectiveness in addition to Asset Liability Management Committee('ALCO') which monitors and manages the liquidity and interest rate risks. The Company and its subsidiaries have a risk management framework and the Committee on timely basis informs the Board Members about risk assessment and minimisation procedures which in the opinion of the Committee may threaten the existence of the Company, if any. The Audit Committee has additional oversight in the area of credit & liquidity risks, interest rate risk, and operational risk. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The details of the functioning of the Risk Management Committee and ALCO and its frequency of meetings are provided in Report on Corporate Governance forming part of this Annual Report. The Company follows a proactive risk management policy, aimed at protecting its assets and employees while at the same time ensuring growth and continuity of its business. Regular updates on the development in the business environment and the risk mitigation initiatives are provided to Board at its meeting.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure IV**.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection and any Member interested in obtaining such information may write an email to the Company Secretary at compliance.officer@capriglobal.in and the same will be furnished on such request.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure/information is related to any Director of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and SEBI Listing Regulations. The same is displayed on the website of the Company at https://www.capriglobal.in/corporate-goverance/. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval.

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note - 41 of Standalone Financial Statements.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act in the prescribed Form AOC-2.

ANNUAL RETURN

Pursuant to the requirement under Section 92(3) of the Companies Act, 2013, copy of the annual return for financial year ended March 31, 2021 can be accessed on our website at https://capriglobal.in/investor-information/.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, Management Discussion and Analysis Report forms part of this Report.

REPORT ON CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. In terms of Regulation 34 of the SEBI Listing Regulations, the Report on Corporate Governance for the financial year ended March 31, 2021 along with the certificate from the Secretarial Auditors of the Company confirming the compliance with regulations of Corporate Governance under the SEBI Listing Regulations is annexed to the Report on Corporate Governance and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report is appended as **Annexure V** and forms part of this Report and can also be accessed on the Company's website at www.capriglobal.in.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formulated and established a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and to report incidents of leak or suspected leak of unpublished price sensitive information. Adequate safeguards are provided against victimisation of those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The Whistle Blower Policy is available on the website of your Company at https://www.capriglobal.in/corporate-goverance/.

During the year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has adopted zero tolerance for sexual harassment at workplace and has formulated a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 ("POSH Act") and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace. Your Company has complied with provisions relating to the constitution of Internal Committee under the POSH Act.

During the year under review, no complaints were received from any of the employees.

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

The Company being engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

During the Financial Year 2020-21, the Company's foreign exchange earnings were NIL and outgo was ₹1.61Mn. as against ₹9.68 Mn. in the previous year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

The Company being a Non-Banking Finance Company, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company.

As regards investments made by the Company, the details of the same are provided under Notes in the Financial Statements of the Company for the year ended March 31, 2021, forming part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS

During the Financial Year 2020-21, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

LISTING

Equity Shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. Your Company has paid required listing fees to Stock Exchanges for FY 2021-22.

MAINTENANCE OF COST RECORDS

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the certificate, as prescribed in Part B of Schedule II of the Listing Regulations, has been obtained from Mr. Rajesh Sharma, Managing Director and Mr. Raj Ahuja, Group Chief Financial Officer, for the Financial Year 2020-21 with regard to the Financial Statements and other matters. The said Certificate is attached herewith as **Annexure VI** and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors acknowledge the support extended by the Securities and Exchange Board of India, Reserve Bank of India, National Housing Bank, Ministry of Corporate Affairs, Registrar of Companies and all other Governmental and Regulatory Authorities for the guidance and support received from them including their officials from time to time.

Your Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of Board of Directors

Sd/-	Sd/-
Rajesh Sharma	**Beni Prasad Rauka**
Managing Director	Independent Director
(DIN: 00020037)	(DIN: 00295213)

Date: August 02, 2021
Place: Mumbai

Annexure - I

DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2021

A. RELEVANT DISCLOSURES IN TERMS OF THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME

The relevant disclosure is provided in the Notes to the Financial Statements, under Note 45 for the Financial Year ended March 31, 2021

B. DILUTED EPS ON ISSUE OF SHARES PURSUANT TO ALL THE SCHEMES COVERED UNDER THE REGULATIONS SHALL BE DISCLOSED IN ACCORDANCE WITH 'ACCOUNTING STANDARD 20 - EARNINGS PER SHARE' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME

The Diluted Earnings per Share (EPS) before and after extraordinary items for the year ended March 31, 2021 is ₹8.13 each

C. DETAILS RELATED TO EMPLOYEE STOCK OPTION SCHEMES (ESOS) OF THE COMPANY

Sr. No.	Particulars	
(a)	Date of shareholder's approval	September 22, 2009
(b)	Total number of options approved under ESOS	2,61,51,340
(c)	Vesting requirements	Options would vest not less than one year and not more than six years from the date of grant.
(d)	Exercise price or pricing formula	@ Refer Note
(e)	Maximum term of option granted	Stock Options granted shall be capable of being exercised within a period of one year from the date of vesting of the Stock Options.
(f)	Source of shares	Primary
(g)	Variation in terms of options	There is no variation in the terms of the options during the Financial Year ended March, 31, 2021.
	i. Method used to account for ESOS–The Company uses fair value of options for accounting for stock options granted	
	ii. Where the company opts for expensing of the options using the intrinsic value of the options	
	(a) - the difference between the employee compensation costs computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed	Not applicable
	- The impact of this difference:	
	- On Profits	Not applicable
	- On EPS	Not applicable
	iii. Option movement during the year	
	(a) Number of options outstanding at the beginning of the year	16,79,500
	(b) Number of options granted during the year	3,15,000
	(c) Number of options forfeited/lapsed during the year	2,63,500
	(d) Number of options vested during the year	221,800
	(e) Number of options exercised during the year	1,50,550
	(f) Number of shares arising as a result of exercise of options	1,50,550
	(g) Money realised by exercise of options (INR), if Scheme is implemented directly by the Company	₹1,07,38,100/-
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	15,80,450
	(j) Number of options exercisable at the end of the year	71,250

Sr. No.	Particulars	
	iv. Weighted-average exercise prices and weighted-average fair values of options - Weighted Average Exercise Price: ₹ 53.6 each Weighted Average Fair Value of options ₹ 98.5 each	
	v. Employee wise details of options granted:	
	(a) Key Managerial Personnel	N.A
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	List of Employees who were granted 5% or more of the options granted during the year 2020-21: **Employee Name** — **Designation** Mr.Vinay Surana — Head of Treasury Mr.Amar Rajpurohit — Business Head – Urban Retail Mr.Bhavesh Prajapati — Head of Credit, Risk & Policy Mr.Bhupinder Singh — Head - Litigation Mr.Vaibhav Shah — National Credit Manager Mr.Ishtiyaq Ali — Zonal Credit Manager – Urban Retail Mr.Munish Jain — National Sales Manager Mr.Rajeev Khanna — Zonal Credit Manager Mr. Sandeep Kudtarkar — Senior Vice President Mr. Narendra Dhanger — Zonal Credit Manager Mr. Hardik Shah — Vice President
	(c) Identified employee who were granted option, during anyone year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None of the Employees were granted options more than 1% of the issued capital.
	vi. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information - We have used the Black-Scholes Merton formula for Option-Pricing Models. 1. Discount Rate ranging from 6.07% to 6.66% is used based on the benchmark rate available on Government Securities (G. Sec.) for the tenure of upto 5 years. 2. Expected volatility for each grant date's fair valuation is considered as 60%. 3. Dividend yield ranging from 1.00% is assumed for ESOP's valuations.	

@Note:

i. Face value per equity share of the Company; or

ii. Closing price of the Stock Exchange with the highest trading volumes on the last working day prior to the date of grant; or

iii. 25% discount to the Prevailing Market Price; or

iv. Pre - determined price as fixed at the time of grant of options.

Annexure - II(A)

MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021

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

The Members,
CAPRI GLOBAL CAPITAL LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAPRI GLOBAL CAPITAL LIMITED** (hereinafter called the "**Company**") for the audit period covering the financial year ended on 31st March, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

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

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

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

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

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

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

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

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

      (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

      (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

      (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (LODR Regulations)

2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:

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

   (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

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

3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings were not attracted during the period under review;

4. Based on the information provided and review of the Compliance Reports of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the Company to monitor and ensure compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the company and listed in **ANNEXURE A** attached to this report.

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

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

   (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

   During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non- compliances that have come to my knowledge except the following instances:

   Outcome of the Board Meeting dated 9th May, 2020, at which the audited financial results for the year ended 31st March, 2020 were approved, was submitted under Regulation 30 read with Clause 2 of Part A of Schedule III of LODR Regulations, 2015 to the BSE with delay of about fourteen minutes due to technical glitch for which no explanation is called for from the Company by the Stock Exchange; and

   I further report that compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

   I further report that:

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

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

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

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

I further report that during the period under review, following event occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

The approval of the Shareholders has been obtained at the 26th Annual General Meeting of the Company held on 31st July, 2020 for the following:

(i) Raising Funds through issuance of Securities including debentures and other securities; and

(ii) Conversion of Loan into Equity

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000381803

Place: Mumbai
Date: 27th May, 2021

Note: This report is to be read with our letter of even date which is annexed as ANNEXURE-A, which forms an integral part of this report.

Annexure –A to Secretarial Audit Report

List of applicable laws to the Company

a) **The Company has complied with the following laws and regulations applicable specifically to the Company given its business:**

1. The Reserve Bank of India Act, 1934 (RBI) and the circulars/ guidelines issued thereunder, to the extent it is applicable to Non-Banking Financial Company.

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

3. Master Direction - Information Technology Framework for the NBFC Sector

4. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

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

6. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder

b) All general laws related to Direct and Indirect Taxation, Labour laws and other incidental laws

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000381803

Place: Mumbai
Date: 27th May, 2021

Annexure –B to Secretarial Audit Report

The Members,
CAPRI GLOBAL CAPITAL LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

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

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

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

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

4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period. Due to ongoing COVID19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000381803

Place: Mumbai
Date: 27th May, 2021

Annexure - II(B)

MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2021

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

The Members,
CAPRI GLOBAL HOUSING FINANCE LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAPRI GLOBAL HOUSING FINANCE LIMITED** (hereinafter called the "**Company**") for the audit period covering the financial year ended on 31st March, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

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

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

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

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

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

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

        (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (LODR Regulations)

2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:

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

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

    (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

    (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

    (vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

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

3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings were not attracted during the year under review;

4. Based on the information provided and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the Company to monitor and ensure

compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the Company and listed in **ANNEXURE A** attached to this report.

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

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

   (ii) Listing Agreement entered into by the Company with BSE Limited, to the extent of its debt securities

   During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to my knowledge.

   I further report that compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

   I further report that:

   1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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

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

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

   I further report that during the period under review, following event occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

   Issue of Non-Convertible Debentures and subsequent listing of the said Debentures on BSE Limited

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

Place: Mumbai
Date: 27th May, 2021

Note:
This report is to be read with our letter of even date which is annexed as **ANNEXURE-A**, which forms an integral part of this report.

Annexure –A to Secretarial Audit Report

List of applicable laws to the Company

a) The Company has complied with the laws and regulations applicable specifically to the Company given its business:

1. The National Housing Bank Act, 1987 and the circulars/ guidelines issued thereunder;
2. The Housing Finance Companies (NHB) Directions, 2010;
3. Master Circular on Fair Practice Code for Housing Finance Companies;
4. Master Circular-Housing Finance Companies-Corporate Governance (NHB) Directions, 2016;
5. Master Circular – Miscellaneous Instructions to all Housing Finance Companies;
6. Master Directions – Non-banking financial companies – Housing Finance Companies (Reserve Bank of India) Directions, 2021; and
7. The Prevention of Money Laundering Act, 2002 read with the rules made thereunder

b) All general laws related to Direct and Indirect Taxation, Labour laws and other incidental laws

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

Place: Mumbai
Date: 27th May, 2021

Annexure –B to Secretarial Audit Report

The Members,
CAPRI GLOBAL HOUSING FINANCE LIMITED
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

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

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

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

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

4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period. Due to ongoing COVID19 pandemic and consequent lock-down imposed, I could not verify the compliance documents physically for the period under review and the reliance has been placed on the scanned documents obtained through electronic mode.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382265

Place: Mumbai
Date: 27th May, 2021

Annexure - III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILTY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-2021

1. **A brief outline of the Corporate Social Responsibility ("CSR") Policy of the Company**

   At CGCL, we have always viewed CSR as an instrument for impactful transformation, and not an obligation that needs to be complied with. Over the years, we have developed a strong culture of caring and giving back to the society, which fit together with our core business.

   The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalised. The Company strives to contribute positively to improve their standard of living, through its interventions in sustainable skill development, Health, water & sanitation, and education.

   The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

   In the context of the crisis brought forth by Covid-19 and the nationwide lockdown. Considerable efforts were deployed to tackle the impact of the crisis. Starting with a direct spend towards Covid relief activities, allocating funds to address immediate medical requirements for frontline workers as well as meals and groceries for migrant labour and vulnerable communities, concerted efforts continued throughout the year through various health, education and livelihood initiatives.

   Sustainable Skill Development – Initiatives majorly includes providing access to financial inclusion activities, entrepreneurship initiatives, skilling for innovative agriculture, Skilling and entrepreneurship and other vocation based trainings, Gender, Technology and Innovation would be the cross cutting across all these key initiatives

   Health and Nutrition - We believe that a good health is cardinal to human wellbeing and enables one to achieve life goals. This financial year as well, Under Health and Nutrition focus and outlay remained concentrated on issues like combating malnutrition and access to preventive health services especially with special focus on women health

   Education - includes Promoting learning enhancement amongst children, in schools, Child care institutions and in communities, innovative teaching methodology, providing online awareness sessions with NSS volunteers on child sexual abuse. Ongoing community-based education programs and institution based programs are significantly impacted by Covid-19 induced lockdown. Efforts are being taken to remain digitally connected to the children, despite challenges.

2. **The Composition of the CSR Committee**:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Bhagyam Ramani	Chairperson of the Committee	2	2
2	Mr. Beni Prasad Rauka	Member	2	2
3	Mr. Rajesh Sharma	Member	2	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.** www.capriglobal.in/csr-mission/?#; and www.capriglobal.in/corporate-governance/

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). NA**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NA**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
2		NA	
3			
	Total		

6. **Average net profit of the company as per section 135(5).**
The average net profit of the Company for the last three financial years is ₹17, 053.39 Lakhs.

7. (a) **Two percent of average net profit of the company as per section 135(5) :** ₹341.07 Lakhs
   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years. :** NA
   (c) **Amount required to be set off for the financial year, if any :** NA-
   (d) **Total CSR obligation for the financial year (7a+7b-7c) :** ₹341.07 Lakhs

The Company is required to spend an amount of ₹341.07 Lakhs as CSR expenditure during the financial year 2020-21

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹337.51 Lakhs spent towards various activities for the benefit of the community.	₹3.56 Lakhs	30-04-2021	NA	NA	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project.							Mode of Implementation - Through Implementing Agency	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District	Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
1.	Capri Education Initiative -, Training and Advocacy Initiative with NSS students, Incubation, Innovation and fellowship program, Scholarship programme, School Adoption Project, Supported candidates -946 Nos	Clause (ii) of Schedule VII Promoting Education	Yes	Maharashtra, Delhi, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh, Gujrat	Jaipur, Kanpur, Palghar, Bikaner, Varanasi, Mumbai, Jaipur, Bhopal, Vidisha, Ahmedabad, Banaskantha, Mandsaur, Sangali, Nashik	One year	64.76	64.76	NIL	No	1) Capri foundation 2) Smile Foundation 3) Sakshi 4) Foundation for Innovation & Research in Science & Technology 5) Swami Vivekananda Education Pratishthan	NA

Annexure - III

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project.							Mode of Implementation - Through Implementing Agency	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District	Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
2.	Capri Health Initiative – Project on Combating Malnutrition, Promotion of safe menstruation behaviour among women, Financial Assistance for health emergency, Promotion of WASH practices, Supported Candidates: 26304 Nos.	Clause (i) of Schedule VII Health Care	Yes	Maharashtra, Madhya Pradesh, West Bengal, Haryana, Punjab, Karnataka, Jharkhand, Uttar Pradesh, Gujrat, Tamilnadu, Rajasthan, Tripura, Kerala, Andhar Pradesh, Uttarakhand, Himachal, Chattisgarh, Bihar, Telngana	Mumbai, Bhopal, Sehore, Indore, Ujjian, Jabalpur, Katni, Chindwara, Khandwa, Patana, Karnal, Jamshedpur, Villuppuram, Thirupattur, Vallore, Darjeeling, Muzaffarnagar, Dwarka, Gaziabad, Chikkaballapur, Kannda, Jhajjar, Songur, Gulbarga. Jhansi. Krisngiti, Bikaner, Sangrur,Deoghar, Faridabad, Bangalore, Mysore, Madurai, Bareilly, Patiala, Amritsar, Agra, Hyderabad, Meerut, Ludhiana, Dehradun,	One year	140.15	140.15	NIL	No	1) Capri Foundation, 2) Sukhibhava Foundation, 3) Parivaar Education Society 4) Catalysts for Social Action 5) Win Over Cancer, 6) Doctor's for You	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project.							Mode of Implementation - Through Implementing Agency	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District	Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
3.	Capri Livelihood Development and Women Empowerment - Promotion of Entrepreneurship and sustainable agriculture practices Financial Inclusion among women and Skill development Strengthening of Self-Help Group Supported Candidates -11850 Nos.	Clause (ii) of Schedule VII Promoting Vocational Education	Yes	Madhya Pradesh, Rajasthan, Karnataka, Nagaland, Maharashtra,	Maheshwar, Udaipur, Chikkavallapura, Phek, Kohima, Mokokchung, Wokha, Dimapur, Peren, Tuensang, Mumbai, Satara, Raigad, Nashik		121.66	118.10	3.56 (Towards Swades Foundation)	No	1) Capri Foundation 2) Seva Mandir 3) Buzz India 4) Entrepreneurs Associates 5) Save the Children India 6) Mann Deshi Foundation 7) Women's Integrated and Synergistic Empowerment 8) Swades Foundation	NA
	Total						326.57	323.01	3.56			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the project.				Mode of implementation - Through implementing agency.	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State.	District.	Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Name.	CSR registration number.
1.	COVID-19 Relief efforts Supported Nos: 100 PPE Kits	Clause (v) of Schedule VII Combating human immunodeficiency virus, Acquired immune deficiency. syndrome, malaria and other diseases;	Yes	Maharashtra	Mumbai	5.00	No	Oxfam India	NA
2.	Distribution of ration kits for Covid-19 affected. Supported Nos. 150 Households	Clause (v) of Schedule VII Combating human immunodeficiency virus, Acquired immune deficiency. syndrome, malaria and other diseases;	Yes	Maharashtra	Mumbai	1.50	No	New Resolution India	

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	State.	District.			Name.	CSR registration number.
3.	Distribution of ration kits for Covid-19 affected. Supported Candidates 645 Nos.	Clause (v) of Schedule VII Combating human immunodeficiency virus, Acquired immune deficiency. syndrome, malaria and other diseases;	Yes	Madhya Pradesh		5.00	No	Catalysts for Social Action	
4	Tree Plantation	Clause (ii) of Schedule VI Ensuring Environmental sustainability	Yes	Maharashtra	Mumbai	3.00	No	Green Yatra	
	Total					14.50			

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹337.51 Lakhs.

(g) Excess amount for set off, if any: NIL

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.		NA	NA	NA	NA	NA	NA
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1								
2					NA			
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. NA

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). NA

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to COVID - 19 Pandemic, execution of the project was delayed. Therefore, disbursement of funds was partially to be made in the next year. An amount of ₹3.56 Lakhs has been transferred to Unspent CSR Account for the year.

Sd/-
(Rajesh Sharma)
Managing Director

Sd/-
(Bhagyam Ramani)
(Chairperson of CSR Committee).

Annexure - IV

DETAILS PERTAINING TO EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Particulars	Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21	Mr. Rajesh Sharma (Managing Director) – No salary drawn due to covid situation in FY 20-21.
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors:** 1) Mr. Rajesh Sharma (Managing Director) - NIL 2) Mr. Jayesh Doshi[1] (Whole Time Director and Group President) - NA Key Managerial Personnel: Mr. Raj Ahuja[2], Group Chief Financial Officer - NA Mr. Ashish Gupta[3], Chief Financial Officer - NIL Mr. Harish Agrawal[4], Sr. Vice President & Company Secretary – NA Mr. Abhishekh Kanoi[5], Vice President and Group Company Secretary NIL *
iii.	The percentage increase in the median remuneration of employees in the financial year	No Annual Appraisal due to covid situation in FY 20-21
iv.	The number of permanent employees on the rolls of Company	1,702 employees as on 31.03.2021 (1,434 employees as on 31.03.2020)
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in salary of eligible employees other than managerial personnel is NA. Remuneration of Managing Director was not increased during FY 2020-21.
vi.	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees	

1 Mr. Jayesh Doshi appointed as the Whole-Time Director & Group President of the Company with effect from November 7, 2020 and ceased to hold such office with effect from March 31, 2021

2 Mr. Raj Ahuja appointed as Group Chief Financial Officer of the Company with effect from December 15, 2020

3 Mr. Ashish Gupta ceased to be Chief Financial Officer of the Company with effect from July 8, 2020

4 Mr. Harish Agrawal appointed as Sr. Vice President and Company Secretary of the Company with effect from November 7, 2020

5 Mr. Abhishek Kanoi ceased to be Vice President & Group Company Secretary of the Company with effect from November 6, 2020

* Remuneration does not include variable pay.

Annexure - V

BUSINESS RESPONSIBILITY REPORT 2020-21

As on the Financial Year Ended March 31, 2021

(Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of Capri Global Capital Limited ("the Company") for the financial year 2020-21 is presented below.

The Company's policy framework includes various codes and policies such as Employees' Code of Conduct, Corporate Social Responsibility Policy, Whistle Blower Policy, Code for Fair Practices and Procedures for disclosure of Unpublished Price Sensitive Information etc., which are framed to enable the Company to comply with the statutory and regulatory requirements and ensure that its operations are conducted in an ethical, transparent and accountable manner. The disclosures presented in this Report cover the operations of the Company. The Business Responsibility Report of the Company is also available on its website at www.capriglobal.in.

NINE PRINCIPLES OF THE NVGS:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

SECTION A:
GENERAL INFORMATION ABOUT OF THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L65921MH1994PLC173469
2.	Name of the Company	Capri Global Capital Limited ("CGCL")
3.	Registered and Corporate office address	502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India
4.	Website	www.capriglobal.in
5.	E-mail id	compliance.officer@capriglobal.in
6.	Financial Year Reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services except Insurance and pension funding activities - NIC Code: 64920
8.	List of key products/services that the Company provides	Capri Global Capital Limited (CGCL) is a Non- Deposit Taking, Systematically Important Non-Banking Financial Companies (NBFC-ND-SI) engaged in financial services which includes business loans for MSME and project loans in Construction Finance Sector. Key Products/Services are as follows: 1. Loan to MSME/ SME Businesses 2. Loans Against Property 3. Construction Finance / Project Finance 4. Cash Flow Backed / Asset Backed Financing 5. Structured Debt 6. Working Capital Loans 7. Indirect Retail Lending to NBFCs
9.	Total number of locations where business activity is undertaken by the Company	All lending activities are done only in India.
(I)	Number of International Locations	Not Applicable
(II)	Number of National Locations	The Company has PAN India presence. As at March 31, 2021, the Company has 85 Branches in India.
10.	Markets served by the Company	The Company has a PAN-India presence and offices in 9 states spread across 85 branches in India.

Annexure - V

SECTION B:
FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	₹35,05,70,710/- as on March 31, 2021
2.	Total Turnover	Standalone: ₹5760.51 Mn.
3.	Total Profit after Taxes	Standalone: ₹1435.18 Mn.
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax	The Company has spent 2% of its average net profits for the preceding three financial years in terms of Section 135 of the Companies Act, 2013 and Rules made thereto towards CSR activities in financial year 2020-21.
5.	List of activities in which expenditure in Sr. No. 4 above has been incurred	CGCL has undertaken CSR Activities as per Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2020-21 attached as Annexure-III to the Directors' Report.

SECTION C:
OTHER DETAILS OF THE COMPANY

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has two Subsidiary Companies.
2.	Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes. BR activities of the subsidiary company are conducted as part of the parent company to the extent possible
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D:
BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a. Details of the Director responsible for implementation of the Business Responsibility Policy:

1.	Name of the Director	Mr. Rajesh Sharma
2.	DIN	00020037
3.	Designation	Managing Director

b. Details of the Business Responsibility Head:

1.	DIN (if applicable)	00020037
2.	Name	Mr. Rajesh Sharma
3.	Designation	Managing Director
4.	Email Id and Telephone No.	Email Id: compliance.officer@capriglobal.in Telephone No.: 022 – 400888100

2. Principle-wise as per National Voluntary Guidelines (NVGs) Business Responsibility Policies:
   The principle wise responses are given below:

Sl. No	Questions	P1 Ethics Transparency & Accountability	P2 Business Lifecycle Sustainability	P3 Wellbeing of all employee	P4 Stakeholder's Engagement	P5 Human Rights	P6 Protection of Environment	P7 Public Advocacy	P8 Inclusive Growth and equitable development	P9 Customers' Value
1	Is there a policy for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy conform to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)

Sl. No	Questions	P1 Ethics Transparency & Accountability	P2 Business Lifecycle Sustainability	P3 Wellbeing of all employee	P4 Stakeholder's Engagement	P5 Human Rights	P6 Protection of Environment	P7 Public Advocacy	P8 Inclusive Growth and equitable development	P9 Customers' Value
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	Y (Refer Note b)	- (Refer Note b)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note b)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	-	-	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	-	Y (Refer Note d)	Y (Refer Note d)

# Principle-wise Policies		
P1	**Ethics, Transparency & Accountability**	The Company's Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Whistle Blower Policy, Anti Money Laundering Policy, KYC Policy, Fair Practices Code Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment elucidate ethical behaviour, transparency and accountability.
P2	**Business Lifecycle Sustainability**	The Company's Fair Practice Code and Customer Grievance Redressal mechanism which promote a culture where all efforts are directed towards providing good quality and safe products to all our customers.
P3	**Wellbeing of all Employees**	The Company has various policies to support employee well-being. The important ones include the Policy for prevention of sexual harassment, leave policy, health insurance policy, term insurance, policy on maternity benefits for female employees, policy for ensuring safety of women at workplace, policy on training and education of employees, policy on providing loans to the employees including home loans, car loans etc.
P4	**Stakeholder's Engagement**	The Company's CSR Policy, Fair practice code and Customer Grievance Redressal mechanism guide this principle.
P5	**Human Rights**	The Company's Policy on Code of Conduct, Whistle Blower mechanism and Policy on Sexual Harassment which encourage a workplace environment which is free from any kind of human rights violations.
P6	**Protection of Environment**	The Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitised to prevent wasteful usage of natural resources and conserve energy.
P7	**Public Advocacy**	While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.

P8	**Inclusive Growth and Equitable Development**	The Company's CSR Policy ensures that the organisation does not remains only to make profit but taking business beyond and ensures socially responsible approach in coordination with different stakeholders for the common good and demonstrates its commitment by adoption of appropriate strategies and projects. Thus, Company aims at contributing to the social and economic development of the community through a series of interventions to mainstream economically and socially disadvantaged communities and groups and to bring them into the cycle of development and empowerment. The Company has aligned its CSR programmes with the developmental agencies with an objective of bringing about a radical transformation in the lives of the communities and integrating them into the mainstream development process of the country. Given the approach, CSR's activities have been clubbed in three broad areas: Sustainable Livelihood and Women Empowerment, Healthcare, Education and Infrastructure (including community development).
P9	**Customer's Value**	The Fair Practice Code, Code of Conduct, Customer Grievance Redressal Mechanism, Whistle Blower Policy etc. which have been laid down shall provide a facility to its customers, shareholders and others to record their grievances/ feedback.

Notes:

a. The policies have been formulated based in accordance with the applicable laws and regulations and through appropriate consultation with relevant stakeholders and after considering the best practices adopted by the industry.

b. Include a combination of internal policies of the Company which are accessible to all internal stakeholders and are not accessible to the public. The policies are placed on the Company's website. The hyperlink is https://www.capriglobal.in/corporate-governance/.

c. The policies of the Company are internal documents and are not accessible to the public.

d. The policies are internally evaluated by various department heads, business heads and the management.

3. Governance related to Business Responsibility:

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

The executive directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The Corporate Social Responsibility Committee oversees and review the Company's Business Responsibility performance. The Corporate Social Responsibility Committee meets at least annually for implementation of Corporate Social Responsibility and Business Responsibility initiatives undertaken by the Company.

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

The Company has prepared its first Business Responsibility Report (BRR). The BRR forms part of the Annual Report 2020- 21 and is available on the Company's website. The hyperlink is www.capriglobal.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/ others?

Yes. CGCL considers ethical practices as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Policy on Code of Conduct for Board Members, Senior Management Personnel and Employees of the Company, Anti Money Laundering Policy, KYC Policy, Whistle Blower Policy, Fair Practices Code Policy, Code of Conduct for Prevention of Insider Trading, Policy on Sexual Harassment which governs the conduct of the employees as well as Directors of the Company.

The Whistle Blower Policy specifically covers issues related to ethics, bribery and corruption which has helped it not only gain the tremendous confidence and trust of its stakeholders but also market leadership. The said policy is available on the website of the Company at www.capriglobal.in

CGCL ensures compliance of ethical standards not only by its employees but also by its vendors, contractors etc. through appropriate clauses in the work contract signed with them.

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

Details of the stakeholder complaints received during the financial year 2020-21 and pending as on March 31, 2021 are as under

Sl. No.	Nature of Complaints	No. of complaints received during the Year	No of complaints resolved	% of Complaints resolved
1	Complaints/ queries received from loan customers	202	202	100%
2	Investor complaints	0	0	N.A

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

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

   CGCL is a non-banking financial company and is not engaged in the business concerning design of products / services that could raise social concerns, economic risks and/or opportunities. Hence, the said principle may not be strictly applicable to CGCL. However, CGCL through its products such as Construction Finance Loans and MSME Loans is contributing positively to the socio-economic development. CGCL has Fair Practices Code Policy in place which aims to promote a culture where all efforts are directed towards providing good quality and safe products to all the customers.

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

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

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

   The Company's focus is to maintain the highest standards of safety and sustainability in its services offered in alignment to Company's goals. The Company emphasises on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode. Vendors are paid through NEFT/RTGS mode.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   The Company emphasises on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode. Vendors are paid through NEFT/RTGS mode.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   The Company has its presence all over India and has a practice of purchasing goods and services required for its operations from local suppliers. The Company is progressing more towards digital transactions.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

   The Company is into financing business and as such no waste or recyclable products are generated.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1	Total Number of Permanent Employees	1,699
2	Number of Employees on Temporary / Contractual / Casual Basis	3
3	Number of Permanent Women Employees	55
4	Permanent Employees with disabilities	Nil
5	Is there an Employee association that is recognised by management?	No
6	Percentage of permanent employees that are members of this recognised employee association	Not Applicable

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

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child Labour/Forced Labour, Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment Practices	Nil	Nil

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

   CGCL has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programs. There is Culture Management Department that ensures that employees are sufficiently trained in functional and behavioural skills to ensure high standards of service to internal and external stakeholders. These training programs are based on the needs identified, competency or job specific knowledge, skills and attitude gaps identified during the performance appraisal process and through discussions. At times, customer feedback also acts a base to identify learning and development needs.

PRINICIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

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

   Yes. The Group engages with various stakeholders viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc., on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

   Yes, CGCL has identified the disadvantaged, vulnerable and marginalised stakeholders through community visits, household visits and socio-scientific needs assessments in under-resourced areas. The Company engages with these stakeholders through structured development initiatives, undertaken through its Corporate Social Responsibility (CSR) projects.

   Further, through its subsidiaries the Company fully endorses and supports the government's endeavour towards its flagship scheme, "Affordable Housing for All". Towards this goal, the Company has given housing loans to customers categorised as 'economically weaker sections' and 'low income group', under various schemes of the government and is registered as preferred lending partner with National Housing Bank for CLSS scheme of government of India.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

   CGCL fully endorses and supports the new surrogate method devised to gauge credit worthiness of the under-served customer segments. Lack of formalised documentation should not be a deterrent in financial inclusion towards its flagship scheme, "Unlocking Potentials, Empowering People". Towards this goal, the Company has extended credit to these MSMEs, without diluting credit norms. Additionally, CGCL undertakes the CSR projects through Capri Foundation registered under Bombay Public Trust Act, 1950 and other agencies.

   Following are some of the Key Projects undertaken as a part of CSR initiative

   a. Sustainable Livelihood for Women Empowerment
   b. Health and Nutrition Initiative
   c. Water, Sanitation and Hygiene Initiative
   d. Education Initiative
   e. Sustainable Environment Initiative
   f. Disaster Response and Risk reduction Initiative

The CSR interventions are focused on enhancing quality of life of the community in the vicinity of business locations by way of improving community generating sustainable livelihood, healthcare and education. During the financial year ended March 31, 2021, CSR initiative has reached to 40,050+ beneficiaries across the states.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Corporation on human rights cover only the company or extend to the group/joint ventures/ suppliers/contractors/NGOs/others?

   Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organisation. CGCL has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, fair practice code, etc., which ensures that there are no violation of human rights in its conduct of business.

   CGCL adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment etc and guidelines of the Constitution of India, national laws and policies and treats all its stakeholders and customers with dignity, respect and due understanding. CGCL strives to be just, patient and understanding while dealing with delinquent customers who have availed MSME, housing loans, etc. CGCL has also put in place an internal culture and work ethics where delinquent customers are treated with fairness. CGCL is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company viz., an outside vendor, consultant, supplier or client are also expected to comply with principles of human rights in all respects.

   While the key subsidiary of the Company have their own independent policies, they all respect and promote human rights.

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

   During the year under review, the Company did not receive any complaint in the nature of human rights violation from any stakeholder.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy relate to Principle 6 cover only the company or extends to the group/joint ventures/ suppliers/contractors/NGOs/others?

   Given that the Company is Non-Banking Finance Company, the applicability of the aforesaid principles is limited. However, the Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitised to prevent wasteful usage of natural resources and conserve energy.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?**
   Yes. The Company strives towards imbibing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. The Company tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records electronically, etc. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises. The Company also encourages its retail customers to use digital services thereby reducing paper prints.

3. **Does the company identify and assess potential environmental risks?**
   The Company evaluates the social and environmental risks in its lending policies and abstain from lending to environmentally irresponsible projects and business. In addition, the employees of the Company are sensitised to prevent wasteful usage of natural resources and conserve energy.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**
   Although the Company is cognizant of environmental related issues, it does not have any direct project related to clean development mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?**
   CGCL promotes ecological sustainability and green initiatives by use of energy efficient resources. The Company also encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

   The above actions of the Company will contribute towards saving environment by reduction in usage of resources.

6. **Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   The Company complies with requisite environmental regulations in respect of its premises and operations.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   There were no show cause/ legal notices received from CPCB/SPCB during the financial year 2020-21.

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**
   CGCL is a member of various industry bodies and trade associations such as:

   a. Confederation of Indian Industry;

   b. Indian Merchants Chamber;

   c. Bombay Chambers of Commerce and Industry

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**
   The participation of the Company with various associations helps to understand the industry wide issues and thus help to contribute in development of policies that are beneficial to the stakeholders. CGCL may share its expertise to help in formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have specific policy for this purpose.

   CGCL supports and participates in various discussions and initiatives taken by the government, regulators and the above associations in the light of changing business environment for economic development and advancement of financial services industry.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**
   Yes. CGCL undertakes several projects that are focused on social development. In Financial Year 2020-21, the Company promoted inclusive growth by focusing primarily on three social sector areas, namely:

   (i) Skilling & Livelihood

   a. Providing assistance to women and unskilled to acquire skills leading to employability;

   b. Women farmers are being trained and channelised for contract farming;

   c. Women trained on financial Literacy; and

   d. Livelihood Initiative by training the women vendors

(ii) Education

a. Providing scholarships to support meritorious students; and

b. School adoption Initiative

(iii) Healthcare & Nutrition

a. Reduce the rate of Malnutrition among children

b. Promotion of holistic health among children

c. Promote proportion of ideal height and weight among children

d. Promotion of hygiene behaviour among women and adolescent girls especially during menstruation

e. Promotion of awareness in community on appropriate nutrition and hygiene practices.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**
   CGCL undertakes social welfare activities as a part CSR initiative from time to time.

3. **Has the company done any impact assessment of its initiative?**
   In coordination with implementing organisations, CGCL conducts impact assessment of all the respective projects which have completed minimum one year of the execution. CGCL, has directed all the partners to ensure that the proposed impact assessments should be mandatorily conducted by the third party.

4. **What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   In Financial year 2020-21, CGCL has spent towards CSR Budget an amount computed in accordance of Section 135 of the Companies Act, 2013 and Rules made thereto in the activities/areas as mentioned in Schedule VII of the Companies Act, 2013. Further details are provided in the Annual Report on Corporate Social Responsibility Activities 2020-21 attached as **Annexure-III**.

5. **Has the company taken steps to ensure that this community development initiative is successfully adopted by the community?**
   Projects are designed based on the assessment of community needs. The Initiatives taken by CGCL are regularly monitored through follow-up with the partnering organisations, site visits to monitor the programme, consultations/ feedback from the community and progress reports for the activities undertaken by the project. Regular interaction with the partnering organisation and the community has helped in ensuring that best practices are adopted and also addressing any challenges for the successful implementation of such initiatives.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as at the end of the financial year?**
   The Company has resolved 100% of complaints received from customers and investor received during the year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks**
   Since the Company is engaged in offering financial services, the above question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are complied with as per the extant Regulatory norms.

   CGCL has always believed in being transparent with its customers by providing all the relevant details. CGCL also has document such as 'Most Important Terms and Conditions' which is displayed prominently in each office with information on service charges, interest rates, product information, service standards for various transactions and grievance redressal mechanisms. The same has also been updated at the website of the Company.

   Further, whenever the interest rates are changed by the Company, proper communication informing the said change is sent to all loan customers.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   None

4. **Did the company carry out any consumer survey/ consumer satisfaction trends?**
   The Company has not carried out any formal consumer survey to map consumer satisfaction.

   The Company seeks to provide quality services to all its customers. The Company core objective is to continuously research, identify and make available new products to fulfil customers everyday needs at the best value and unique solutions as per their expectations. The Company has Code of Conduct Policy and fair practice code to deal with its customers. It has strong emphasis on excellence in customer service following the regulatory guidelines at all time for dealing with its customers.

   The Company has complaint/ grievance redressal mechanism for customers and compliance and resolutions thereof within prescribed timelines.

Annexure - VI

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors,
Capri Global Capital Limited
Mumbai

Dear Sirs and Madam,

We, **Rajesh Sharma, Managing Director** and **Raj Ahuja, Group Chief Financial Officer** of the Company, do hereby certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

   i. there has not been any significant change in internal control over financial reporting during the year under reference;

   i. there has not been any significant change in internal control over financial reporting during the year;

   ii. there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in company's internal control system over financial reporting.

for **Capri Global Capital Limited**

Sd/-	Sd/-
Rajesh Sharma	**Raj Ahuja**
Managing Director	Group Chief Financial Officer

Date : May 27, 2021
Place : Mumbai

Report on Corporate Governance

The Report on Corporate Governance of Capri Global Capital Limited (hereinafter referred as "CGCL and/or the Company") as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("the SEBI Listing Regulations") is given below:

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At CGCL, it is imperative that the corporate affairs are managed in a fair and transparent manner for enhancing long-term shareholder value and retaining investor trust.

We, at CGCL, ensure that we evolve and follow the best corporate governance practices. We consider it as inherent responsibility to disclose timely and accurate information regarding the performance as well as the leadership and governance of the Company. The Company's philosophy on Corporate Governance is to ensure fairness to the Stakeholders through timely and transparent disclosures, equitable treatment of all shareholders and empowerment of employee and collective decision making.

Your Company has adopted various codes and policies to carry out the duties and functions in most ethical and compliant manner. The Company has adopted best practices mandated in SEBI Listing Regulations, the Companies Act, 2013 (hereinafter referred to as "the Act"), RBI Directions and all other applicable rules and regulations.

Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

2. BOARD OF DIRECTORS

2.1. As of March 31, 2021, the Board of Directors (the 'Board') has eight members of which five were Independent Directors. The profiles of Directors can be found at https://capriglobal.in/leadership-team/. The composition of the Board is in accordance with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

2.2. Mr. Jayesh Doshi (DIN: 00017963), Whole-time Director & Group President of the Company has resigned as Director w.e.f. March 31, 2021 for personal reasons and other commitments and also confirmed that there were no other material reasons other than those provided.

2.3. None of the Directors on the Board holds directorship in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors are related to each other.

2.4. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

2.5. Six board meetings were held during the year on May 9, 2020, July 31, 2020, November 6, 2020, December 15, 2020, January 13, 2021 and February 09, 2021. The gap between two meetings did not exceed one hundred and twenty days.

2.6. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below.

			No. of Board Meetings			Number of Directorships in other Public Companies[1]				Number of committee positions held in other public companies[2]		
Name of Director	**DIN**	**Category in the Company**	**Held during their tenure**	**Attended**	**Attendance at the last AGM**	**Listed**	**Name of the Listed Company**	**Category of Directorship**	**Unlisted**	**Chairman**	**Member**	**No. of equity shares held in CGCL as on March 31, 2021**
Mr. Rajesh Sharma	00020037	Managing Director*	6	6	Yes	0	NA	NA	1	NIL	NIL	500
Mr. Beni Prasad Rauka	00295213	Non-Executive & Independent Director	6	6	Yes	1	Indergiri Finance Limited	Non-Executive & Non-Independent Director	3	1	1	NIL
Ms. Bhagyam Ramani	00107097	Non-Executive & Independent Director	6	6	Yes	3	Gujarat Sidhee Cement Limited Saurashtra Cement Limited Lloyds Metals and Energy Limited	Non-Executive & Independent Director	4	0	5	NIL
Mr. Mukesh Kacker	01569098	Non-Executive & Independent Director	6	6	Yes	0	NA	NA	2	0	0	NIL
Mr. Ajay Kumar Relan	00002632	Non-Executive & Independent Director	6	6	Yes	4	Hindustan Media Ventures Limited Next Mediaworks Limited HT Media Limited Digicontent Limited	Non-Executive & Non-Independent Director	3	4	7	NIL
Mr. Ajit Mohan Sharan	02458844	Non-Executive & Independent Director	6	6	Yes	1	Dabur India Limited	Non-Executive & Independent Director	1	0	1	NIL
Mr. Jayesh Doshi[3]	00017963	Whole Time Director	4	4	NA	0	NA	NA	NA	NIL	NIL	NIL
Mr. Desh Raj Dogra[4]	00226775	Non-Executive & Independent Director	1	1	NA	5	Sintex Plastics Technology Limited Axiscades Technologies Limited S Chand & Company Limited IFB Industries Limited Welspun Corp Limited	Non-Executive & Independent Director	1	1	4	NIL

* Mr. Rajesh Sharma, Managing Director is also the Promoter of the Company.

1. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.
2. The information pertaining to the chairmanships/memberships of Committees of the Board held by the directors includes only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of SEBI Listing Regulations.
3. Mr. Jayesh Doshi appointed as a Whole-time Director with effect from 07.11.2020 and ceased to be a director with effect from 31.03.2021
4. Mr. D.R. Dogra appointed as a Director with effect from 01.02.2021

2.7. During the Financial Year 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

2.8. During the Financial Year 2020-21, an Independent Directors Meeting was held on June 20, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole , taking into account the views of Executive Directors and Non-Executive Directors.

2.9. In accordance with Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, the Board has identified the following skills/expertise/ competencies as required in the context of its business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

			Name of Directors having Skills/Expertise/Competence						
Sl. No.	Particulars	Skills/Expertise/Competence	Mr. Rajesh Sharma	Mr. Beni Prasad Rauka	Ms. Bhagyam Ramani	Mr. Mukesh Kacker	Mr. Ajay Kumar Relan	Mr. Ajit Mohan Sharan	Mr. Desh Raj Dogra
1	**Knowledge**	Industry knowledge/experience & technical expertise	√	√	√	√	√	√	√
		Understanding methods of strategic analysis, Company's strategic objectives, and changes of relevance to the Company's strategy and future direction	√	√	√	√	√	√	√
		Corporate Governance: Understanding the roles and responsibilities of a Board member within the larger governance framework	√	√	√	√	√	√	√
		Risk: Knowledge and experience of risk management models	√	√	√	√	√	√	√
2.	**Skills**	Strategic thinking and decision making	√	√	√	√	√	√	√
		Interpersonal skills	√	√	√	√	√	√	√
		Leadership	√	√	√	√	√	√	√
		Analysis and Reporting	√	√	√	√	√	√	√
		Ability to determine appropriate levels of remuneration of Executive Directors, KMPs and play a prime role in appointing and where necessary, recommending removal of Executive Directors and KMPs	√	√	√	√	-	√	√
		Ability to oversee strategic Human Resource Management	√	√	√	√	√	√	√
3	**Mind-set**	Ethics	√	√	√	√	√	√	√
		Commitment	√	√	√	√	√	√	√
		Instinct & Business Acumen	√	√	√	√	√	√	√
		Independent and Awareness (self and other) – ability to display independence by willing to disagree and take an independent stance in the face of dissenting views	√	√	√	√	√	√	√

Being a Non-Banking Finance Company, the Company's business runs across different industry verticals and geographical markets. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

2.10. In terms of Regulations 25(7) and 46 of SEBI Listing Regulations, the details of the familiarisation programme imparted to Independent Directors are available on the Company's website at https://capriglobal.in/corporate-governance/

3. COMMITTEES OF THE BOARD

The Committees of the Board play an important role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference.

A. Audit Committee

Composition

Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members and terms of reference in accordance with Master Direction-Non-Banking Financial Companies–Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, Section 177 of the Act and in accordance with Regulation 18 of SEBI Listing Regulations. As on March 31, 2021, the Audit Committee comprised of three (3) Members, all of whom are Non-Executive Independent Directors, financially literate and possesses accounting and related financial management expertise. The Chairman of the Audit Committee is a Non- Executive Independent Director and was present at last year's Annual General Meeting held on July 31, 2020 which was held through Video Conferencing.

Terms of Reference

The Broad terms of reference of the Audit Committee, inter-alia, includes the following:

a. oversee the Company's financial reporting process and disclosure of its financial information;

b. recommend appointment, remuneration and terms of appointment of auditors of the Company;

c. approve payment to statutory auditors for any other services rendered by them;

d. review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:

   i. matters to be included in Director's Responsibility Statement to be included in Board's Report;

   ii. any changes in accounting policies and practices;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments resulting from the audit findings;

   v. compliance with listing and other legal requirements relating to Financial Statement;

   vi. disclosure of Related Party Transactions;

   vii. qualification in Draft Audit Report.

e. review with the management, the quarterly financial statement before submission to the Board for their approval;

f. recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;

g. discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;

h. review the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;

i. consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

j. consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;

k. discuss significant findings with internal auditors and initiate follow up action thereon;

l. look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

m. review performance of statutory and internal auditors and adequacy of internal control systems;

n. approve transaction with related parties and subsequent modification to terms of contract/ transaction;

o. scrutinize inter-corporate loans and investments;

p. valuation of any of the undertakings or assets as and when necessary;

q. evaluate adequacy of internal financial control and risk management system;

r. review with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;

s. approve appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;

t. review functioning of the Whistle Blower Policy;

u. review the mechanism to track Insider Trading

v. carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time;

w. reviewing the utilisation of loans and/ or advances / investment by the holding company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Meeting and Attendance

During the year under review, the Audit Committee met six (6) times viz. on May 9, 2020, July 31, 2020, November 5, 2020, December 15, 2020, February 9, 2021 and March 30, 2021. The required quorum was present for all the Audit Committee Meetings : Gap between two Committee Meetings did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations

Composition of the Audit Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairman	6	6
Ms. Bhagyam Ramani	Member	6	6
Mr. Mukesh Kacker	Member	6	6

The Company Secretary acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee is duly constituted in accordance with Section 178 of the Act and in accordance with Regulation 19 of SEBI Listing Regulations. As on March 31, 2021, the Nomination and Remuneration Committee comprised of Four (4) Members, all of whom are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is a Non- Executive Independent Director.

Terms of Reference

The Broad terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

a. assess that a person to be appointed as Director is ‘fit and proper’ and fulfils the set criteria as may be required by the Company;

b. review & recommend to the Board on the structure and composition of the Board of Directors of the Company;

c. evaluate the eligibility of an individual on the basis of his/her qualification, positive attributes, independence and past experience, for appointment and removal as Whole-time Director/Managing Director/Senior Management of the Company and advising the Board of Directors/ Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;

d. review, recommend and /or approve the remuneration that can be offered to the proposed Whole-time Director/ Managing Director/ Non-Executive Director/ Senior Management of the Company;

e. evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment;

f. review, recommend and /or approve the modification in the remuneration of the Whole-time Director/ Managing Director/ Manager/ Non-Executive Director/ Senior Managerial Personnel;

g. formulate remuneration policy relating to Directors/ Key Managerial Personnel and other Senior Managerial Employees of the Company;

h. evaluate performance of directors with respect to their role as Independent Director and Board members;

i. implement and administer the Employee Stock Option Scheme;

Meeting and Attendance

During the year under review, Nomination and Remuneration Committee met four (4) times viz. on April 29, 2020, July 30, 2020, November 5, 2020, December 15, 2020. Composition of the Nomination and Remuneration Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairperson	4	4
Mr. Beni Prasad Rauka	Member	4	4
Mr. Ajit M Sharan	Member	4	4
Mr. Desh Raj Dogra*	Member	0	0

* Mr. D.R. Dogra was appointed as a member of Nomination & Remuneration Committee with effect from February 09, 2021.

The Company Secretary acts as the Secretary to the Committee.

Nomination and Remuneration Policy

The Board of Directors of the Company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter-alia, to deal with the manner of selection of Board of Directors and KMP and their remuneration. The Policy is annexed as Annexure to this Report.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company. None of Directors have been granted any stock options under the scheme. The Managing Director of the Company is not entitled to stock options under the scheme.

Service Contract, Severance fees and Notice Period

Mr. Rajesh Sharma was appointed as the Managing Director of the Company for a period of five years effective from July 4, 2018 to July 3, 2023. He has voluntarily decided to forgo his entitlement to remuneration for the Financial Year 2020-21. His appointment may be terminated by giving three months' notice on either side and no severance fees is payable.

Performance Evaluation of the Board, Directors and Committees of the Board

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Director Remuneration:

(Amount in ₹)

Sl. No.	Name of the Director	Sitting Fees for attending Board & Committee Meetings	Salary and Perquisites	Incentive/ Bonus	Total
1.	Mr. Rajesh Sharma	Nil	Nil	Nil	Nil
2.	Mr. Beni Prasad Rauka	16,65,000	N.A	N.A	16,65,000
3.	Ms. Bhagyam Ramani	17,87,000	N.A	N.A	17,85,000
4.	Mr. Mukesh Kacker	9,75,000	N.A	N.A	9,75,000
5.	Mr. Ajay Kumar Relan	5,25,000	N.A	N.A	5,25,000
6.	Mr. Ajit Mohan Sharan	6,45,000	N.A	N.A	6,45,000
7.	Mr. Jayesh Doshi	NA	1,03,47,281	N.A	1,03,47,281
8.	Mr. Desh Raj Dogra	75,000	N.A	N.A	75,000

C. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee is duly constituted by the Board of Directors in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprised of three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Stakeholders Relationship Committee is a Non-Executive Independent Director and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference

The Broad terms of reference of the Stakeholders Relationship Committee, inter-alia, includes the following:

a. oversees the redressal of security holder and investors' complaints/grievances pertaining to transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of securities and other miscellaneous complaints;

b. oversee the performance and service standards of the Registrar and Share Transfer Agent and recommends measures to improve level of investor services.

c. review of measures taken for effective exercise of voting rights by shareholders.

d. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

Meeting and Attendance

During the year under review, Stakeholders Relationship Committee met four (4) times viz. on April 29, 2020, July 30, 2020, November 5, 2020 and January 30, 2021. Composition of the Stakeholders Relationship Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Beni Prasad Rauka	Chairperson	4	4
Ms. Bhagyam Ramani	Member	4	4
Mr. Rajesh Sharma	Member	4	3

The Company Secretary of the Company acts as the Secretary to the Committee.

Number of Grievances:

There were no complaints received during the year under review and there was no outstanding complaint as on March 31, 2021.

Name and Designation of Compliance Officer

Mr. Harish Agrawal, Senior Vice President & Company Secretary
502, Tower – A, Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400013.
Tel. No.: 022 – 4354 8125
Email: compliance.officer@capriglobal.in

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with Section 135 of the Act. As on March 31, 2021, the CSR Committee comprised of Three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the CSR Committee is a Non-Executive Independent Director.

Terms of Reference

The Broad terms of reference of the Corporate Social Responsibility (CSR) Committee, inter-alia, includes the following:

a. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;

b. to recommend the amount of expenditure to be incurred on the CSR activities; and

c. to monitor the implementation of the CSR Policy of the Company from time to time.

Meeting and Attendance

During the year under review, Corporate Social Responsibility Committee met Two (2) times viz. on April 29, 2020, and January 31, 2021. Composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each member at the said Committee Meetings are set out in following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Ms. Bhagyam Ramani	Chairperson	2	2
Mr. Beni Prasad Rauka	Member	2	2
Mr. Rajesh Sharma	Member	2	1

The Company Secretary acts as the Secretary to the Committee.

E. Risk Management Committee

The Risk Management Committee is duly constituted in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 in respect of all non-deposit taking NBFCs with asset size of ₹500 Crores and above and Regulation 21 of SEBI Listing Regulations. As on March 31, 2021, the Risk Management Committee comprised of Four (4) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Risk Management Committee is a Managing Director of the Company and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Terms of Reference:

The Broad terms of reference of the Risk Management Committee, interalia, includes the following:

a. review of operational risk, information technology risk and integrity risk;

b. taking strategic actions to mitigate the risk associated with the nature of the business;

c. appraising the Board of Directors at regular intervals regarding risk management policy and strategy;

d. to oversee the functioning of Asset Liability Management Committee.

Meeting and Attendance

During the year under review, Risk Management Committee met four (4) times viz. on April 29, 2020, July 30, 2020, November 5, 2020 and January 30, 2021. Composition of the Risk Management Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Member	Position	No. of meetings held	No. of meetings attended
Mr. Rajesh Sharma	Chairman	4	3
Mr. Beni Prasad Rauka	Member	4	4
Ms. Bhagyam Ramani	Member	4	4
Mr. D.R. Dogra*	Member	0	0

* Mr. D.R. Dogra was appointed as a member of Risk Management Committee with effect from February 09, 2021.

The Company Secretary of the Company acts as the Secretary to the Committee.

4. GENERAL BODY MEETINGS

A. The details of Annual General Meeting ("AGM") held during the last 3 years along with the details of the special resolutions passed there are as under:

Financial Year	Date and Time	Venue	Special Resolution passed
2017-18	August 2, 2018 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of paid-up capital and free reserves upto ₹4,000 Crores; • Mortgage / create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹1,000 Crores; • Enable conversion of loan into equity
2018-19	August 2, 2019 04.00 P.M	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	• Borrowing in excess of paid-up capital and free reserves upto ₹6,500 Crores; • Mortgage / create charge on the assets of the Company; • Issue of Non-convertible Debentures for an amount not exceeding ₹ 1,000 Crores; • Enable conversion of loan into equity
2019-20	July 31, 2020 04.00 P.M	Through Video Conferencing/Other Audio Visual means ('VC/OAVM') Facility At 502 A, Peninsula Business Park, Lower Parel, Mumbai- 400013	• Raising of Funds through issuance of Securities including Debentures and other securities to the extent of ₹1,250 Crore • Conversion of Loan into Equity

B. Postal Ballot

No postal ballot was conducted during the Financial year 2020-21. None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

5. MEANS OF COMMUNICATION

The quarterly/half yearly/annual results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep). The Company also issues press releases from time to time. The quarterly/half yearly/annual results/press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company at www.capriglobal.in. A Management Discussion and Analysis Report is a part of this Annual Report.

GENERAL SHAREHOLDERS' INFORMATION

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the SEBI Listing Regulations"), the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

A. Annual General Meeting

Day	Wednesday
Date	September 15, 2021
Time	04:00 P.M.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020 and dated January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial Year	April 1 to March 31
Book Closure Dates	09th day of September, 2021 to15th day of September, 2021
Listing of Equity Shares at Stock Exchanges	1. BSE Limited Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. Tel No: - +91-22-22721233/1234 Fax No:- +91-22-22721919
	2. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No- C Block, G Block, Bandra Kurla Complex, Mumbai-400 051. Tel No: - +91-22-26598100-8114; Fax No: - +91-22-26598120
Stock Codes	BSE: 531595 NSE: CGCL
ISIN Number	INE180C01026(Equity Shares) Non-convertible Debentures INE180C07072 INE180C07080 INE180C07098 INE180C07106 INE180C07114 INE180C07122
Corporate Identification Number (CIN)	L65921MH1994PLC173469

The Annual Listing Fees for the financial year 2021-22 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within prescribed time.

B. Dividend

Dividend Payment Date	The final dividend, if approved by the shareholders shall be paid / credited on or after 20th day of September, 2021

Address of General Correspondence Mr. Harish Agrawal Senior Vice President & Company Secretary & Compliance Officer Capri Global Capital Limited Email: compliance.officer@capriglobal.in	**Registered Office and Corporate Office of the Company** 502, A Tower, Peninsula Business Park Lower Parel, Senapati Bapat Marg, Mumbai-400013 Tel. No. (022)–40888100

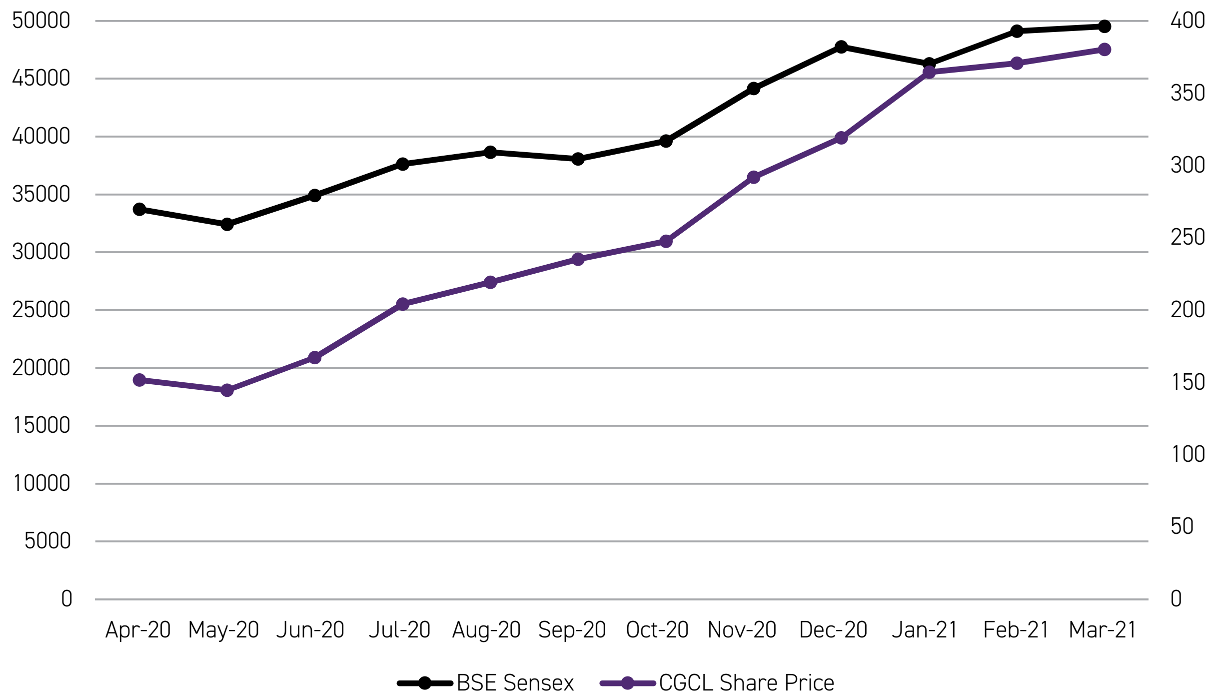
C. Market Price Data

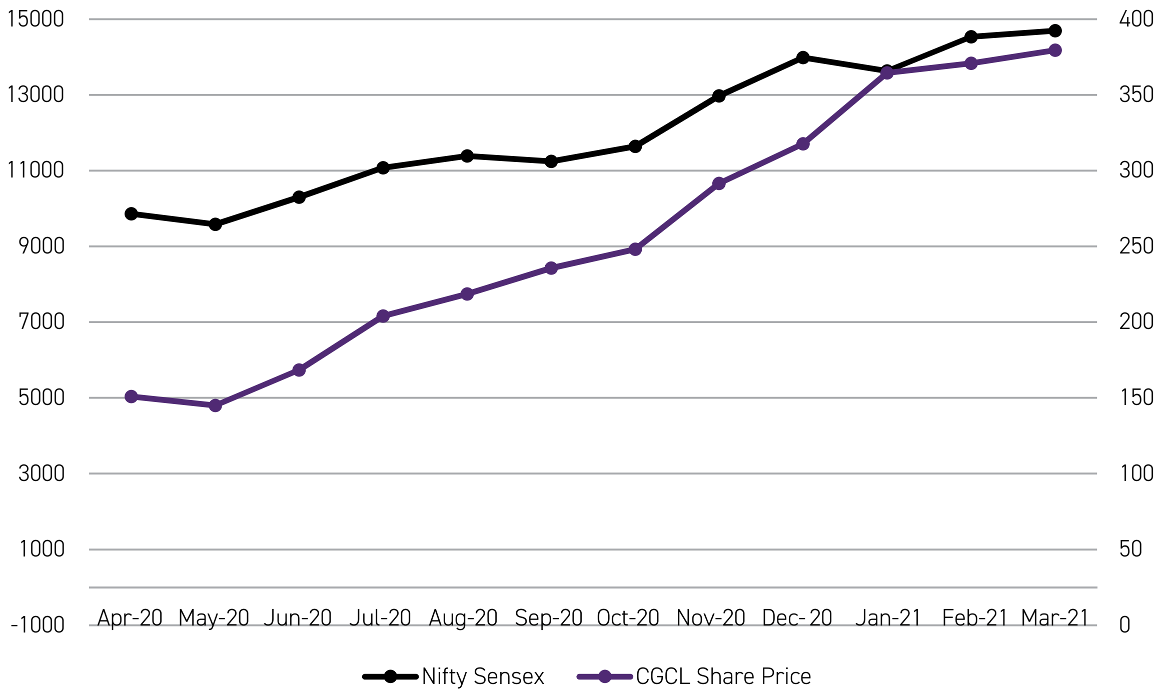
The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The monthly high and low share prices on both the exchanges for a period starting from April 2020 to March 2021 are as below:

	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
April 2020	172.00	115.00	11,72,752	172.25	115.15	35,04,806
May 2020	171.20	130.10	13,86,617	180.00	130.95	37,46,564
June 2020	170.00	122.35	16,13,846	170.00	122.25	34,08,708
July 2020	206.10	145.75	31,87,941	206.80	145.75	59,83,504
August 2020	235.00	173.05	14,78,882	231.25	192.05	17,72,336
September 2020	251.60	200.00	13,31,455	252.00	211.20	18,15,474
October 2020	250.00	228.80	14,25,390	250.00	229.30	37,39,704
November 2020	300.45	240.45	13,25,875	300.50	240.05	32,24,300
December 2020	320.15	285.55	17,16,537	320.00	286.30	34,09,247
January 2021	378.95	308.80	13,00,013	375.00	309.00	22,17,422
February 2021	399.00	323.85	16,90,493	411.30	325.15	49,10,019
March 2021	387.00	339.10	20,72,819	388.85	338.40	17,69,615

Sources: www.bseindia.com , www.nseindia.com

The Performance of the equity share price of the Company in comparison with Broad based Indices:





D. Registrar and Share Transfer Agents

Address for Investor Correspondence

For any assistance regarding dematerialisation of shares, re-materialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

LINK INTIME INDIA PRIVATE LIMITED
Unit-Capri Global Capital Limited
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270; Fax: +91 (22) 49186060
Email: rnt.helpdesk@linkintime.co.in and mumbai@linkintime.co.in Web: www.linkintime.co.in

E. Share Transfer System

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under Regulation 40(9) of SEBI Listing Regulations and files a copy of the certificate with Stock Exchanges.

F. Distribution of Shareholding

	Shareholders		Equity Shares	
Category	Number	Percentage (%)	Number	Percentage (%)
1-500	4,753	88.65	3,90,612	0.22
501-1000	236	4.40	1,89,884	0.10
1001-2000	141	2.63	2,14,179	0.12
2001-3000	74	1.38	1,86,934	0.10
3001-4000	12	0.22	44,246	0.02
4001-5000	31	0.57	1,48,005	0.08
5001-10000	40	0.74	3,10,854	0.17
10001 and above	74	1.38	17,38,00,641	99.15
Total	**5361**	**100**	**17,52,85,355**	**100**

G. Categories of Shareholders as on March 31, 2021

Category	No. of Equity Shares	Percentage of the total paid–up equity share capital (%)
Shareholding of Promoters and Promoters' Group:		
Promoters	4,59,00,835	26.18
Promoters' Group and Persons acting in concert including relatives	8,53,41,703	48.68
Total (A)	**13,12,42,538**	**74.87**
Public Shareholding		
Individuals	23,83,294	1.35
Bodies Corporate	3,45,56,949	19.71
Mutual Funds	21,243	0.01
Clearing Members	84,718	0.04
NBFC	8,050	0.00
HUF	3,30,641	0.18
IEPF	37,764	0.02
Non-resident Indians	45,938	0.02
Foreign Portfolio Investors	13,74,220	0.78
Insurance Companies	52,00,000	2.96
Total (B)	**4,40,42,817**	**25.12**
Total (A+B)	**17,52,85,355**	**100.00**

H. Dematerialisation of Shares and Liquidity

The Company's Shares are compulsorily traded in dematerialised form on NSE and BSE. Equity Shares representing 99.98 % of the Company's Equity Share Capital are dematerialised as on March 31, 2021. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is **INE180C01026**.

I. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion and Likely Impact on Equity Capital

The Company has not issued any of the convertible instruments, hence there is no likelihood of any impact on the Equity Capital of the Company.

J. Credit Rating

During the year, Credit Analysis and Research Ltd. ("CARE") has re-affirmed ratings with respect to the credit facilities availed by the Company as follows:

Nature of Borrowing	Amount (₹ in Mn)	Rating
Long Term Bank Facilities	45,000	CARE A+; Negative (Single A Plus; Outlook: Negative)
Non-Convertible Debentures	6,000	CARE A+; Negative (Single A Plus; Outlook: Negative)

Furthermore, Brickwork Rating India Private Limited reaffirmed rating with respect to the bank facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ in Mn.)	Rating
1	Cash Credit	1,200	BWR AA- (Pronounced as BWR Double A Minus) Outlook -Negative
2	Term Loans	45,000	

Furthermore, Brickwork Rating India Private Limited has assigned rating for Non-convertible Debentures as follows:

Nature of Borrowing	Amount (₹ in Mn.)	Rating
Non-Convertible Debentures	500	BWR AA- (Pronounced as BWR Double A Minus) Outlook -Negative

In February 2021, Infomerics assigned rating with respect to the bank / credit facilities availed by the Company as follows:

Sl. No.	Instrument/Facility	Amount (₹ in Mn.)	Rating
1	Cash Credit	1,200	IVR AA / Credit watch with developing implication (IVR Double A Credit watch with developing implication)
2	Term Loans	43,800	IVR AA / Credit watch with developing implication (IVR Double A with Credit watch with developing implication)
3	Non-Convertible Debentures	3,000	IVR AA / Credit watch with developing implication (IVR Double A with Credit watch with developing implication)
4	Commercial Papers	3,500	IVR A1+; Credit watch with developing implication

K. Branches

Company has 85 branches located at Maharashtra, Uttar Pradesh, Madhya Pradesh, Gujarat, Chhattisgarh, Rajasthan, Punjab, Delhi & Delhi NCR and Haryana.

6. DISCLOSURES

A. Code of Conduct

The Board of Directors have laid down a Code of Conduct ("the Code") for all Board Members, Key Managerial Personnel and Senior Management Personnel of your Company. The Code is posted on your Company's website at https://capriglobal.in/corporate-governance/

The members of the Board, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from the members of the Board and Senior Management.

B. Disclosure on Material Related Party Transactions

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the subsidiaries or relatives etc. that had potential conflict with the interests of the Company at large. A statement of summary of related party transactions as per requirements of Indian Accounting Standards – 24 is duly disclosed in the Notes to Accounts annexed to the Financial Statements.

C. Policies Determining Material Subsidiaries and Related Party Transactions

Pursuant to requirements of Regulation 16 and Regulation 23 of the SEBI Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at https://capriglobal.in/corporate-governance/

D. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. The Company has no foreign exchange receivable and payable as on March 31, 2021.

E. Details of Non-Compliance

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

F. Code of Conduct for Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at https://capriglobal.in/corporate-governance/

G. Vigil Mechanism/Whistle Blower Policy

The Whistle Blower Mechanism (Vigil Mechanism) in the Company enables all the directors, employees and its stakeholders, to report concerns about unethical behaviour, report for leakage of unpublished price sensitive information, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism has provided adequate safeguards against victimisation of directors/employees of the Company who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel has been denied access to this mechanism and to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company at https://capriglobal.in/corporate-governance/

H. Compliance Certificate

- None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by Mr. Haresh Sanghvi.,Practicing Company Secretary is annexed to this Report.

- The Company has complied with mandatory requirements under the SEBI Listing Regulations. A Compliance Certificate on Corporate Governance to this effect, duly signed by Mr. Haresh Sanghvi, Practicing Company Secretary is annexed to this Report.

I. Total Fees Paid to Statutory Auditors

The total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries during the financial year 2020-21 is stated in Notes to financial statements, which forms part of this Annual Report.

J. There was no instance during financial year 2020-21 when the board had not accepted any recommendation of any committee of the board.

K. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the Listing Regulations- NIL

L. Disclosure with respect to demat suspense account / unclaimed suspense account- Not Applicable

M. Details of Utilisation of Funds raised through Preferential Allotment and Qualified Institutional Placement

During the year under review, the Company has not raised funds either through Preferential Allotment or Qualified Institutional Placement.

N. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

O. Compliance with Mandatory/Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of corporate governance specified in Regulation 17 to Regulation 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the SEBI Listing Regulations and are being reviewed from time to time which are as follows:

1. Audit Qualifications

   During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

2. The Board and separate posts of chairperson and chief executive officer

   The Company does not have designated Chairperson appointed by the Board of Directors. The Chairman for the respective Board Meeting is appointed amongst the Director present at the Meeting. Further, there is no Chairman Office being maintained by the Independent Director appointed as a Chairman for respective Board Meeting. However, they are allowed for reimbursement of expenses spent in discharge of his/her duties. The Company has not appointed any Chief Executive Officer.

3. Reporting of Internal Auditor

   The internal control systems of the Company are routinely tested and verified by Independent Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee.

4. Shareholder's Right

   The quarterly results of the Company are published in English newspaper (generally Business Standard) and a Marathi daily (generally Mumbai Lakshdeep) having wide circulation in Mumbai. Further, the quarterly results are also posted on the website of the Company at https://capriglobal.in/financial-report/ In view of the forgoing, the half yearly results of the Company are not sent to the Shareholders individually.

P. Managing Director (MD) and Chief Financial Officer (CFO) Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

Annexure-I

Declaration of Compliance with Code of Conduct by Board Members and Senior Management Personnel as required pursuant to Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive and Independent Directors. These Codes are available on the Company's website.

I, Rajesh Sharma, Managing Director of the Company, do hereby confirm that the Company has in respect of the year ended March 31, 2021, received from the Members of the Board and Senior Management Personnel a declaration of compliance with the Code of Conduct, as applicable to them.

for **Capri Global Capital Limited**

Sd/-
Rajesh Sharma
Managing Director
(DIN: 00020037)

Date: May 27, 2021
Place: Mumbai

Annexure-II

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

I have examined following documents for the purpose of issuing this Certificate-

i. Declaration of non-disqualification as required under section 164 of the Companies Act, 2013 ("Act"); and

ii. Disclosure of concern and/or interests as required under section 184 of the Act (hereinafter referred as "the relevant documents")

as submitted by the Directors of **Capri Global Capital Limited**, (hereinafter referred to as '**the Company**'), bearing CIN L65921MH1994PLC173469 and having registered office at 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, Maharashtra, India, to the Board of Directors of the Company ('the Board') for the **Financial Year 2020-21** and relevant registers, records, forms and returns maintained by the Company and as made available for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification.

Based on the verification and examination of aforesaid documents including Directors Identification Number (DIN) status at the Ministry of Corporate Affairs (MCA) portal www.mca.gov.in and the List of disqualified Directors published by the MCA, in my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, I hereby certify that during the **Financial Year ended March 31 2021**, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing to act as Directors of Companies by Securities and Exchange Board of India/ MCA or any such statutory authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1	Mr. Ajay Kumar Relan	00002632	04/12/2018
2	Mr. Rajesh Sharma	00020037	15/05/2007
3	Mrs. Bhagyam Ramani	00107097	28/07/2012
4	Mr. Beni Prasad Rauka	00295213	12/01/2011
5	Mr. Mukesh Kacker	01569098	11/02/2012
6	Mr. Ajit Mohan Sharan	02458844	01/06/2019
7	Mr. Desh Raj Dogra	00226775	01/02/2021
8	Mr. Jayesh Nagindas Doshi	00017963	07/11/2020#

*the date of appointment is as per the MCA Portal

#Mr. Jayesh Nagindas Doshi resigned on March 31, 2021

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended March 31 2021.

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000381880
Date: May 27, 2021
Place: Mumbai

Annexure-III

Corporate Governance Certificate

To,
The Members,
Capri Global Capital Limited
Mumbai

I have examined the compliance of conditions of Corporate Governance by **Capri Global Capital Limited** ("the Company"), as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the financial year ended March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V to the Listing Regulations for the financial year ended March 31, 2021.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Haresh Sanghvi
Practicing Company Secretary
FCS No.: 2259/CoP No.: 3675
UDIN: F002259C000382276
Date: May 27, 2021
Place: Mumbai

Annexure-IV

Nomination and Remuneration Policy

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of Section 178 of Companies Act, 2013 including Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 [Listing Regulations].

1.1 OBJECTIVES

The Policy lays down the:

(i) Criteria for determining inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other Employees of the Company.

1.2 DEFINITIONS

i. "**Board**" means Board of Directors of the Company.

ii. "**Company**" means "Capri Global Capital Limited."

iii. "**Employees' Stock Option**" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iv. A '**fit and proper** 'person shall mean an individual who is:

a. more than thirty years in age;

b. a graduate;

c. has minimum five years experience;

d. a person of integrity, reputation and character in the opinion of the Committee;

v. "**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.

vi. "**Key Managerial Personnel**" (KMP) means

a) Chief Executive Officer or the Managing / Executive Director or the Manager,

b) Company Secretary,

c) Whole-time Director,

d) Chief Financial Officer and

e) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

f) Such other officer as may be prescribed.

vii. "**Committee**" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

viii. "**Policy or This Policy**" means, "Nomination and Remuneration Policy."

ix. "**Managerial Person**" means the Managing Director, Whole-time Director and/or Manager.

x. "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

xi. "**Senior Management**" means officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including Chief Executive Officer / Manager, in case they are not a part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

1.3 INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 APPOINTMENT AND REMOVAL OF MANAGERIAL PERSON, DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

i. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation / advice /recommendations of the respective Functional Heads / Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term / Tenure:

a) Managing Director/Whole-time Director/Manager (Managerial Personnel): The Company shall appoint or re-appoint a person as its Managerial Person for a term not exceeding five years at a time by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

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

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

iv. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director / Managing Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act') and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 DISQUALIFICATION FOR APPOINTMENT OF DIRECTORS

i. A person shall not be eligible for appointment as director of the company if:

a) he is of unsound mind and stands so declared by a competent court;

b) he is undischarged insolvent;

c) he has applied to be adjudicated as an insolvent and his application is pending;

d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

1) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;

2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;

3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:

a) has not filed financial statements or annual returns for any continuous period of three financial years; or

b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such

Annexure-IV

failure to pay or redeem continues for one year of more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 REMUNERATION POLICY

Remuneration Policy of CGCL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Personnel and the Board of Directors.

The policy captures remuneration strategies, policies and practices of CGCL, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at CGCL

The Company adopts a total compensation philosophy in rewarding employees. The total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. **Fixed Component:** Consists of Basic Pay (Usually 40%-60% of the gross Fixed Salary).

ii. **Perquisites:** In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. **Retirement Benefits:** Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. **Severance payments:** In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. **Personal benefits:** Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. **Medical Insurance –** Coverage of ₹5 Lakhs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. **Term Insurance –** Coverage between ₹50 Lakhs to ₹1 Cr. based on the grade.

viii. **Variable pay is linked to the below three factors:**

a) the financial results of the company;

b) targets achieved;

c) the individual performance and that of the department/team

ix. **Annual Performance Linked Bonus:** Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

a) In the beginning of the year the Board sets the organisation performance objectives based on qualitative and quantitative measures.

b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

c) These objectives form part of the performance targets for the Managerial Personnel.

d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-Executive Directors including Independent Directors

The Non-Executive Directors / Independent Directors of the Company (who are not in the employment of the Company and /or its subsidiaries / associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013.

Commission, if any, payable to NEDs, may be paid in accordance with the provisions of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the sitting fees and shall be approved by the Board of the Company based on the recommendation of the Committee and the approval of the shareholders, as applicable.

The Non-Executive Directors / Independent Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 DEVIATIONS FROM THE POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 DISCLOSURES IN THE BOARD REPORT

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.

1.9 AMENDMENTS

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Standalone Financial Statements

Independent auditors' report

To the Members of Capri Global Capital Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Capri Global Capital Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

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

Emphasis of matter

We draw your attention to Note 33 to the Statement, which describes the continuing uncertainty arising from the COVID-19 Pandemic of the Company's financial statements.

Our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matter description

As at March 31, 2021, loan assets aggregating to ₹356,421 Lakhs, constituting 79.01% of the Company's total assets and the related impairment provisions amounting to ₹9,999.20 Lakhs including macro-economic overlays on account of COVID. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Company and a key audit matter.

As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans, and
- Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors

The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:

- Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact RBI circulars including COVID-19 Regulatory package.
- Accounting interpretations, modelling assumptions and data used to build and run the models;
- Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios;
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.

How the key audit matter was addressed in the audit

The audit procedures performed by us included the following:

We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented.

Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors

- Testing the design and effectiveness of internal controls over the:
  - completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.
  - Accuracy of PD and LGD computed based on Company's past history.
  - where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report based on which the Staging of the loans is done into Stage 1, 2 and 3
  - computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model.
- Also, on a sample basis tested:
  - Accuracy of the Days past due computation and the staging thereon.
  - completeness and accuracy of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio.
  - Computation of the PD and LGD based on the underlying data.
  - for exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of LGD by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.
  - we tested computation of provision for expected credit loss by using PD and LGD (EAD*PD*LGD*) to ensure the correctness of the Company's working.
- We performed an overall assessment of the ECL provision levels at each stage and reasonableness of the management's overlays on account of Covid-19 taking into consideration the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

Information other than the financial statements and auditor's report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report, Management Discussion and Analysis and Corporate Governance report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.
- When we read the Director's report, Management Discussion and Analysis and Corporate Governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's responsibility for the standalone financial statements

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

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

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

Auditor's responsibility for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 21104968AAAAEE3815)

Place: Mumbai
Date: June 17, 2021

Annexure "A" to the independent auditors' report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the act.

We have audited the internal financial controls over financial reporting of Capri Global Capital Limited (the "Company") as at March 31, 2021 in conjunction with our audit of the Ind AS standalone 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 (the "Guidance Note"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 21104968AAAAEE3815)

Place: Mumbai
Date: June 17, 2021

Annexure "B" to the independent auditors' report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title deeds, comprising of the immovable property of the Buildings is held in the name of the Company as at the balance sheet date. In respect of immovable properties of buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regards to the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax and cess to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax and cess as at 31st March, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax which has not been deposited as on 31st March 2021 on account of disputes are given below:-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹)
Income Tax Act, 1961	Regular Assessment u/s 143(3) of the Act	CIT (Appeals)	AY 2017-18	29,01,192

There are no dues of Provident Fund, Employees' state insurance, and Goods and Service Tax as on 31st March 2021 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institution and dues to debenture holders. The Company has not taken any loan from government.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 21104968AAAAEE3815)

Place: Mumbai
Date: June 17, 2021

Balance Sheet

As at March 31, 2021

(₹ in Millions)

Particulars		Note no.	As at March 31, 2021	As at March 31, 2020
Assets				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	1,537.95	463.37
(b)	Bank balances other than above	4	100.97	82.36
(c)	Receivables	5	15.57	9.12
(d)	Loans	6	35,642.10	30,546.36
(e)	Investments	7	7,019.16	4,236.37
(f)	Other financial assets	8	99.65	23.07
Total financial assets			**44,415.40**	35,360.65
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	9	45.96	87.08
(b)	Deferred tax assets (net)	10	213.07	120.12
(c)	Property, plant and equipment	11	59.07	63.79
(d)	Other intangible assets		185.92	226.07
(e)	Intangible assets under development		0.69	1.97
(f)	Other non-financial assets	12	188.22	166.74
Total non-financial assets			**692.93**	665.77
Total assets			**45,108.33**	36,026.42
Equity and liabilities				
Liabilities				
(1)	**Financial liabilities**			
(a)	Payables			
	(A) Trade payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		44.09	50.57
	(B) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		57.85	55.23
(b)	Debt securities	14	6,492.81	1,500.00
(c)	Borrowings (other than debt securities)	15	19,638.78	19,122.99
(d)	Other financial liabilities	16	2,397.00	275.17
Total financial liabilities			**28,630.53**	21,003.96
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	17	80.72	116.96
(b)	Provisions	18	103.13	71.37
(c)	Other non-financial liabilities	19	21.27	7.96
Total non-financial liabilities			**205.12**	196.29
Total liabilities			**28,835.65**	21,200.25
(3)	**Equity**			
(a)	Equity share capital	20	350.57	350.27
(b)	Other equity	21	15,922.11	14,475.90
Total equity			**16,272.68**	14,826.17
Total equity and liabilities			**45,108.33**	36,026.42

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Millions)

	Particulars	Note No.	**For the Year ended March 31, 2021**	For the Year ended March 31, 2020
Revenue from operations				
(i)	Interest Income	22	5,343.75	5,434.78
(ii)	Dividend Income		1.18	2.73
(iii)	Fees and commission Income	23	11.90	28.91
(iv)	Net gain on fair value changes	24	178.68	94.18
(v)	Other operating income	25	207.79	221.74
(I)	Total revenue from operations		**5,743.30**	5,782.34
(II)	Other income	26	17.21	39.28
(III)	Total income (I+II)		**5,760.51**	5,821.62
Expenses				
(i)	Finance costs	27	2,085.20	2,159.72
(ii)	Net loss on fair value changes	24 A	-	62.41
(iii)	Impairment on financial instruments (Expected Credit Loss)	28	462.69	265.17
(iv)	Employee benefit expense	29	825.83	975.82
(v)	Depreciation and amortisation expense	11	85.27	84.72
(vi)	Other expenses	30	372.14	377.61
(IV)	Total expenses		**3,831.13**	3,925.45
(V)	Profit before Tax (III-IV)		**1,929.38**	1,896.17
	Tax expense			
	- Current tax		587.15	526.33
	- Deferred tax		(92.95)	5.11
	- Tax pertaining to earlier years		-	7.47
(VI)	Total tax expense		**494.20**	538.91
(VII)	Net profit after tax		**1,435.18**	1,357.26
(VIII)	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	31	5.90	3.91
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.48)	(0.99)
	Other comprehensive income		4.42	2.92
(IX)	Total comprehensive income (VII+VIII)		**1,439.60**	1,360.18
(X)	Earnings per equity share (Face value INR 2/-each)			
	Basic (₹)		8.19	7.75
	Diluted (₹)		8.13	7.70

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
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Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Cash Flow Statement

For the year ended March 31, 2021

(₹ in Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Operating activities		
Profit before tax from continuing operations	1,929.38	1,896.17
Adjustments for:		
Depreciation & amortisation	85.27	84.72
Impairment on financial instruments	462.69	265.17
Net (gain)/loss on sale of financial instruments / fair valuation of financial instruments	(178.68)	56.89
Loss on sale of Fixed Assets	0.14	2.99
Share Based Payments to employees	20.85	27.30
Dividend income	(1.18)	(2.73)
Interest on Leased Assets	22.96	23.87
Operating Profit before working capital changes	**2,341.43**	2,354.37
Working capital changes		
Loans	(5,558.43)	1,698.22
Trade receivables and contract asset	(83.03)	27.90
Other non-financial assets	(21.48)	5.41
Trade payables and contract liability	(3.86)	(6.28)
Other financial liability	2,148.24	(603.00)
Other non-financial liability	13.31	(17.85)
Provision	37.66	10.56
Cash flows (used in)/ generated from operating activities	**(1,126.16)**	3,469.33
Income tax paid	(583.75)	(393.09)
Net cash flows (used in)/ generated from operating activities	**(1,709.91)**	3,076.24
Cash Flow From Investing activities		
Increase/(decrease) in Fixed deposits not considered as cash and cash equivalent	(18.65)	0.59
Purchase of fixed and intangible assets	(40.22)	(31.49)
Proceeds from sale of property and equipment	0.97	9.86
Purchase of investment (net)	(2,604.11)	(2,429.24)
Dividend received	1.18	2.73
Net cash flows used in investing activities	**(2,660.83)**	(2,447.56)
Cash Flow From Financing activities		
Debt securities issued	4,992.81	1,000.52
Borrowings other than debt securities issued/(repaid)	515.78	(1,300.83)
Payments for the principal portion of the lease liability	(26.41)	(32.00)
Payments for the interest portion of the lease liability	(22.96)	(23.87)
Dividends paid including Dividend Distribution Tax	(35.03)	(76.01)
Issue of Equity Share	21.09	-
Net cash flows from/(used in) financing activities	**5,445.28**	(432.19)
Net increase in cash and cash equivalents	1,074.54	196.49
Cash and cash equivalents at the beginning of the Year	463.61	267.13
Cash and cash equivalents at the end of the Year (refer note 3)	**1,538.15**	463.61
1. Operational cash flows from interest and dividends		
Interest paid	1,757.18	2,135.76
Interest received	5,492.91	5,363.96
Dividend received	1.18	2.73

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
3. Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.
4. Figures in brackets represent outflows.

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

In terms of our report attached

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(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Statement of changes in equity

For the year ended March 31, 2021

A. Equity share capital

(₹ in Millions)

As at March 31, 2019	Changes in equity share capital during the year 2019-20	As at March 31, 2020	Changes in equity share capital during the year 2020-21	**As at March 31, 2021**
350.27	-	350.27	0.30	350.57

B. Other equity

(₹ in Millions)

	Reserves and surplus					Other comprehensive income	
	General reserve	Securities premium	Retained earnings	Employee share option outstanding	Statutory reserve pursuant to section 45-IC of the RBI Act, 1934	Employee benefit expenses (gratuity - OCI)	Total
Balance as at April 1, 2019	642.05	4,471.00	6,172.10	30.62	1,848.00	0.66	13,164.43
Total comprehensive income for the year	-	-		-	-	3.91	3.91
Dividends #	-	-	(76.01)	-	-	-	(76.01)
Transfer from retained earnings	-	-	(3.91)	-	-	-	(3.91)
Addition during the year	-	-	1,360.18	27.30	272.04	-	1,659.52
Reduction during the year	-	-	(272.04)			-	(272.04)
Balance as at April 1, 2020	642.05	4,471.00	7,180.32	57.92	2,120.04	4.57	14,475.90
Total comprehensive income for the year	-	-		-	-	5.90	5.90
Dividends##	-	-	(35.03)	-	-	-	(35.03)
Transfer from retained earnings	-	-	(5.90)	-	-	-	(5.90)
Addition during the year	-	20.79	1,439.60	20.85	287.92	-	1,769.16
Reduction during the year	-	-	(287.92)			-	(287.92)
Balance as at March 31, 2021	**642.05**	**4,491.79**	**8,291.07**	**78.77**	**2,407.96**	**10.47**	**15,922.11**

During the FY 2019-20 the Company has paid the dividend of ₹76.01 Millions (including dividend distribution tax of ₹12.96 Millions) at ₹0.36 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 2nd August, 2019.

During the FY 2020-21 the Company has paid the dividend of ₹35.03 Millions at ₹0.10 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 31st July, 2020.

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

In terms of our report attached

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(Firm's Registration No.117366W/W-100018)

Sd/-
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DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

1. Corporate Information

Capri Global Capital Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

The standalone financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the board of directors on May 27, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The standalone financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of standalone financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.13- Significant accounting judgements, estimates and assumptions.

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated.

2.2 Presentation of standalone financial statements

The standalone financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.4 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based

Notes

Forming part of Standalone Financial Statements

on the fair value of the assets managed or on the contractual cash flows collected)

- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprises of bank balances, receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate (EIR).

(v) Reclassification

If the business model under which the Company holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds are received by the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:
The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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Forming part of Standalone Financial Statements

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs) and Construction Finance.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced , and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(viii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note.) at fair value on each balance sheet date.

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

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs

Notes
Forming part of Standalone Financial Statements

which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

2.5 Revenue from operations

(i) Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the company applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Loan Processing Fees

Loan processing fees is collected towards processing of loan, is amortised on EIR basis over the contractual tenure of the loan.

2.6 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) *Defined contribution schemes*

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) *Defined Benefit schemes*

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to the Gratuity Fund created for the said purpose. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets

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(excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases Rent

The Company leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses.

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

(iv) Other income and expenses

All Other income and expense are recognised on accrual basis in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by 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.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.8 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.9 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable

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expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

2.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.11 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.12 Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust as and when necessary.

(iii) Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Company's base rate and other fee income/expense that are integral parts of the instrument

(iv) Lease accounting

The Company determines the lease term as the non-cancellable period of a lease including any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in respective geographies.

2.14 Operating cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

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Note 3. Cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash on hand	9.22	1.61
(ii) Balances with banks:		
- In current accounts	1,528.73	461.76
Total	**1,537.95**	463.37

Note 4. Bank Balances other than cash and cash equivalents

(₹ In Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks		
- Original Maturity more than 3 months	100.77	82.12
- Unclaimed Dividend Account	0.20	0.24
Total	**100.97**	82.36

Balance in deposit accounts with banks are being earmarked towards Borrowing

Deposits are made for varying period from 6 Month to 2 years and earn interest at the respective fixed rates

Note 5. Receivables

(₹ In Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured considered good		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Outstanding for a period less than six months	15.57	9.12
Total	**15.57**	9.12

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Company has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. Loans

(₹ In Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	Amortised cost	Total	Amortised cost	Total
A				
Loans	36,639.83	36,639.83	31,073.80	31,073.80
Loan to employees	1.19	1.19	4.35	4.35
Loans and advances to related parties - Subsidiary	0.20	0.20	-	-
Total – Gross (A)	36,641.22	36,641.22	31,078.15	31,078.15
Less: Expected Credit Loss	(999.12)	(999.12)	(531.79)	(531.79)
Total – Net (A)	**35,642.10**	**35,642.10**	30,546.36	30,546.36
B				
(a) Secured by tangible assets	33,559.24	33,559.24	29,793.58	29,793.58
(b) Secured by Book Debts	3,080.59	3,080.59	1,280.22	1,280.22
(c) Unsecured	1.39	1.39	4.35	4.35
Total – Gross (B)	**36,641.22**	**36,641.22**	31,078.15	31,078.15
Less: Expected Credit Loss	(999.12)	(999.12)	(531.79)	(531.79)
Total – Net (B)	**35,642.10**	**35,642.10**	30,546.36	30,546.36
C				
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	36,641.22	36,641.22	31,078.15	31,078.15
Total (C) Gross	**36,641.22**	**36,641.22**	31,078.15	31,078.15
Less: Expected Credit Loss	(999.12)	(999.12)	(531.79)	(531.79)
Total (C) Net	**35,642.10**	**35,642.10**	30,546.36	30,546.36

Note 1 - The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.
Note 2 - Underlying for the term loans secured by tangible assets are properties.
Note 3 - The Company does not have any loans outside India.

Note 7. Investments

(₹ in Millions)

	As at March 31, 2021			
	At Fair Value Through profit or loss	**At Amortised Cost**	**Others**	**Total**
Investments	**(1)**		**(2)**	**(3)=(1)+(2)**
Investments in Mutual funds	1,588.71	-	-	1,588.71
Investments in Commercial Paper		959.13	-	959.13
Investments in Debt Securities				
- Debt Instrument	-	952.76	-	952.76
- Pass Through Certificates	-	1,729.83	-	1,729.83
Investments in Equity Instruments	38.73	-	-	38.73
Investments in Subsidiaries	-	-	1,750.00	1,750.00
Total	**1,627.44**	**3,641.72**	**1,750.00**	**7,019.16**
(i) Investments outside India	-		-	-
(ii) Investments in India	1,627.44	3,641.72	1,750.00	7,019.16
Total	**1,627.44**	**3,641.72**	**1,750.00**	**7,019.16**

(₹ in Millions)

	As at March 31, 2020			
	At Fair Value Through profit or loss	At Amortised Cost	Others	Total
Investments	(1)		(2)	(3)=(1)+(2)
Investments in Mutual funds	2,455.52	-	-	2,455.52
Investments in Equity Instruments	30.85	-	-	30.85
Investments in Subsidiaries	-	-	1,750.00	1,750.00
Total	2,486.37	-	1,750.00	4,236.37
(i) Investments outside India	-		-	-
(ii) Investments in India	2,486.37	-	1,750.00	4,236.37
Total	2,486.37	-	1,750.00	4,236.37

Particulars	**As at March 31, 2021 Numbers/Units**	As at March 31, 2020 Numbers/Units
Investment in Subsidiaries		
1. Capri Global Housing Finance Limited Equity Shares of ₹10/- each fully paid up	60,714,280.00	60,714,280.00
2. Capri Global Resources Private Limited Equity Shares of ₹10/- each fully paid up	1,105,000.00	1,105,000.00
Investment in Equity		
1. Equity Shares of CARE Ratings Limited of ₹10/- each fully paid up	94,242.00	94,242.00
Investment in Mutual Funds		
1. Axis Money Market Fund - Direct Growth	-	95,940.54
2. PGIM India Money Market Direct Growth	-	49,982.78
3. HDFC Money Market Fund - Direct Plan - Growth		71,446.04
4. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	7,490,392.66	23,347,248.29
5. ICICI Pru. Money Market Fund Direct Growth	-	359,696.83
6. ICICI Pru. Floating Interest Fund -Direct Growth	918,910.39	1,581,123.16
7. Mirae Asset Saving Fund - Direct Plan - Growth	-	28,296.04
8. SBI Saving Fund Direct Growth	-	3,100,996.35
9. Nippon Ultra Short Duration Fund DG	-	64,856.53
10. Sundaram Money Market Fund (176MMDG)	-	8,957,282.72
11. Sundaram Ultra Short Term Fund	-	952,253.85
12. UTI corporate bond fund DG	-	8,493,795.28
13. Kotak Liquid Fund	-	35,027.76
14. SBI liquid fund	-	64,367.05
15. HDFC low duration fund direct growth	376,034.86	-

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16. Aditya Birla Sun Life Banking & PSU Debt Fund - DG	693,806.12	-
17. Nippon India Floating Rate Fund - DG	8,380,194.95	-
18. HDFC Corporate Bond Fund	15,884,064.32	-
19. Aditya Birla Sun Life Savings Fund - DG	188,159.74	-
20. HDFC Ultra Short Term Fund	8,384,762.47	-
Investment in Bonds		
1. Aditya Birla Finance Limited SR PPMLD K1 BR NCD 04MY21 FVRS10LAC	130.00	-
2. 8.50% Shriram Transport Finance Co. Ltd - SR-D-14 8.5 NCD 16AG21 FVRS10LAC	150.00	-
3. 8.85% Shriram Transport Finance Co. Ltd - SR-D-11 8.85 NCD 03AG21 FVRS10LAC	40.00	-
4. Shriram City Union Finance Co. Ltd - SR I TR I 9.55 NCD 30AP21 FVRS1000	350,000.00	-
5. Shriram Transport Finance Co. Ltd - SR F-16 OPT I NCD 31MY21 FVRS10LAC	200.00	-
Investment in commercial papers		
1. Adani Enterprises Limited - 181D CP 23SEP21	1,000.00	-
2. Adani Enterprises Limited - 185D CP 06SEP21	1,000.00	-
Investment in pass through certificates		
1. Indian Receivable Trust 2019 Series 5 - SERIES A1 PTC 01MR19	1,750.00	-
2. Indian Receivable Trust 2019 SERIES 5 - SERIES A2 PTC 01MR19	2,318.00	-

Note 8. Others financial assets

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Security Deposits	15.73	16.15
Interest Accrued on Commercial Papers	3.68	-
Interest Accrued on Bonds	43.06	-
Receivable from Subsidiary Company	9.68	6.92
Receivable on sale of Investment Equity share	27.50	-
Total	**99.65**	23.07

Note 9. Current tax assets (net)

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Advance Tax (net of provision for tax)	45.96	87.08
Total	**45.96**	87.08

Note 10. Deferred tax assets (net)

The major components of deferred tax assets and liabilities are :

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Assets**	**Liabilities**	Assets	Liabilities
a) Provisions for employee benefit	10.04	-	7.55	-
b) Depreciation	19.38	-	17.97	-
c) Provisions for Loans	166.59	-	81.05	-
d) Financial Instruments at FVTPL	-	1.83	-	-
e) Amortised Finance Cost		2.54	-	6.84
f) Amortised Fees Income	13.75		16.88	-
g) Others	7.68	-	3.53	-
Total	**217.44**	**4.37**	126.96	6.84
Net deferred tax asset		**213.07**		120.12

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Note 11. Property, plant and equipment & Intangible Assets

Property, plant and equipment

(₹ in Millions)

Particulars	Gross Block: As at April 1, 2020	Gross Block: Additions/ Modification	Gross Block: Deductions	Gross Block: **As at March 31, 2021**	Depreciation and Amortisation: As at April 1, 2020	Depreciation and Amortisation: For the Year	Depreciation and Amortisation: Deductions	Depreciation and Amortisation: **As at March 31, 2021**	Net Block: **As at March 31, 2021**	Net Block: As at March 31, 2020
Buildings :										
Buildings	2.70	-	-	2.70	0.38	0.11	-	0.49	2.21	2.32
Leasehold Premises	22.85	-	-	22.85	13.38	2.45	-	15.83	7.02	9.47
Computer Hardware	62.24	9.56	6.64	65.16	50.17	7.90	6.30	51.77	13.39	12.07
Furniture and Fixtures	40.39	1.85	0.02	42.22	24.69	4.34	0.01	29.02	13.20	15.70
Office Equipments	23.15	1.48	0.31	24.32	19.68	1.73	0.29	21.12	3.20	3.47
Vehicles	50.89	6.93	1.10	56.72	33.91	5.95	0.37	39.49	17.22	16.98
Electrical Installation	9.61	0.03	-	9.64	5.83	0.98	-	6.81	2.83	3.78
Total	211.83	19.85	8.07	**223.61**	148.04	23.46	6.97	**164.53**	**59.07**	63.79

Intangible assets:

(₹ in Millions)

Particulars	Gross Block: As at April 1, 2020	Gross Block: Additions/ Modification	Gross Block: Deductions	Gross Block: **As at March 31, 2021**	Depreciation and Amortisation: As at April 1, 2020	Depreciation and Amortisation: For the Year	Depreciation and Amortisation: Deductions	Depreciation and Amortisation: **As at March 31, 2021**	Net Block: **As at March 31, 2021**	Net Block: As at March 31, 2020
Software	54.65	13.49	-	68.14	38.53	16.54	-	55.07	13.07	16.12
Right of Use *	255.95	8.16	-	264.11	46.00	45.26	-	91.26	172.85	209.95
Royalty	-	-	-	-	-	-	-	-	-	-
Total	310.60	21.65	-	**332.25**	84.53	61.80	-	**146.33**	**185.92**	226.07

* Refer note no. 44

Property, plant and equipment

(₹ in Millions)

Particulars	Gross Block: As at April 1, 2019	Gross Block: Additions/ Modification	Gross Block: Deductions	Gross Block: As at March 31, 2020	Depreciation and Amortisation: As at April 1, 2019	Depreciation and Amortisation: For the Year	Depreciation and Amortisation: Deductions	Depreciation and Amortisation: As at March 31, 2020	Net Block: As at March 31, 2020	Net Block: As at March 31, 2019
Buildings :										
Buildings	2.70	-	-	2.70	0.26	0.12	-	0.38	2.32	2.44
Leasehold Premises	22.85	-	-	22.85	10.08	3.31	-	13.38	9.47	12.77
Computer Hardware	58.46	10.91	7.13	62.24	46.94	9.99	6.77	50.17	12.07	11.52
Furniture and Fixtures	56.87	0.34	16.82	40.39	34.17	5.68	15.17	24.69	15.70	22.70
Office Equipments	27.53	0.86	5.24	23.15	22.02	2.59	4.93	19.68	3.47	5.51
Vehicles	51.92	10.08	11.11	50.89	28.17	6.51	0.76	33.91	16.98	23.75
Electrical Installation	12.52	-	2.91	9.61	7.22	1.34	2.73	5.83	3.78	5.29
Total	232.85	22.19	43.21	211.83	148.86	29.54	30.36	148.04	63.79	83.99

Intangible assets:

(₹ in Millions)

Particulars	Gross Block: As at April 1, 2019	Gross Block: Additions/ Modification	Gross Block: Deductions	Gross Block: As at March 31, 2020	Depreciation and Amortisation: As at April 1, 2019	Depreciation and Amortisation: For the Year	Depreciation and Amortisation: Deductions	Depreciation and Amortisation: As at March 31, 2020	Net Block: As at March 31, 2020	Net Block: As at March 31, 2019
Software	46.49	8.16	-	54.65	29.34	9.19	-	38.53	16.12	17.15
Right of Use *	-	255.95	-	255.95	-	46.00	-	46.00	209.95	-
Royalty	70.54	-	70.54	-	70.54	-	70.54	-	-	-
Total	117.03	264.11	70.54	310.60	99.88	55.19	70.54	84.53	226.07	17.15

* Refer note no. 44

Notes

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Note 12. Other non-financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances*	144.35	134.97
Prepaid Expenses	14.92	12.38
Assets Held for sale	3.75	5.26
Accrued Income	6.14	-
Advance to vendor	9.79	3.53
GST Input Credit	-	1.07
Deferred lease rentals	8.52	9.53
Other Assets	0.75	-
Total	**188.22**	166.74

* Net of provision of ₹48.19 Millions (31st March 2020 ₹42.98 Millions)

Note 13. Trade Payables

Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.09	50.57
Total	**44.09**	50.57

Other Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Employee Benefit Expense	57.85	55.23
Total	**57.85**	55.23

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Amount outstanding but not due as at year end	-	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
Total	**-**	-

Note 14. Debt Securities

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	6,492.81	6,492.81	1,500.00	1,500.00
Total (A)	**6,492.81**	**6,492.81**	1,500.00	1,500.00
Debt securities in India	6,492.81	6,492.81	1,500.00	1,500.00
Debt securities outside India	-	-	-	-
Total (B)	**6,492.81**	**6,492.81**	1,500.00	1,500.00

Terms of repayment, nature of security & rate of interest in case of Non Convertible Debentures.

(₹ in Millions)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2021	As at March 31, 2020
Series 4 (FV ₹10 Lakhs)	09-08-2029	Bullet payment on maturity	10.23%	1,500.00	1,500.00
Series 8 (FV ₹10 Lakhs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	500.00	-
Series 6 (FV ₹10 Lakhs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	-
Series 5 (FV ₹10 Lakhs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	-
Series 9 (FV ₹10 Lakhs)	04-02-2022	Bullet payment on maturity	8.35%	1,500.00	-
Series 7 (FV ₹10 Lakhs)	16-01-2022	Bullet payment on maturity	8.25%	500.00	-
		Total		**6,500.00**	1,500.00

The above NCD's are secured against first pari-passu charge by way of hypothecation on the immovable property, loan receivables/book debts, bank balances and investments of the company.

Note 15. Borrowings (other than debt securities) - at amortised cost

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks*	16,953.78	17,781.77
Term Loans from others**	2,685.00	895.00
Loan Repayable on Demand		
From Banks (Cash Credit)	-	446.22
Total (A)	**19,638.78**	19,122.99
Borrowings in India	19,638.78	19,122.99
Borrowings outside India	-	-
Total (B)	**19,638.78**	19,122.99

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts, bank balance and investments with asset cover in the range of 1.25 to 1.33 times and weighted average cost for FY 20-21 is 9.72% p.a. and for FY 19-20 is 10.38% p.a.

** Exclusive charge by way of hypothecation of Company's loan receivables with assets cover 1.25 times in favour of borrowing from NABARD of ₹2000 Million.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Company's loan receivables / book debts, bank balance and investments with asset cover of 1.33 times.

Weighted average cost for FY 20-21 is 9.59% p.a. and for FY 19-20 is 10.50% p.a.

Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)

(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
Small Industrial Development Bank of India	June 10, 2024	19 quarterly instalments starting from Dec 2019	685.00	895.00
National Bank for Agriculture and Rural Development	December 31, 2025	19 quarterly instalments starting from Jun 2021	2,000.00	-
Canara Bank	March 13, 2027	26 quarterly instalments starting from Dec 2020	692.29	500.00
Canara Bank (Erstwhile known as Syndicate Bank)	March 31, 2026	24 quarterly instalments starting from Jun 2020	416.67	500.00
State Bank Of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	166.70	583.50
State Bank Of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from Apr 2019	1,696.30	2,142.80
State Bank Of India - Term Loan 3	August 31, 2026	24 quarterly instalments starting from Nov 2020	1,830.29	1,000.00
State Bank Of India - Term Loan 4	November 30, 2025	16 quarterly instalments starting from Feb 2022	1,500.00	-
Indian Bank - Term Loan 1	February 6, 2025	24 quarterly instalments starting from May 2019	665.31	832.31

Notes

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(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
Indian Bank - Term Loan 2	December 31, 2024	18 quarterly instalments starting from Sept 2020	833.12	50.00
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	-	249.55
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	311.65	395.70
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	1,331.71	1,666.19
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from Mar 2020	395.13	478.98
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	592.47	718.25
Union Bank of India - Term Loan 5	May 31, 2026	24 quarterly instalments starting from Aug 2020	1,310.47	1,499.15
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Feb 2018	-	125.00
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan 4	December 26, 2026	24 quarterly instalments starting from Mar 2021	479.09	100.00
Bank of India - Term Loan 3	December 31, 2024	16 quarterly instalments starting from Mar 2021	234.38	250.00
Bank of India - Term Loan 4	September 30, 2025	16 quarterly instalments starting from Dec 2021	500.00	-
Punjab & Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	333.34	416.67
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	395.83	479.17
Bank of Maharashtra - Term Loan 4	January 13, 2027	24 quarterly instalments starting from Apr 2021	500.00	300.00
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	166.01	833.13
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 2)	September 30, 2020	12 quarterly instalments starting from Dec 2017	-	124.92
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 3)	March 27, 2021	12 quarterly instalments starting from Jun 2018	-	166.49
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 4)	March 31, 2024	16 quarterly instalments starting from Jun 2020	374.02	499.82
Bank of Baroda (Erstwhile known as Dena Bank)	September 30, 2021	12 quarterly instalments starting from Dec 2018	41.32	124.90
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	-	224.71
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from Mar 2020	197.06	239.22
UCO Bank - Term Loan 3	February 28, 2028	24 quarterly instalments starting from May 2022	499.86	-
UCO Bank - Term Loan 4	March 31, 2028	24 quarterly instalments starting from Jun 2022	500.00	-
ICICI Bank - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	43.75	106.25
Karnataka Bank - Term Loan 1	March 31, 2021	12 quarterly instalments starting from Jun 2018	-	66.39
Karnataka Bank - Term Loan 2	December 13, 2022	11 quarterly instalments starting from Jun 2020	63.46	99.99
HDFC Bank - Term Loan	July 07, 2021	36 monthly instalments starting from July 2018	9.59	45.14
Indian Overseas Bank	September 21, 2026	22 quarterly instalments starting from Jun 2021	999.81	-
Punjab National Bank - Term Loan	December 31, 2024	24 quarterly instalments starting from Mar 2019	-	791.38
Punjab National Bank (Erstwhile known as United Bank of India)- Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	-	249.31

(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
YES Bank - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	-	25.00
YES Bank - Term Loan 1	March 28, 2022	Repayable in 16 quarterly instalments starting from July 2018	-	281.25
YES Bank - Term Loan 1	April 25, 2022	Repayable in 16 quarterly instalments starting from July 2018	-	421.88
YES Bank - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	-	312.50
YES Bank - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	-	187.50
YES Bank - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	-	137.50
YES Bank - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	-	206.25
YES Bank - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	-	137.50
YES Bank - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	-	206.25
YES Bank - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	-	137.50

Note 16. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Book Overdraft	1,707.33	-
Unclaimed dividend	0.22	0.24
Margin money Received from Customer	128.79	19.54
Advance from Customer	3.29	-
Lease Liability	197.55	223.96
Interest Accrued but not due on borrowings	359.45	31.43
Others	0.37	0.00
Total	**2,397.00**	275.17

Note 17. Current tax liabilities (net)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Tax (Net of Advance Tax)	80.72	116.96
Total	**80.72**	116.96

Note 18. Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision on non-fund exposure	27.64	33.79
Provision for Interest on Interest Waiver	34.31	
Provision for Employee Benefits		
- Gratuity	4.46	7.28
- Compensated Absences	36.72	30.30
Total	**103.13**	71.37

Note 19. Other non-financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables		
Statutory dues	21.27	7.96
Total	**21.27**	7.96

Notes

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Note 20. Equity share capital

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
36,00,00,000 Equity Shares of ₹2 each	720.00	720.00
(Previous Year 36,00,00,000 Equity Shares of ₹2 each)		
	720.00	720.00
Issued, Subscribed and Fully Paid Up		
17,52,85,355 Equity Shares of ₹2 each	350.57	350.27
(Previous Year 17,51,34,805 Equity Shares of ₹2 each)		
	350.57	350.27

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,51,34,805	350.27	17,51,34,805	350.27
Issued during the year*	150,550	0.30	-	-
Equity shares outstanding as at the end of the year	17,52,85,355	350.57	17,51,34,805	350.27

During the year the Company has allotted 1,50,550 equity shares of ₹2/- each for consideration of ₹0.30 Millions as ESOPs.

Details of shareholders holding more than 5 percent shares in the Company are given below:

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	%	Number	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.69%	6,78,24,643	38.73%
Mr. Rameshchandra Sharma	4,37,64,630	24.97%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	9.99%	1,75,17,060	10.00%

Terms/Rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Board of Directors at their meeting held on 27th May, 2021 have recommended a dividend of ₹0.40 per equity share on face value of ₹2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
2. During the year the Company has paid the dividend of ₹35.02 Millions at ₹0.10 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 31st July, 2020.
3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Shares reservation :

In FY 2020-21 No. of 15,80,450 (FY 2019-20 no. of 16,79,500) shares of ₹2 each towards outstanding employee stock options granted (Refer Note 45)

Objective for managing capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Note 21. Other equity

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per the last Financial Statements	2,120.04	1,848.00
Add: Amount transferred from surplus balance in the statement of profit and loss	287.92	272.04
Closing balance	**2,407.96**	2,120.04
Securities premium		
Balance as per the last financial statements	4,471.00	4,471.00
Add:-On account of ESOP Exercised	20.79	-
Closing balance	**4,491.79**	4,471.00
General Reserve		
Balance as per the last financial statements	642.05	642.05
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**642.05**	642.05
Employee Stock Option Reserve		
Balance as per the last Financial Statements	57.92	30.62
Add/Less: Amount transferred from surplus balance in the statement of profit and loss	20.85	27.30
Closing balance	**78.77**	57.92
Retained earnings (Surplus/deficit in statement of profit and loss)		
Surplus/deficit in statement of profit and loss	7,184.89	6,172.76
Profit for the year:	1,439.60	1,360.18
Less: Appropriations		
Dividend Paid	(35.03)	(63.05)
Tax on Dividend Paid	-	(12.96)
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(287.92)	(272.04)
	8,301.54	7,184.89
Total	**15,922.11**	14,475.90

Securities premium
Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

General reserve
It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934
Every non-banking financial company shall create a reserve fund to transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

Employee Stock Option Reserve
This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.

Note 22. Interest Income

(₹ in Millions)

Particulars	2020-21		2019-20	
	On Financial Assets measured at Amortised Cost	**Total**	On Financial Assets measured at Amortised Cost	Total
Interest on Loans	5,292.82	5,292.82	5,428.49	5,428.49
Interest on deposits	38.04	38.04	6.29	6.29
Interest income from investments	12.89	12.89	-	-
Total	**5,343.75**	**5,343.75**	5,434.78	5,434.78

Notes

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Note 23. Fee and commission Income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Application fees	11.90	28.91
Total	**11.90**	28.91

Note 24. Net gain on fair value changes

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in Shares	17.13	-
- Mutual Fund	161.55	94.18
(B) Total Net gain on fair value changes	178.68	94.18
(C) Fair Value changes:		
- Realised	171.41	88.66
- Unrealised	7.27	5.52
Total Net gain on fair value changes	**178.68**	94.18

Note 24 A. Net loss on fair value changes

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments in share	-	62.41
- Mutual Fund & Bonds	-	-
(B) Total Net loss on fair value changes	-	62.41
(C) Fair Value changes:		
- Realised	-	-
- Unrealised	-	62.41
Total Net loss on fair value changes	**-**	62.41

Note 25. Other operating income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement Income	91.46	67.25
Foreclosure Fees	61.85	116.15
Bad Debts Recovered	1.10	1.60
Other charges	53.38	36.74
Total	**207.79**	221.74

Note 26. Other income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on sale of other assets	-	1.53
Interest on Income Tax Refund	4.68	-
Service Fees from Subsidary	12.00	12.00
Others	0.53	25.75
Total	**17.21**	39.28

Note 27. Finance costs

(₹ in Millions)

Particulars	For the year ended March 31, 2021 On Financial liabilities measured at Amortised Cost	For the year ended March 31, 2020 On Financial liabilities measured at Amortised Cost
Interest on borrowings Other than debt Securities	1,563.68	1,972.85
Interest on Bank Overdraft	0.28	24.09
Interest on debt securities	496.00	103.67
Interest on Bank CC	2.28	34.68
Interest on Lease Liability	22.96	23.87
Interest Others	-	0.56
Total	**2,085.20**	2,159.72

Note 28. Impairment on financial instruments

The table below displays Stagewise ECL charged to the Statement of Profit and Loss:

(₹ in Millions)

	2020-21				2019-20			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	52.36	264.39	152.09	468.84	20.00	89.74	98.11	207.85
Loan commitments	(6.62)	(1.00)	1.47	(6.15)	(4.22)	3.78	0.02	(0.42)
Others	-	-	-	-	-	-	57.74	57.74
Total impairment loss	**45.74**	**263.39**	**153.56**	**462.69**	15.78	93.52	155.87	265.17

The ECL figures given in brackets indicate stagewise release of the provision amount.

Note 29. Employee benefit expense

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Bonus	749.91	894.15
Contribution to Provident Fund and Other Funds	38.87	34.54
Staff Training and Welfare Expenses	10.45	24.68
Share Based Payments to employees	26.60	22.45
Total	**825.83**	975.82

Note 30. Other expense

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertising	6.24	2.83
Auditors' Remuneration (Refer Note 1 below)	4.22	3.68
Bad Debts Written Off	54.25	44.76
Business Development Expenses	6.98	10.20
Corporate Social Responsibility Expenses (Refer Note 2 below)	34.11	27.06
Directors' Fees and Commission	6.21	4.74
Electricity Charges	5.22	6.40
Legal Expenses	89.79	105.53
Loss On Sale of Fixed Assets	0.14	2.99
Recruitment Expenses	13.93	9.65
Membership & Subscription Expenses	2.45	2.56
Postage, Telephone and Fax	18.13	15.25
Printing and Stationery	5.35	4.98
Rent	(0.27)	10.64
Software Expenses	24.87	26.29
Filing & Other Fees to ROC	0.06	0.16
Travelling and Conveyance	45.15	53.18
Service fees Subsidiary	16.28	11.37
NOC Review Charges	18.43	6.39
Miscellaneous Expenses	20.60	28.95
Total	**372.14**	377.61

Notes

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1. Auditors' remuneration

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) For Audit	2.15	1.40
b) For Tax Audit	0.40	0.40
c) For Limited Review	0.98	0.98
d) For other services (Certification Fees)	0.58	0.69
e) For reimbursement of expenses	0.11	0.21
Total	**4.22**	3.68

2. Corporate social responsibility expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross Amount Required to be spent during the year	34.11	27.06
Amount spent during the year on Corporate Social Responsibility in line with Schedule VII of the Companies Act 2013	34.11	27.06

Note 31. Other comprehensive income

(₹ in Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement gain on defined benefit plan	5.90	3.91
Income tax relating to these items	(1.48)	(0.99)
Total other comprehensive income for the year, net of tax	**4.42**	2.92

Note 32. MSME Loans

1.1 Credit quality of assets

(₹ in Millions)

Particulars	As at March 31, 2021 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	18,508.18	-	-	18,508.18	16,540.48	-	-	16,540.48
Standard grade	1,942.41	-	-	1,942.41	1,159.73	-	-	1,159.73
Sub-standard grade	-	976.79	-	976.79	-	788.39	-	788.39
Past due but not impaired	-	736.26	-	736.26	-	875.82	-	875.82
Restructured	-	1,817.97	-	1,817.97	-	-	-	-
Non Performing								
Individually impaired	-	-	1,389.58	1,389.58	-	-	733.20	733.20
Total	**20,450.59**	**3,531.02**	**1,389.58**	**25,371.19**	17,700.21	1,664.22	733.20	20,097.63

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Millions)

Particulars	As at March 31, 2021 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,700.21**	**1,664.22**	**733.20**	**20,097.63**	17,923.15	1,057.45	461.41	19,442.00
New assets originated	7,447.60	-		7,447.60	4,146.28	-	-	4,146.28
Assets derecognised or repaid (excluding write offs)	(2,488.39)	(110.65)	(152.36)	(2,751.40)	(3,127.99)	(185.50)	(132.40)	(3,445.90)
Transfers to Stage 1	442.02	(389.24)	(52.78)	-	206.78	(168.09)	(38.69)	-
Transfers to Stage 2	(2,208.77)	2,231.76	(22.99)	0.00	(1,172.19)	1,204.21	(32.02)	-
Transfers to Stage 3	(442.09)	(298.73)	740.82	-	(275.81)	(243.84)	519.66	-
Other movements (on account of change in EAD)	-	433.66	197.89	631.55	-	-	-	-
Amounts written off*	-	-	(54.20)	(54.20)	-	-	(44.76)	(44.76)
Gross carrying amount closing balance	**20,450.58**	**3,531.02**	**1,389.58**	**25,371.19**	17,700.21	1,664.22	733.20	20,097.63

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the company.

Reconciliation of ECL balance is given below:

(₹ in Millions)

Particulars	As at March 31, 2021 Stage 1	Stage 2	Stage 3	Total	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**83.86**	**109.36**	**256.43**	**449.65**	54.26	33.32	158.86	246.44
New assets originated	45.59	-	-	45.59	238.29	-	-	238.29
Assets derecognised or repaid (excluding write offs)	(9.83)	(11.87)	(52.36)	(74.06)	(9.78)	(3.35)	(21.94)	(35.07)
Transfers to Stage 1	35.89	(23.51)	(12.38)	-	13.45	(4.55)	(8.91)	-
Transfers to Stage 2	(10.53)	15.87	(5.34)	-	(85.36)	92.35	(6.99)	-
Transfers to Stage 3	(2.11)	(17.78)	19.89	-	(127.00)	(8.42)	135.41	-
Other movements (on account of change in EAD)	(7.29)	309.88	202.49	505.08	-	-	-	-
Amounts written off			(13.82)	(13.82)	-	-	-	-
ECL allowance - closing balance	**135.58**	**381.95**	**394.91**	**912.44**	83.86	109.36	256.43	449.66

Notes
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Notes
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Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Restructured	0 DPD & Resturctured	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
LGD	25.5	22.65

Probability of Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	2.60	2.06
Stage 2	42.44	23.43
Stage 3	100.00	100.00

E. Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	8,868.40	295.62
51% - 70%	12,386.38	435.36
71%-90%	3,947.47	180.48
91%-100%	168.95	1.18
more than 100%	-	-

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	469.20	133.18
51% - 70%	648.78	177.68
71%-90%	271.52	84.03
91%-100%	0.08	0.02
more than 100%	-	-

Notes
Forming part of Standalone Financial Statements

Note 32.1 Construction Finance Loans

1.1 Credit quality of assets

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	10,990.72	-	-	10,990.72	9,698.74	-	-	9,698.74
Standard grade	27.73	-	-	27.73	-	-	-	-
Sub-standard grade	-	791.41	-	791.41	-	1,176.32	-	1,176.32
Past due but not impaired	-	-	-	-	-	-	-	-
Non Performing								
Individually impaired	-	-	16.75	16.75	-	-	16.75	16.75
Total	**11,018.45**	**791.41**	**16.75**	**11,826.61**	9,698.74	1,176.32	16.75	10,891.81

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,698.74**	**1,176.32**	**16.75**	**10,891.81**	13,363.24	-	16.75	13,379.99
New assets originated	5,061.12	-	-	5,061.12	2,493.36	-	-	2,493.36
Assets derecognised or repaid (excluding write offs)	(3,878.17)	(248.15)	-	-4,126.32	(4,981.53)	-	-	(4,981.53)
Transfers to Stage 1	605.57	(605.57)	-	-				-
Transfers to Stage 2	-468.81	468.81		-	(1,176.32)	1,176.32	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**11,018.45**	**791.41**	**16.75**	**11,826.61**	9,698.74	1,176.32	16.75	10,891.81

Reconciliation of ECL balance is given below:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**65.22**	**13.70**	**3.20**	**82.12**	74.83	-0.00	2.67	77.50
New assets originated	14.49	-	-	14.49	24.67	-	-	24.67
Assets derecognised or repaid (excluding write offs)	(25.07)	(2.82)	-	(27.89)	(20.05)	-	-	(20.05)
Transfers to Stage 1	9.35	(9.35)	-	-	-	-	-	-
Transfers to Stage 2	(3.15)	3.15	-	-	(13.70)	13.70	-	-
Transfers to Stage 3	-	-	-	-	(0.53)	-	0.53	-
Other movements (on account of change in EAD)	5.01	(0.60)	13.55	17.96	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**65.85**	**4.08**	**16.75**	**86.68**	65.22	13.70	3.20	82.12

Notes
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Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
LGD	19.09	19.09

Probability of Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	1.50	3.52
Stage 2	3.84	4.21
Stage 3	100.00	100.00

Note 33.

"The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the global and Indian financial markets and slowdown in the economic activities.

To cover additional challenges posed by COVID-19 pandemic, the management of the Company, based on current available information, has estimated overlays for the purpose of determination of the provision for impairment of financial assets carried at amortised cost. Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial results.

The extent, to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact future results of the Company, will depend on the current as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

Note 34. Income Taxes relating to continuing operations

1. Income Tax recognised in statement of profit and loss

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
In respect of the current year	587.15	526.33
In respect of prior years	-	7.47
	587.15	533.80
Deferred Tax		
In respect of the current year	(92.95)	5.11
On Other Comprehensive Income	-	-
	(92.95)	5.11
Total Income tax expense recognised in the current year relating to continuing operations	**494.20**	538.91

2. Reconciliation of income tax expense for the year:

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Standalone Profit before tax	**1,929.35**	1,896.16
Adjustments of allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	410.84	132.44
Tx Effect of income exempt from tax/ deduction allowable	-	(2.73)
Tax Effect of income considered separately	(178.68)	(23.26)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	171.41	88.66
Tax Effect of deduction under Chapter VI A/ Other Sections	-	-
Taxable Profits/ (loss)	**2,332.93**	2,091.27
Income tax expense recognised in statement of profit and loss	**587.15**	526.33

3. Reconciliation of income tax rate is as follows:

(In %)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Normal Tax Rate	22.00	22.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	2.20
Health and Education Cess	0.97	0.97
Total Tax Rate	**25.17**	25.17
Adjustments of Tax Effect of allowable and non-allowable income and expenses:		
Non-deductible expenses	5.36	1.76
Income exempt from tax/ deduction allowable	-	(0.04)
Income considered separatey	(2.33)	(0.31)
Capital Gain on sale of shares,mutual funds, interest etc	2.24	1.18
Deduction under Chapter VI A/ Other Sections	-	-
Deferred Tax Assets	(4.82)	0.27
Prior Period Expenses	-	0.39
Effecttive Tax Rate	**25.61**	28.42

Note 35. Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in Millions)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	**As at March 31, 2021**	**As at March 31, 2021**	2020-21	2020-21
Provisions	10.04	-	2.50	-
Depreciation	19.38	-	1.41	-
Impairment allowance for financial assets	166.59	-	85.55	-
Other Comprehensive Income	-	-	-	-
Financial Instruments at FVTPL	-	1.83	(1.83)	-
Unmortised borrowing Cost	-	2.54	4.30	-
Unmortised Fees and commission	13.75	-	(3.13)	-
Adjusted against current tax	-	-	-	-
Others	7.68	-	4.16	-
Total	**217.45**	**4.37**	**92.95**	-

(₹ in Millions)

	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
Particulars	As at March 31, 2020	As at March 31, 2020	2019-20	2019-20
Provisions	7.55	-	0.77	-
Depreciation	17.97	-	(5.24)	-
Impairment allowance for financial assets	81.05	-	12.26	-
Other Comprehensive Income	-	-	-	-
Financial Instruments at FVTPL	-	-	(0.33)	-
Unmortised borrowing Cost	-	6.84	19.14	-
Tax related to earlier years	-	-	66.19	-
Others	3.53	-	3.53	-
Unmortised Fees and commission	16.88	-	(101.42)	-
Total	126.96	6.84	(5.11)	-

Deffered Tax Assets / Liabilities are calculated at the applicable rate of 25.17%

Notes
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Note 36. Maturity analysis of assets and liabilities
The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the EIR.

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	1,537.95	-	1,537.95	463.37	-	463.37
Bank Balance other than above	100.77	0.20	100.97	82.22	0.14	82.36
Trade Receivables	15.57	-	15.57	9.12	-	9.12
Loans	6,262.20	29,379.90	35,642.10	7,326.65	23,219.71	30,546.36
Investments	3,674.41	3,344.75	7,019.16	2,486.37	1,750.00	4,236.37
Other financial Assets	83.92	15.73	99.65	0.56	22.51	23.07
Total Assets	**11,674.83**	**32,740.58**	**44,415.40**	10,368.29	24,992.36	35,360.64
Liabilities						
Financial Liabilities						
Payables						
-Trade Payables	44.09	-	44.09	50.57	-	50.57
-Other Payables	57.85		57.85	55.23	-	55.23
Debt Securities	2,166.67	4,326.14	6,492.81	-	1,500.00	1,500.00
Borrowings (Other than debt securities)	4,038.17	15,600.61	19,638.78	5,979.32	13,143.67	19,122.99
Other financial liabilities	2,125.74	271.26	2,397.00	74.05	201.13	275.17
Total liabilities	**8,432.52**	**20,198.01**	**28,630.53**	6,159.17	14,844.80	21,003.96
Net	**3,242.31**	**12,542.57**	**15,784.87**	4,209.13	10,147.56	14,356.68

Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI. The Above is based on the information available with the company which has been relied upon by the auditor

Capital Management
The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) refer Note no. 55.1

Note 37. Change in liabilities arising from financing activities

(₹ in Millions)

Particulars	As at April 1, 2020	Cash flows	Other	**As at March 31, 2021**
Debt Securities	1,500.00	4,992.81	-	6,492.81
Borrowings other than debt securities	19,122.99	515.79	-	19,638.78
Book Overdraft	-	1,707.33	-	1,707.33
Unclaimed dividend	0.24	(0.02)	-	0.22
Margin money	19.54	109.25	-	128.79
Advance from Customer	-	3.29	-	3.29
Lease Liability	223.96	(26.41)	-	197.55
Interest Accrued but not due on borrowings	31.43	328.02	-	359.45
Others	0.00	0.37	-	0.37
Total liabilities from financing activities	20,898.16	7,630.43	-	**28,528.59**

(₹ in Millions)

Particulars	As at April 1, 2019	Cash flows	Other	**As at March 31, 2020**
Debt Securities	499.48	1,000.52	-	1,500.00
Borrowings other than debt securities	20,423.82	(1,300.84)	-	19,122.99
Book Overdraft	612.18	(612.18)	-	-
Unclaimed dividend	0.22	0.02	-	0.24
Margin money	13.89	5.65	-	19.54
Lease Liability	-	223.96	-	223.96
Interest Accrued but not due on borrowings	7.47	23.96	-	31.43
Others	30.76	(30.76)	-	0.00
Total liabilities from financing activities	21,587.83	(689.67)	-	**20,898.16**

Note 38. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

38.1 Financial instruments by category

(₹ in Millions)

	As at March 31, 2021			As at March 31, 2020		
Particulars	**FVTPL**	**Others***	**Amortised cost**	FVTPL	Others*	Amortised cost
Financial assets						
Investments						
- Equity instruments (Other than subsidiaries)	38.73	-	-	30.85	-	-
- Mutual funds	1,588.71	-	-	2,455.52	-	-
- Commercial Paper	-	-	959.13	-	-	
- Debt Securities	-	-	952.76	-	-	-
- Pass Through Certificates	-	-	1,729.83	-	-	-
-Equity Shares - Subsidiaries	-	1,750.00	-	-	1,750.00	-
Trade receivables	-	-	15.57	-	-	9.12
Loans	-	-	35,642.09	-	-	30,546.36
Cash and cash equivalents	-	-	1,537.95	-	-	463.37
Bank Balances other than above	-	-	100.97	-	-	82.36
Other financial Assets	-	-	99.66	-	-	23.07
Total financial assets	**1,627.44**	**1,750.00**	**41,037.95**	2,486.37	1,750.00	31,124.27
Financial liabilities						
Borrowings (including Debt Securities)	-	-	26,131.59	-	-	20,622.99
Trade payables	-	-	101.94	-	-	50.57
Other financial liabilities	-	-	2,397.00	-	-	275.17
Total financial liabilities	**-**	**-**	**28,630.53**	-	-	20,948.73

* Others include subsidiary investment measured at cost

Notes

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38.2Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Millions)

	Notes	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	38.73	38.73	-	-	38.73
Mutual funds	7	1,588.71	1,588.71	-	-	1,588.71
Total financial assets		**1,627.44**	**1,627.44**	**-**	**-**	**1,627.44**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Millions)

	Notes	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
As at March 31, 2021						
Financial assets						
Cash and cash equivalents	3	1,537.95	1,537.95	-	-	1,537.95
Bank Balance other than above	4	100.97	100.97	-	-	100.97
Trade Receivable	5	15.57	-	-	15.57	15.57
Loans						-
Loans to employees	6	1.19	-	-	1.19	1.19
Loans - SME & CF	6	35,640.90	-	-	35,640.90	35,640.90
Investments						
- Commercial Paper	7	959.13	-	959.13	-	959.13
- Debt Securities	7	952.76	-	952.76	-	952.76
- Pass Through Certificates	7	1,729.83	-	-	1,729.83	1,729.83
-Equity Shares - Subsidiaries	7	1,750.00	-	-	1,750.00	1,750.00
Other financial assets	8	99.66	-	-	99.66	99.66
Total financial assets		**42,787.95**	**1,638.92**	**1,911.89**	**39,237.15**	**42,787.95**
Financial Liabilities						
Trade Payable	13	101.94	-	-	101.94	101.94
Debt Securities	14	6,492.81	6,492.81	-	-	6,492.81
Borrowings other than Debt Securities	15	19,638.78	-	-	19,638.78	19,638.78
Other Financial Liabilities	16	2,397.00	-	-	2,397.00	2,397.00
Total financial liabilities		**28,630.53**	**6,492.81**	**-**	**22,137.72**	**28,630.53**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Millions)

	Notes	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
As at March 31, 2020						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	30.85	30.85	-	-	30.85
Mutual funds	7	2,455.52	2,455.52			2,455.52
Total financial assets		2,486.37	2,486.37	-	-	2,486.37
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Millions)

	Notes	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
As at March 31, 2020						
Financial assets						
Cash and cash equivalents	3	463.37	463.37	-	-	463.37
Bank Balance other than above	4	82.36	82.36	-	-	82.36
Trade Receivable	5	9.12	-	-	9.12	9.12
Loans						-
Loans to employees	6	4.35	-	-	4.35	4.35
Loans - SME & CF		30,542.02	-	-	30,542.02	30,542.02
Investment in Subsidiaries - Equity Shares	7	1,750.00	-	-	1,750.00	1,750.00
Other financial assets	8	23.07	-	-	23.07	23.07
Total financial assets		32,874.29	545.73	-	32,328.55	32,874.29
Financial Liabilities						
Trade Payable	13	105.80	-	-	105.80	105.80
Debt Securities	14	1,500.00	1,500.00	-	-	1,500.00
Borrowings other than Debt Securities	15	19,122.99	-	-	19,122.99	19,122.99
Other Financial Liabilities	16	275.17	-	-	275.17	275.17
Total financial liabilities		21,003.96	1,500.00	-	19,503.96	21,003.96

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The Company gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

The Company's borrowings are at floating rates therefore fair value of these borrowings approximates the carrying value.

The fair value of Debentures approximates the carrying value.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 39.

39.1. Risk Disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

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39.2. Credit risk
Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

39.2.1 Impairment assessment

39.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor.The amortised principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3. Another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

39.2.1.2 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

39.2.1.3 Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate inability to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

39.2.1.4 Probability of Default ("PD") estimation process

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding (refer note 32).

a) The Company has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

39.2.1.5 Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level.

39.2.2 Analysis of risk concentration - Refer Note 52.12(d)

39.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has guidelines in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothication of Receivables.

2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recovers the dues.

39.2.4 In accordance with the instructions in the RBI circular dated April 07, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly. the Company has estimated the said amount and made provision for refund/adjustment.

39.2.5 The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant volatility and decline in the global and Indian financial markets and slowdown in the economic activities. Pursuant to the guidelines issued by RBI dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package, the Company has granted moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers. For the purpose of asset classification on all such accounts, the number of days past due as on March 31, 2021 excludes the moratorium period to the respective borrower, as per the policy.

39.2.6 Hon'able Supreme court vide order dated 23 March 2021, in the matter of Small Scale industrial Manufacturers Associations VS UOI & Ors. Has stated that interium relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly the company has classified non performing assets as per extant RBI guidlines.

39.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets by monitoring future cash flows and liquidity on a daily basis. Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note no.55.5

39.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the company is providing loans to MSME and Construction Finance. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance Sheet positions. An interest rate sensitivity gap report is prepared by classifying

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all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

(₹ in Millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2020-21			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	91.81	Impact on equity	68.70
	50 Basis point Up		183.62		137.41
	25 Basis point Down		(91.81)		(68.70)
	50 Basis point Down		(183.62)		(137.41)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(49.81)	Impact on equity	(36.98)
	50 Basis point Up		(98.82)		(73.95)
	25 Basis point Down		49.81		36.98
	50 Basis point Down		98.82		73.95

(₹ in Millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2019-20			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	77.47	Impact on equity	57.98
	50 Basis point Up		154.95		115.95
	25 Basis point Down		(77.47)		(57.98)
	50 Basis point Down		(154.95)		(115.95)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(48.13)	Impact on equity	(36.02)
	50 Basis point Up		(96.27)		(72.04)
	25 Basis point Down		48.13		36.02
	50 Basis point Down		96.27		72.04

Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. During the year, the the Company has not come across any instances of fraud.

Capital Management:

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

The gearing ratio at each date were as follows :

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
*Debt (I)	26,329.14	20,846.94
Cash and bank balances (II) (refer note 3)	1,537.95	463.37
Net debt (I - II)	**24,791.19**	20,383.57
Total equity	**16,272.68**	14,826.17
Net debt to equity ratio	**1.52**	1.37

* Debt includes debt securities, borrowings and lease liabilities.

Note 40A. Defined Benefit Plan

The Company's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Employer's contribution to provident fund	25.20	19.23
Employer's contribution to National Pension Scheme	3.10	3.73
Total	**28.30**	22.96

Note 40B- Defined Benefit Plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund.The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation/retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table sets out the status of the Defined Benefit Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the Company:-

Principal assumptions used for the actuarial valuations are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	5.58%	6.24%
Expected Rate of return on Plan Asset	5.58%	6.24%
Salary Escalation	5.00%	5.00%
Attrition Rate	20.00%	16.10%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	32.95	27.60
Current Service Cost	10.12	10.98
Interest Cost	2.06	2.07
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(4.81)	(4.13)
Direct Payment by the Company	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1.21)	(0.47)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.92	1.93
Actuarial (Gains)/Losses on Obligations - Due to Experience	(5.40)	(5.03)
Present Value of Benefit Obligation at the End of the Period	**34.62**	32.95

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Movements in the fair value of the plan assets are as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	25.66	19.49
Interest income	1.60	1.46
Contributions by employer	7.50	8.50
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(4.81)	(4.13)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.20	0.34
Fair Value of Plan Assets at the End of the Period	**30.15**	25.66

Amount recognised in the balance sheet from the Company's obligation in respect of its defined benefit plans is as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	As at March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(34.62)	(32.95)
Fair value of plan assets	30.15	25.66
Funded status (Surplus/ (Deficit))	(4.47)	(7.28)
Net (Liability)/Asset Recognised in the Balance Sheet	**(4.47)**	(7.28)

Net Interest Cost for current period:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	32.95	27.60
(Fair Value of Plan Assets at the Beginning of the Period)	(25.66)	(19.49)
Net Liability/(Asset) at the Beginning	7.28	8.12
Interest Cost	2.06	2.07
(Interest Income)	(1.60)	(1.46)
Net Interest Cost for Current Period	**0.45**	0.61

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	As at March 31, 2020
Service cost:		
Current service cost	10.12	10.98
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	0.46	0.61
Expense Recognised	**10.58**	11.58

Amounts recognised in the Other Comprehensive Income (OCI) in respect of these defined benefit plans are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	**As at March 31, 2021**	As at March 31, 2020
Return on plan assets (excluding amounts included in net interest expense)	(0.20)	(0.34)
Actuarial (gains) / losses on defined benefit obligations	(5.70)	(3.57)
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognised in OCI	**(5.90)**	(3.91)

The fair value of the plan assets for the India at the end of the year 31st March 2021 for each category, are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	**As at March 31, 2021**	As at March 31, 2020
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds	30.15	25.66
Others	-	-
Total	**30.15**	25.66

Maturity Analysis of benefit payments

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.40	3.53
2nd Following Year	3.78	4.01
3rd Following Year	5.00	3.57
4th Following Year	5.64	4.30
5th Following Year	4.26	4.97
Sum of Years 6 To 10	13.16	14.70
Sum of Years 11 and above	7.87	12.65

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

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Senstivity analysis

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(1.37)	(1.57)	1.49	1.74
2) Future Salary Increases	1.43	1.61	(1.35)	(1.50)
3) Employee Turnover	(0.37)	(0.27)	0.37	0.27

Note :

-The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

-The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

-Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

-There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

A. List of Related Parties and related party relationship:

Considering only parties with whom transaction has entered during the FY 2020-21

a) Related Parties over which control exists:

Sr. No.	Name of the Related Party	Relationship
1	Capri Global Housing Finance Limited	Wholly owned Subsidiary
2	Capri Global Resources Private Limited	Wholly owned Subsidiary

b) Enterprises over which Management and/or their relatives have control

Sr. No.	Name of the Related Party
1	Capri Global Holdings Private Limited
2	Ramesh Chandra Sharma - HUF
3	Parshwanath Buildcon Private Limited

c) Key Management Personnel of the Company

Sr. No.	Name of KMP	March 31, 2021	March 31, 2020
1	Mr. Quintin E Primo III	Not Applicable	Non-Executive Chairman (Resigned w.e.f 01.06.2019)
2	Mr. Rajesh Sharma	Managing Director	Managing Director
3	Mr. Jayesh Doshi	Whole Time Director (Resigned w.e.f.31.03.20)	Not Applicable
4	Mr. Beni Prasad Rauka	Independent Director	Independent Director
5	Ms. Bhagyam Ramani	Independent Director	Independent Director
6	Mr. Mukesh Kacker	Independent Director	Independent Director
7	Mr. Tilak Raj Bajalia	Not Applicable	Independent Director (Resigned w.e.f 19.12.2019)
8	Mr. Ajay Relan	Independent Director	Independent Director
9	Mr. Ajit Mohan Sharan	Independent Director	Independent Director (Appointed w.e.f 01.06.2019)
10	Mr. Ashish Gupta	Chief Financial Officer (Resigned w.e.f 08.07.2020)	Chief Financial Officer (Appointed w.e.f 03.05.2019)
11	Mr. Raj Ahuja	Chief Financial Officer (Appointed w.e.f 15.12.2020)	Not Applicable
12	Mr. Abhishekh Kanoi	Company Secretary (Resigned w.e.f 06.11.2020)	Company Secretary
13	Mr. Harish Agrawal	Company Secretary (Appointed w.e.f 07.11.2020)	Not Applicable

d) Post-employment benefit plan:

1. Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme

e) Corporate Social Responsibility:

1. Capri Foundation

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B) Details of transactions during the year and closing balances as at the year end:

(₹ in Millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		Year Ended March 31, 2021	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020
a.	**Statement of Profit and Loss Items:**										
I	**INCOMES :**										
i	**Interest on Loan Given to Subsidiaries**										
	Capri Global Resources Private Limited	-	-	-	-	-	-	-	-	-	-
ii	**Service Charge Income from Subsidiary**										
	Capri Global Housing Finance Limited	12.00	12.00	-	-	-	-	-	-	12.00	12.00
iii	**Sale of Investment**										
	Capri Global Holdings Pvt. Ltd.	-	-	-	26.80	-	-	-	-	-	26.80
II	**Expenses :**										
i	**Rent Paid**										
	Ramesh Chandra Sharma (HUF)	-	-	-	1.65	-	-	-	-	-	1.65
	Parshwanath Buildcon Private Limited	-	-	0.13	0.14	-	-	-	-	0.13	0.14
ii	**Service Charge Expenses to Subsidiary**										
	Capri Global Housing Finance Limited	15.09	10.43	-	-	-	-	-	-	15.09	10.43
iii	**Salaries, Commission and other benefits**										
	Mr. Rajesh Sharma	-	-	-	-	-	2.40	-	-	-	2.40
	Mr. Ashish Gupta	-	-	-	-	5.55	9.84	-	-	5.55	9.84
	Mr. Abhishekh Kanoi	-	-	-	-	2.37	-	-	-	2.37	-
	Mr. Harish Agrawal	-	-	-	-	2.46	-	-	-	2.46	-
	Mr. Jayesh Doshi	-	-	-	-	10.35	-	-	-	10.35	-
	Mr. Raj Ahuja	-	-	-	-	5.36	-	-	-	5.36	-
iv	**Director Sitting Fees**										
	Mr. Desh Raj Dogra	-	-	-	-	0.08	-	-	-	0.08	-
	Mr. Quintin E Primo III	-	-	-	-	-	0.15	-	-	-	0.15
	Mr. Beni Prasad Rauka	-	-	-	-	1.81	1.11	-	-	1.81	1.11
	Ms. Bhagyam Ramani	-	-	-	-	1.98	0.84	-	-	1.98	0.84
	Mr. Mukesh Kacker	-	-	-	-	1.06	0.68	-	-	1.06	0.68
	Mr. Tilak Raj Bajalia	-	-	-	-	-	0.72	-	-	-	0.72
	Mr. Ajit Sharan	-	-	-	-	0.70	0.33	-	-	0.70	0.33
	Mr. Ajay Kumar Relan	-	-	-	-	0.57	0.45	-	-	0.57	0.45
v	**Employee Benefits**										
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	7.50	8.50	7.50	8.50
vi	**Corporate Social Responsibility**										
	Capri Foundation	-	-	33.91	26.76	-	-	-	-	33.91	26.76
vii	**Conversion of Loan into Equity Shares**										
	Loan Converted into equity Shares	-	5.55	-	-	-	-	-	-	-	5.55

Notes

Forming part of Standalone Financial Statements

B) Details of transactions during the year and closing balances as at the year end:

(₹ in Millions)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
b	**Balance Sheet Items (Closing Balances):**	-	-	-	-	-	-	-	-	-	-
i	**Investment in Equity Shares of Subsidiaries**	-	-	-	-	-	-	-	-	-	-
	Capri Global Housing Finance Limited	1,750.00	1,750.00	-	-	-	-	-	-	1,750.00	1,750.00
	Capri Global Resources Private Limited	11.05	11.05	-	-	-	-	-	-	11.05	11.05
ii	**Loan Given to Subsidiary**	-	-	-	-	-	-	-	-	-	-
	Capri Global Resources Private Limited	-	-	-	-	-	-	-	-	-	-
iii	**Interest Accrued but not due from Subsidiary**	-	-	-	-	-	-	-	-	-	-
	Capri Global Resources Private Limited	-	-	-	-	-	-	-	-	-	-
iv	**Other Payable**	-	-	-	-	-	-	-	-	-	-
	Parshwanath Buildcon Private Limited	-	-	0.16	0.03					0.16	0.03
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	-	-	-	-
v	**Other Receivable**										
	Capri Global Housing Finance Limited	9.68	6.92	-	-	-	-	-	-	9.68	6.92
	Capri Global Resources Private Limited	0.20	-	-	-	-	-	-	-	0.20	-

Note 41. Related party disclosures in respect of transactions for the year

Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Millions)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Employee benefits	26.09	12.24
Total	**26.09**	12.24

Note 42. Segment Information (IND-AS 108)

Operating Segment:

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 43. In Accordance with IND AS - 33 Earnings Per Share

The computation of earning per share is set out below:

Particulars			For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Millions	1,435.18	1,357.25
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	175,285,355	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	176,579,900	176,193,461
Basic earnings per equity share (in Rupees) (Face value of ₹2/- per share)	(A)/(B)	₹	8.19	7.75
Diluted earnings per equity share (in Rupees) (Face value of ₹2/- per share)	(A)/(C)	₹	8.13	7.70

Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
Weighted average number of equity shares for calculating EPS	Nos.	175,285,355	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	1,294,545	1,058,656
Weighted average number of equity shares in calculation of diluted EPS	Nos.	176,579,900	176,193,461

Note 44. Leases

The changes in the carrying value of ROU assets are as follows:

Gross carrying value

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the Year	**255.95**	246.94
On adoption of IND AS 116	-	-
Additions/Modifications	8.16	9.02
Terminations	-	-
Translation adjustments	-	-
Balance as at the end of the Year	**264.11**	255.95
Accumulated depreciation		
Balance as at the beginning of the Year	46.00	-
Depreciation	45.26	46.00
Terminations/modifications	-	-
Translation adjustments	-	-
Balance as at the end of the Year	91.27	46.00
Net Carrying Value at the end of the Year	**172.85**	209.95

Notes

Forming part of Standalone Financial Statements

The following is the movement in lease liabilities during the year:

Lease liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the Year	**223.96**	246.94
Additions/Modification	8.16	9.02
Terminations/modifications	-	-
Finance expense	22.96	23.87
Payment of lease liabilities	57.52	55.86
Translation adjustments	-	-
Balance as at the end of the Year	**197.55**	223.96

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021, on an undiscounted basis:

Tenure

(₹ in Millions)

Particulars	31st March 2021	31st March 2020
Less than 1 year	55.30	53.25
1-3 years	92.32	94.87
3-5 years	91.38	86.02
More than 5 years	27.30	70.23
Total	**266.31**	304.37

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Company has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

Note 45. Employee Stock Option

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Company/Subsidiary spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under: -

Name of Plan	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	15,80,450	₹2 to ₹194.9

The activity of the Stock Plans is summarised below:

	Year ended			
	As at March 31, 2021		As at March 31, 2020	
Particulars	**Numbers**	**Exercise Price/ Vesting Price (₹)**	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	574,000	100.00	771,500	100.00
	285,000	70.00	285,000	70.00
	555,000	2.00	687,500	2.00
	200,500	130.00	-	-
	50,000	174.00	-	-
	15,000	158.20	-	-
Granted	295,000	2.00	200,500	130.00
	20,000	194.9	50,000	174.00
	-	-	15,000	158.20
Exercised	113,000	100.00	-	-
	37,550	2.00	-	-

Particulars	Year ended			
	As at March 31, 2021		As at March 31, 2020	
	Numbers	**Exercise Price/ Vesting Price (₹)**	Numbers	Exercise Price/ Vesting Price (₹)
Forfieted, expired and cancelled	25,500	100.00	197,500	100.00
	52,000	2.00	-	70.00
	150,000	130.00	132,500	2.00
	15,000	158.20	-	-
	21,000	2.00	-	-
Outstanding at the end of the year	442,000	100.00	574,000	100.00
	285,000	70.00	285,000	70.00
	732,950	2.00	555,000	2.00
	50,500	130.00	200,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	15,000	158.20

The following table summarises information about stock option plans

Exercise Price (₹)	Year ended			
	As at March 31, 2021		As at March 31, 2020	
	Numbers	**Weighted Average Remaining Life (Months)**	Numbers	Weighted Average Remaining Life (Months)
130.00	50,500	31	200,500	43
174.00	50,000	31	50,000	43
158.20	-	-	15,000	48
194.90	20,000	48	-	-
100.00	442,000	16	574,000	24
70.00	285,000	12	285,000	22
2.00	732,950	28	555,000	30

The following table summarises the assumptions used in calculating the grant date fair value.

Particulars	**March 31, 2021**	March 31, 2020
Expected life of the options	3 to 5 Years	3 to 5 Years
Expected volatility	60%	60%
Dividend yield	1%	1%
Risk-free interest rate	4.59% to 5.62%	6.07% to 6.66%

ESOP cost recognised in the Statement of Profit and Loss for March 31,2021 ₹26.59 Millions (March 31, 2020 ₹22.45 Millions)

An aggregate amount of ₹4.60 Millions being the difference between the exercise price and fair value of the options is receivable from the subsidiary company with which employees are employed.

Note 46. Expenditure in Foreign Currency

Foreign Travelling Expenses	NIL (March 31, 2020 ₹2.84 Millions)
Professional Fees	NIL (March 31, 2020 ₹1.64 Millions)
Training & Development	NIL (March 31, 2020 ₹5.05 Millions)
Director Sitting Fees	NIL (March 31, 2020 ₹0.15 Millions)
Software Expenses	₹1.61 Millions (March 31, 2020 ₹ NIL)

Note 47. Details of dues to micro and small enterprises

The Company has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, there are no outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006. The Above is based on the information available with the company which has been relied upon by the auditor.

Notes

Forming part of Standalone Financial Statements

Note 48. Contingent Liabilities

Income Tax matters under dispute: March 31, 2021 ₹2.90 Millions (March 31, 2020 ₹8.69 Millions)

Note 49. Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2021 ₹13.88 Millions (March 31, 2020 ₹3.55 Millions)

b) Amount payable towards acquisition of Property for March 31, 2021 ₹48.10 Millions (March 31, 2020 ₹59.63 Millions)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31,2021 ₹7,032.06 Millions (March 31,2020 ₹5,720.04 Millions)

Note 50. The company has reported frauds aggregating ₹ NIL (March 31, 2020: ₹12.06 Millions) based on management reporting to risk committee and to the RBI through prescribed returns.

Note 51. Details of all collateral used as security for liabilities

(₹ in Millions)

	Carrying amount of financial assets pledged	
Particulars	**As at March 31, 2021**	As at March 31, 2020
Assets type		
Loans receivable as collateral under lending agreements	36,485.83	30,522.43
Loans receivable as collateral under PTC agreements	1,729.84	-
Recievables from investment in securities as collateral	2,584.53	2,455.52
Cash and other bank balance collateral under lending agreements	1,537.95	545.49

Disclosures as per the Reserve Bank of India

Note 52. Schedule to the Balance Sheet under Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Millions)

Particulars		Amount O/S	Amount Overdue
Liabilities Side			
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
	a) Debentures:		
	Secured	6,492.81	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	b) Deferred Credits	-	-
	c) Term Loans	19,638.78	-
	d) InterCorporate loans and borrowings	-	-
	e) Commercial Paper	-	-
	f) Other Loans (Cash Credit & Overdraft Facility)	-	-
	Total	26,131.59	-

(₹ in Millions)

Assets Side		Amount Outstanding
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	
	a) Secured	36,639.83
	b) Unsecured	1.39
3	Breakup of Leased Asets 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) Repossed Assets	-

(₹ in Millions)

Assets Side	Amount Outstanding
iii) Other loans counting towards AFC activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	-
4 Breakup of Investments:	
Current Investments:	
1. Quoted:	
i) Shares: (a) Equity	38.73
(b) Preference	-
ii) Debentures and Bonds	1,087.84
iii) Units of mutual funds	1,588.71
iv) Government Securities	-
v) Others (please specify)	-
- Certificate of Deposits	959.12
2. Unquoted:	
i) Shares: (a) Equity	-
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
Long Term investments:	
1. Quoted:	
i) Shares: (a) Equity	-
(b) Preference	-
ii) Debentures and Bonds	1,594.75
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others (please specify)	-
2. Unquoted:	
i) Shares: (a) Equity	1,750.00
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others	-

5 Borrower groupwise classification of assets financed as in (2) and (3) above:

	Amount net of Provisions		
Category	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	35,640.71	1.39	35,642.10
Total	35,640.71	1.39	35,642.10

6 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries *	2,650.06	1,750.00
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	5,269.16	5,269.16
Total	7,919.22	7,019.16

* The fair value of Investment is considered as net worth of Company

Notes

Forming part of Standalone Financial Statements

7 Other information

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than related parties	1,406.30
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than related parties	379.54
iii) Assets acquired in satisfaction of debt	-

Note 53. There are no Restructured Accounts as per Appendix 4 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Note 54. Disclosure Prsuant to RBI Notification - RBI/2020-21/17 DOR No. BP. BC/3/21.04.048/2020-21 dated 6 August 2020 (for restructring of accounts of micro, small and Medium Enterprises (MSME Sector- Restructuring of Advances having exposure less than or equal to ₹25 Crores)

(₹ in Millions)

Type of Borower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure accounts mentioned at (A) before implemention of the plan	ECL Provision
MSMEs	571	1800.17	228.21

Note 55. Disclosure as required under Annexure XIV of Master Direction - Non - Banking Finacial Company systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016

Note 1 : The Figures for March 31, 2020 are as per RBI Regulations which have been taken from the Financial Statements of earlier year.

Note 2 : Figures in Note no 55.2 to Note no. 55.12 are provided as per RBI Regulations considering these are specifically defined under the RBI prudential norms.

55.1 Disclosure for CRAR :-

CRAR	Items	As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	35.46%	38.00%
ii)	CRAR - Tier I Capital (%)	35.02%	37.21%
iii)	CRAR - Tier II Capital (%)	0.44%	0.79%
iv)	Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

55.2 Asset Liability Profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off balance sheet

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	7,019.16	4,247.42
(b) Outside India,	Nil	Nil
(ii) Provisions for Depreciation		
(a) In India	Nil	11.05
(b) Outside India,	Nil	Nil
(iii) Net Value of Investments		
(a) In India	7,019.16	4,236.37
(b) Outside India.	Nil	Nil
2 Movement of provisions held towards depreciation on investments.		
(i) Opening balance	11.05	Nil
(ii) Add: Provisions made during the year	-	11.05
(iii) Less: Write-off/write-back of excess provisions during the year	11.05	Nil
(iv) Closing balance	-	11.05

55.3 Derivatives

The Company has not entered into any derivative transactions.

55.4 Disclosures relating to Assignment

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

(₹ in Millions)

Sr. No	Particulars	Current Year	Previous Year
(i)	No. of accounts	Nil	5
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	4,700.33
(iii)	Aggregate consideration	Nil	4,635.00
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate (gain) / loss over net book value	Nil	65.33

55.5 Maturity Pattern of Assets & Liabilities as at March 31, 2021

(Current Year ₹ in Millions)

	1 Day to 30/31 days (One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks	44.80	232.39	731.41	1,005.50	2,024.08	8,541.00	6,443.32	616.29	19,638.78
Market Borrowings	-	-	-	166.67	2,000.00	2,826.14	-	1,500.00	6,492.81
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	303.60	2,190.50	349.90	1,210.80	2,207.40	8,095.80	5,348.20	16,933.63	36,639.83
Investments	369.14	2,009.21	10.24	1,181.79	104.02	284.22	298.08	2,762.46	7,019.16
Foreign Currency assets	-	-	-	-	-	-	-	-	-

(Previous Year ₹ in Millions)

	1 Day to 30/31 days (One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks	377.53	254.95	688.47	1,879.87	2,778.50	7,612.30	4,660.70	870.68	19,122.99
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	748.60	1,029.45	410.00	1,833.50	3,305.10	10,412.00	4,557.70	8,792.11	31,088.46
Investments	2,000.00	455.52	-	-	30.85	-	-	1,750.00	4,236.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-

Note :

i) Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.

ii) Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI. The Above is based on the information available with the company which has been relied upon by the auditor

Notes
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55.6 Exposures

Exposure to Real Estate Sector

(₹ in Millions)

Category		As at March 31, 2021	As at March 31, 2020
a)	**Direct Exposure**		
i)	Residential Mortgages -		
ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates(office buildings, retail space, multipurpose commercial premises, multi-family residential buldings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	8,733.50	9,608.19
iv)	Investments in Mortgage Backed Securities(MBS)		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b)	**Indirect Exposure**		
	Fund based and non-fund based exposure on National Housing Bank(NHB) and Housing Finance Companies(HFCs.)*	1,750.00	1,750.00
	Invest in Pass Through Certificate	1,729.83	-

* investment made in wholly owned housing Finance Subsidiary Registered with the National Housing Bank. The above exposure doesn't include advances given based on estimation of underlying business cash flows as part of credit underwriting process though the securities given might include real estate assets

55.7 Exposure to Capital Market

Category		As at March 31, 2021	As at March 31, 2020
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	38.73	30.85
ii)	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;	Nil	Nil
iii)	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;	Nil	Nil
iv)	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 'does not fully cover the advances;	Nil	Nil
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
vi)	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;	Nil	Nil
vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
viii)	all exposures to Venture Capital Funds (both registered and unregistered) exposures to Venture Capital	Nil	Nil
	Total Exposure to Capital Market	38.73	30.85

	As at March 31, 2021	As at March 31, 2020
55.8 Details of financing of parent company products	Not Applicable	Not Applicable
55.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Not Applicable	Not Applicable
55.10 Unsecured Advances	1.39	4.35

55.11

i.	RBI Registration No.	B-13.01882
ii.	Penalties, if any, levied by any regulator;	NIL
iii.	Ratings assigned by credit rating agencies and migration of ratings during the year;	

(₹ in Millions)

Sr. No.	Instrument	Rating assigned	Agency	Date of Rating	Amount
1	Bank Lines	A+	CARE	01-12-2020	37,500
2	Non convertible debentures	A+	CARE	01-12-2020	6,000
3	Non convertible debentures	A+	CARE	01-12-2020	1,500
4	Bank Lines	AA	Infomerics	04-02-2021	43,800
5	Bank Lines	AA	Infomerics	04-02-2021	1,200
6	Non convertible debentures	AA	Infomerics	04-02-2021	3,000
7	Commercial paper	A1+	Infomerics	04-02-2021	3,500
8	Bank Lines	AA-	Brickworks	01-07-2020	45,000
9	Bank Lines	AA-	Brickworks	01-07-2020	1,200
10	Non convertible debentures	AA-	Brickworks	01-07-2020	500

55.12 Additional Disclosures

a) Provisions and Contingencies

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions for depreciation on Investment	NIL	11.05
Provision towards NPA	153.56	98.11
Provision made towards Income tax	494.20	538.91
Other Provision and Contingencies		
Provision for Standard Assets	309.13	109.74
Floating Provision Against Standard Asset	-	-
Provision for Depreciation	85.27	84.72
Provision for Gratuity	10.58	11.58
Provision for Compensated Absence	12.75	10.92

b) Draw Down from Reserves

The Company has not made any draw down from reserves during the previous year.

c) Concentration of Public deposits, Advances, Exposures and NPAs

There are no Public Deposits during the year ended 31st March 2021. Hence Related Disclosures are not applicable.

d) Concentration of Advances

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers/customers	7,327.32	4,752.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	16.57%	12.82%

e) Concentration of Exposures

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers/customers	7,327.32	4,752.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	16.57%	12.82%

Notes

Forming part of Standalone Financial Statements

f) Concentration of NPAs

(₹ in Millions)

Particulars	As at **March 31, 2021**	As at March 31, 2020
Total Exposure to top four NPA accounts (Gross)	150.26	76.95

g) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector As at **March 31, 2021**	 As at March 31, 2020
1.	Agriculture & allied activities	Nil	Nil
2.	MSME	5.53%	4.04%
3.	Corporate borrowers	0.19%	0.17%
4.	Services	Nil	Nil
5.	Unsecured personal loans	Nil	Nil
6.	Auto loans	Nil	Nil
7.	Other personal loans	Nil	Nil

h) Movement of NPAs

(₹ in Millions)

Particulars			As at **March 31, 2021**	As at March 31, 2020
(i)	Net NPAs to Net Advances (%) (Including provisions on standard assets)		1.06%	0.90%
	Net NPAs to Net Advances (%) (excluding provisions on standard assets)		2.78%	1.91%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	843.11	560.00
	(b)	Additions during the year	801.87	507.98
	(c)	Reductions during the year	238.65	224.87
	(d)	Closing balance	1406.33	843.11
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	583.48	444.85
	(b)	Additions during the year	569.26	321.70
	(c)	Reductions during the year	158.07	183.07
	(d)	Closing balance	994.67	583.48
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	259.63	115.15
	(b)	Provisions made during the year	232.61	186.28
	(c)	Write-off/write-back of excess provisions	80.57	41.80
	(d)	Closing balance	411.67	259.63

i) Overseas Assets

Particulars	Country	As at **March 31, 2021**	As at March 31, 2020
Capri Global Capital (Mauritius) Ltd	Mauritius	Nil	Nil

j) Off-balance Sheet SPVs sponsored : Not Applicable.

k) Customer Complaints

Particulars		**Current Year**	Previous Year
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	166	43
(c)	No. of complaints redressed during the year	166	43
(d)	No. of complaints pending at the end of the year	-	-

Notes
Forming part of Standalone Financial Statements

55.13 (A) Provisioning Details as on March 31, 2021

(₹ in Millions)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Number of Accounts	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2			3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets								
Standard	Stage 1*			31,469.03	201.44	31,267.59	125.87	75.57
	Stage 2*			4,322.44	386.22	3,936.22	199.08	187.14
Subtotal				**35,791.47**	**587.66**	**35,203.81**	**324.95**	**262.70**
Non-Performing Assets (NPA)								
Substandard	Stage 3	338	15.1	849.18	216.54	632.64	84.92	131.62
Doubtful - up to 1 year	Stage 3	151	19.12	303.16	77.31	225.85	60.63	16.67
1 to 3 years	Stage 3	58	37.27	159.31	40.62	118.69	47.79	(7.17)
More than 3 years	Stage 3	5	8.3	40.22	22.74	17.49	20.11	2.62
Subtotal for doubtful				502.70	140.67	362.03	128.54	12.13
Loss	Stage 3	14	42.83	54.46	54.46	-	54.46	-
Subtotal for NPA				**1,406.33**	**411.67**	**994.67**	**267.92**	**143.75**
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	-	-	6,643.68	23.15	6,620.53		23.15
	Stage 2	-	-	372.94	2.94	370.00		2.94
	Stage 3	-	-	15.44	1.55	13.89		1.55
Subtotal		-	-	**7,032.06**	**27.64**	**7,004.43**	**-**	**27.64**
Total	Stage 1			38,112.71	224.58	37,888.13	125.87	98.71
	Stage 2			4,695.38	389.16	4,306.22	199.08	190.07
	Stage 3			1,421.77	413.22	1,008.55	267.92	145.30
				44,229.87	**1,026.96**	**43,202.91**	**592.87**	**434.09**

Provisioning Details as on March 31, 2020

(₹ in Millions)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Number of Accounts	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2			3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets								
Standard	Stage 1*			27,657.67	149.09	27,508.57	170.86	(21.77)
	Stage 2*			2,947.30	123.06	2,824.24	159.15	(36.10)
Subtotal				**30,604.97**	**272.15**	**30,332.82**	**330.02**	**(57.86)**
Non-Performing Assets (NPA)								
Substandard	Stage 3	245	182.08	536.48	147.41	389.07	53.65	93.76
Doubtful - up to 1 year	Stage 3	59	361.63	179.48	49.16	130.32	35.90	13.26
1 to 3 years	Stage 3	21	404.56	94.09	30.00	64.10	28.23	1.77

Notes

Forming part of Standalone Financial Statements

(₹ in Millions)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Number of Accounts	Overdue Amount	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
More than 3 years	Stage 3			-	-	-	-	
Subtotal for doubtful				273.57	79.16	194.41	64.12	15.03
Loss	Stage 3	10	150.87	33.07	33.07	-	33.07	-
Subtotal for NPA				**843.12**	**259.63**	**583.48**	**150.84**	**108.79**
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			4,738.56	29.83	-	-	29.83
	Stage 2			409.39	3.94	-	-	3.94
	Stage 3			0.10	0.02	-	-	0.02
Subtotal				**5,148.04**	**33.79**	**-**	**-**	**33.79**
Total	Stage 1			32,396.23	178.92	27,508.57	170.86	8.06
	Stage 2			3,356.69	127.00	2,824.24	159.15	(32.16)
	Stage 3			843.21	259.65	583.48	150.84	108.82
				36,596.13	**565.57**	**30,916.30**	**480.85**	**84.72**

* Includes in stage 1 & Stage 2, ₹2075.97 Lakh towards 5% provision under IRACP as per RBI Circular No. RBI/2019-20/220 dated April 17,2020 against respective amounts in SMA/overdue categories where the moratorium/ deferment was extended in terms of Para 2 & para 3 thereof. Details as given below;

(₹ in Millions)

DPD's	Amounts where Asset Classification benefit was extended	Provision
0	26,453.04	
1-29	1,204.63	60.23
30-59	1,572.88	78.64
60-89	1,374.42	68.72
	30,604.97	**207.60**

Note 56. Previous year figures

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Consolidated Financial Statements

Independent auditors' report

To the Members of Capri Global Capital Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Capri Global Capital Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for opinion

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

Emphasis of matter

We draw your attention to Note 34 to the Statement, which describes the continuing uncertainty arising from the COVID-19 Pandemic of the Group's financial statements.

Our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matter description

As at March 31, 2021, loan assets aggregating to ₹468,625.53 Lakhs, constituting 80.62% of the Group's total assets and the related impairment provisions amounting to ₹11,440.99 Lakhs including macro-economic overlays on account of COVID. Since the loans and advances form a major portion of the Groups's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in IND AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall audit of the Group and a key audit matter.

As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans, and
- Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors

The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:

- Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact RBI circulars including COVID-19 Regulatory package.
- Accounting interpretations, modelling assumptions and data used to build and run the models;
- Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios;
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.

How the key audit matter was addressed in the audit

The audit procedures performed by us included the following:

We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group. The parameters and assumptions used and their rationale and basis are clearly documented.

Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors

- Testing the design and effectiveness of internal controls over the:
  - completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.
  - Accuracy of PD and LGD computed based on Company's past history.
  - where relevant, we used Information System specialists to gain comfort on data integrity and completeness of the aging report based on which the Staging of the loans is done into Stage 1, 2 and 3
  - computation of the ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model.
- Also, on a sample basis tested:
  - Accuracy of the Days past due computation and the staging thereon.
  - completeness and accuracy of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio.
  - Computation of the PD and LGD based on the underlying data.
  - for exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of LGD by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD.
  - we tested computation of provision for expected credit loss by using PD and LGD (EAD*PD*LGD*) to ensure the correctness of the Company's working.
- We performed an overall assessment of the ECL provision levels at each stage and reasonableness of the management's overlays on account of Covid-19 taking into consideration the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

Information other than the financial statements and auditor's report thereon

i. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report, Management Discussion and Analysis and Corporate Governance report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained 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.
- When we read the Director's report, Management Discussion and Analysis and Corporate Governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibility for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and Subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

        ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts,

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 21104968AAAAEF6057)

Place: Mumbai
Date: June 17, 2021

Annexure "A" to the independent auditors' report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated IND AS financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of Capri Global Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 criteria for internal financial control over financial reporting established by the respective companies 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 21104968AAAAEF6057)

Place: Mumbai
Date: June 17, 2021

Consolidated Balance Sheet

As at March 31, 2021

(₹ in Millions)

	Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
Assets				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	3	1,705.82	623.25
(b)	Bank balance other than above	4	536.66	118.77
(c)	Receivables	5	30.56	9.12
(d)	Loans	6	46,862.55	39,288.41
(e)	Investments	7	8,074.53	3,607.28
(f)	Other financial assets	8	97.66	23.02
Total financial assets			**57,307.78**	43,669.85
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	9	82.62	93.01
(b)	Deferred tax assets	10	257.29	151.84
(c)	Investment Properties	11	6.67	8.82
(d)	Property, plant and equipment	12	68.97	78.29
(e)	Other Intangible assets		202.47	235.25
(f)	Intagible Assets under development		0.69	3.64
(g)	Other non financial assets	13	204.34	174.11
Total non-financial assets			**823.05**	744.96
Total assets			**58,130.83**	44,414.81
Equity and liabilities				
Liabilities				
(1)	**Financial liabilities**			
(a)	Payables			
	(A) Trade payables	14		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		74.95	68.58
	(B) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		72.26	68.22
(b)	Debt Securities	15	6,741.30	1,500.00
(c)	Borrowings (Other than Debt Securities)	16	30,947.28	26,866.12
(d)	Other Financial liabilities	17	2,823.82	308.81
Total financial liabilities			**40,659.61**	28,811.73
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	18	148.87	117.12
(b)	Provisions	19	125.66	84.44
(c)	Other non-financial liabilities	20	23.68	9.67
Total non-financial liabilities			**298.21**	211.23
Total liabilities			**40,957.82**	29,022.96
(3)	**Equity**			
(a)	Equity share capital	21	350.57	350.27
(b)	Other equity	22	16,822.44	15,041.58
Total equity			**17,173.01**	15,391.85
Total equity and liabilities			**58,130.83**	44,414.81

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Millions)

	Particulars	Note No.	**For the Year ended March 31, 2021**	For the Year ended March 31, 2020
Revenue from operations				
(i)	Interest income	23	6,735.21	6,699.62
(ii)	Dividend income		1.18	2.73
(iii)	Fee and commission income	24	20.74	50.36
(iv)	Net gain on fair value changes	25	288.23	122.83
(v)	Other operating income	26	315.47	285.48
(I)	Total revenue from operations		**7,360.83**	7,161.02
(II)	Other income	27	10.54	34.02
(III)	Total income (I+II)		**7,371.37**	7,195.04
Expenses				
(i)	Finance costs	28	2,887.05	2,828.02
(ii)	Net loss on fair value changes	25 A	-	62.41
(iii)	Impairment of financial instruments (Expected Credit Loss)	29	544.68	299.23
(iv)	Employee benefit expenses	30	993.79	1,188.07
(v)	Depreciation and amortisation expense	12	105.11	107.84
(vi)	Other expenses	31	483.61	489.66
(IV)	Total expenses		**5,014.24**	4,975.23
(V)	Profit before Tax (III-IV)		**2,357.13**	2,219.81
	Tax expense			
	- Current tax		693.03	606.04
	- Deferred tax		(105.45)	(5.04)
	- Tax pertaining to earlier years		-	6.48
(VI)	Total tax expense		**587.58**	607.48
(VII)	Net profit after tax		**1,769.55**	1,612.33
(VIII)	Other comprehensive income	32		
	(i) Items that will not be classified to profit and loss - Remeasurement of defined benefit plans"		6.27	3.77
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(1.56)	(0.94)
	Other comprehensive income		4.71	2.83
(IX)	Total comprehensive income (VII+VIII)		**1,774.26**	1,615.16
(X)	Earnings per equity share (Face value INR 2/-each)			
	Basic (₹)		10.10	9.21
	Diluted (₹)		10.03	9.15

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Consolidated Statement of Cash Flow

For the year ended March 31, 2021

(₹ in Millions)

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax from continuing operations	2,357.13	2,219.81
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	105.11	107.84
Impairment on financial instruments	544.68	299.23
Net (gain)/loss on sale of financial instruments / fair valuation of financial instruments	(288.23)	46.67
Loss/(Gain) on sale of Fixed Assets	0.20	3.14
Share Based Payments to employees	25.45	27.23
Dividend income	(1.18)	(2.73)
Interest on Leased Assets	25.56	25.09
Operating Profit before working capital changes	**2,768.72**	2,726.28
Working capital changes	-	-
Loans	(8,114.45)	637.42
Trade receivables and contract asset	(98.83)	77.22
Other Non-financial Assets	(30.23)	5.39
Trade payables and contract liability	5.79	(17.74)
Other financial liability	2,538.34	(864.08)
Other Non-financial liability	13.30	(22.25)
Provision	43.12	13.17
Cash flows (used in)/ generated from operating activities	**(2,874.24)**	2,555.41
Income tax paid	(652.46)	(455.84)
Net cash flows (used in)/ generated from operating activities	**(3,526.70)**	2,099.57
Cash Flow From Investing activities		
Purchase of fixed and intangible assets	(45.90)	(37.72)
Loss on Cessation of Subsidiary	-	(1.33)
Proceeds from sale of property and equipment	1.06	9.96
Proceeds from sale of Investment Property	2.15	2.15
Increase in Fixed deposits not considered as cash and cash equivalent	(417.94)	68.01
Purchase of investment (net)	(4,179.04)	(3,560.68)
Dividend received	1.18	2.73
Net cash flows from/(used in) investing activities	**(4,638.49)**	(3,516.88)
Cash Flow From Financing activities		
Debt securities issued	4,992.81	1,000.52
Payments for the principal portion of the lease liability	(35.23)	(41.69)
Payments for the interest portion of the lease liability	(25.56)	(25.09)
Borrowings other than debt securities issued/(repaid)	4,329.63	(321.44)
Dividends paid including Dividend Distribution Tax	(35.03)	(76.01)
Issue of Equity Share	21.09	-
Net cash flows from financing activities	**9,247.71**	536.29
Net increase in cash and cash equivalents	1,082.52	(881.02)
Cash and cash equivalents at the beginning of the Year	623.50	1,504.52
Cash and cash equivalents at the end of the Year (refer note 3)	**1,706.02**	623.50
1. Operational cash flows from interest and dividends		
Interest paid	2,545.84	2,803.96
Interest received	6,558.43	6,618.22
Dividend received	1.18	2.73

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
3. Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.
4. Figures in brackets represent outflows.

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

A. Equity share capital

(₹ in Millions)

As at April 1, 2019	Changes in equity share capital during the year 2019-20	As at March 31, 2020	Changes in equity share capital during the year 2020-21	**As at March 31, 2021**
350.27	-	350.27	0.30	350.57

B. Other equity

(₹ in Millions)

	Reserves and surplus						Other Comprehensive Income	
	General reserve	Securities premium	Retained earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve Section 29C of the National Housing Bank Act, 1987	Employee benefit expenses (gratuity - OCI)	Total
Balance as at April 1, 2019	642.05	4,471.01	6,442.46	30.69	1,848.00	42.10	0.21	1,34,765.22
Dividends #	-	-	(76.01)	-	-	-	-	(76.01)
Transfer from retained earnings	-	-	(323.87)	-	272.04	49.00	2.83	0.00
Loss on Cessation of Subsidiaries	-	-	(1.33)	-	-	-	-	(1.33)
Transfer to retained earnings	-	-	1,615.17	27.23	-	-	-	1,642.40
Balance as at April 1, 2020	642.05	4,471.01	7,656.42	57.92	2,120.04	91.10	3.04	15,041.58
Dividends##	-	-	(35.04)	-	-	-	-	(35.04)
Transfer from retained earnings	-	20.79	(359.83)	-	287.92	67.20	4.71	20.79
Loss on Cessation of Subsidiaries	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	1,774.26	20.85	-	-	-	1,795.11
Balance as at March 31, 2021	**642.05**	**4,491.80**	**9,035.81**	**78.77**	**2,407.96**	**158.30**	**7.75**	**16,822.44**

#During the FY 2019-20 the Company has paid the dividend of ₹76.01 Millions (including dividend distribution tax of ₹12.96 Millions) at Re.0.36 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 2nd August, 2019.

##During the FY 2020-21 the Company has paid the dividend of ₹35.03 Millions at ₹0.10 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 31st July, 2020.

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: June 17, 2021

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

1. Corporate Information

Capri Global Capital Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

The financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the board of directors on May 27, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the holding and its subsidiary companies (together the "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 2.15- Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated.

2.2 Presentation of financial statements

The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

2.3 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.4 Basis of consolidation

The consolidated financial statements relate to Capri Global Capital Limited (the holding Company) and its wholly owned subsidiary companies which are as follows.

1) Capri Global Housing Finance Limited

2) Capri Global Resources Private Limited

(i) **Principles of Consolidation:**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110 - "Consolidated Financial Statements" notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).The consolidated financial statements have been prepared on the following basis:

a) The financial statements of Group have been combined on a line by line basis of like items of assets, liabilities, equity, income, expenses and cash flows of the holding with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements as at March 31, 2021.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the holding Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect to different accounting policies for like transaction and events in similar

Notes

Forming part of Consolidated Financial Statements

circumstances for the purpose of preparation of consolidated financial statements.

c) Elimination of the carrying amount of the holding's investment in each subsidiary and the holding's portion of equity of each subsidiary.

d) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the holding Company i.e. period ended on March 31, 2021.

2.5 Financial instruments

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate (EIR).

(v) Reclassification

If the business model under which the Group holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds are received by the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) *Financial assets:*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, the Group has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

Notes

Forming part of Consolidated Financial Statements

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b) *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs), Construction Finance and Housing Finance.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the group on terms that the group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(viii) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note.40) at fair value on each balance sheet date.

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

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming

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that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

2.6 Revenue from operations

(i) Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the group applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income
Dividend income is recognised when the right to receive the payment is established,

(iii) Fees & Commission Income
Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable.

(iv) Net gain on Fair value changes
Any differences between the fair values of financial assets classified as FVTPL held by the Group on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVTOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Loan Processing Fees
Loan processing fees is collected towards processing of loan, is amortised on EIR basis over the contractual life of the loan.

2.7 Expenses

(i) Finance costs
Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual tenure of the loan.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) *Defined contribution schemes*
All the eligible employees of the Group who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) *Defined Benefit schemes*
The Group provides for the gratuity, a defined benefit retirement plan covering all employees.

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The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group fully contributes all ascertained liabilities to the respective Trusts created for this purpose. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases Rent:

The Group leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses.

The Group assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. For short-term leases and low value leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment as to whether it will exercise an extension or a termination option.

(iv) Other income and expenses
All Other income and expense are recognised on accrual basis in the period they occur.

(v) Impairment of non-financial assets
The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by 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.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit can be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.10 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

2.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Act or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

2.12 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

2.14 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.15 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting

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policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(iii) Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument

(iv) Lease accounting

The Group determines the lease term as the non-cancellable period of a lease including any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations, taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in respective geographies.

2.16 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months.

Note 3. Cash and cash equivalents

(₹ In Millions)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Cash on hand	14.75	2.32
(ii)	Balances with Banks		
	- in current accounts	1,691.07	620.93
	- In Deposit accounts with original maturity of 3 months or less	-	-
Total		**1,705.82**	623.25

Note 4: Bank Balances other than above

(₹ In Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks		
- Original Maturity more than 3 months	536.46	118.53
- Unclaimed Dividend Account	0.20	0.24
Total	**536.66**	118.77

Out of above ₹185.67 Millions balance in deposit accounts with banks are being earmarked towards Borrowing from national Housing Bank.

Balance in deposit accounts with banks are being earmarked towards Borrowing.

Deposits are made for varying period from 7 Month to 10 years and earn interest at the respective fixed rates.

Note 5. Receivables

(₹ In Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured considered good		
Outstanding for a period exceeding six months from the due date of payment	-	-
Outstanding for a period less than six months	30.56	9.12
Total	**30.56**	9.12

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Group has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. Loans

(₹ In Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amortised cost	Total	Amortised cost	Total
A				
Loans	48,005.46	48,005.46	39,885.47	39,885.47
Others:				
Loan to employees	1.19	1.19	4.51	4.51
Total – Gross (A)	48,006.65	48,006.65	39,889.98	39,889.98
Less : Expected Credit Loss	(1,144.10)	(1,144.10)	(601.57)	(601.57)
Total – Net (A)	**46,862.55**	**46,862.55**	39,288.41	39,288.41
B				
(a) Secured by tangible assets	44,924.87	44,924.87	39,885.47	39,885.47
(b) Secured by Book Debts	3,080.59	3,080.59	-	-
(c) Unsecured	1.19	1.19	4.51	4.51
Total – Gross (B)	**48,006.65**	**48,006.65**	39,889.98	39,889.98
Less: Expected Credit Loss	(1,144.10)	(1,144.10)	(601.57)	(601.57)
Total – Net (B)	**46,862.55**	**46,862.55**	39,288.41	39,288.41
C				
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	48,006.65	48,006.65	39,889.98	39,889.98
Total (C) Gross	**48,006.65**	**48,006.65**	39,889.98	39,889.98
Less: Expected Credit Loss	(1,144.10)	(1,144.10)	(601.57)	(601.57)
Total (C) Net	**46,862.55**	**46,862.55**	39,288.41	39,288.41

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Note 1 - The Group's business model is to Collect contractual cash flows, being the payment of Principal and Interest, accordingly the loans are measured at amortised cost.
Note 2 - Underlying for the term loans secured by tangible assets are properties.
Note 3 - The Group does not have any loans outside India.

Note 7. Investments

(₹ in Millions)

Investments	As at March 31, 2021 At Fair Value Through profit or loss	At Amortised Cost	Total	As at March 31, 2020 At Fair Value Through profit and loss	At Amortised Cost	Total
Investments in Commercial Paper	-	959.13	959.13	-	-	-
Investments in Equity Instruments	38.73	-	38.73	30.86	-	30.86
Investments in Mutual funds	4,394.08	-	4,394.08	3,576.42	-	3,576.42
Investments in Debt Securities						
- Debt Instruements	-	952.76	952.76	-	-	-
- Pass Through Certificates	-	1,729.83	1,729.83	-	-	-
Total	**4,432.81**	**3,641.72**	**8,074.53**	3,607.28	-	3,607.28
(i) Investments outside India	-	-	-	-		-
(ii) Investments in India	4,432.81	3,641.72	8,074.53	3,607.28	-	3,607.28
Total	**4,432.81**	**3,641.72**	**8,074.53**	3,607.28	-	3,607.28

Particulars	As at March 31, 2021 Numbers/Units	As at March 31, 2020 Numbers/Units
Investment in Equity		
1. Equity Shares of CARE Ratings Limited of ₹10/- each fully paid up	94,242.00	94,242.00
Investment in Mutual Funds		
1. Axis Money Market Fund - Direct Growth	-	95,940.54
2. PGIM India Money Market Direct Growth	-	49,982.78
3. HDFC Money Market Fund - Direct Plan - Growth	-	71,446.04
4. ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	74,90,392.66	2,33,47,248.29
5. ICICI Pru,Money Market Fund Direct Growth	-	3,59,696.83
6. ICICI Pru. Floating Interest Fund -Direct Growth	9,18,910.39	15,81,123.16
7. Mirae Asset Saving Fund - Direct Plan - Growth	-	28,296.04
8. SBI Saving Fund Direct Growth	-	31,00,996.35
9. NIPPON ULTRA SHORT DURATION FUND DG	-	64,856.53
10. SUNDARAM MONEY MARKET FUND (176MMDG)	-	89,57,282.72
11. SUNDARAM ULTRA SHORT TERM FUND	-	9,52,253.85
12. UTI Corporate Bond Fund DG	-	84,93,795.28
13. Kotak Liquid Fund	36,072.83	35,027.76
14. SBI Liquid Fund	31,046.09	86,890.18
15. HDFC Low Duration Fund Direct Growth	3,76,034.86	5,123.17
16. Aditya Birla Sun Life Banking & PSU Debt Fund - DG	6,93,806.12	2,19,141.72
17. Nippon India Floating Rate Fund - DG	83,80,194.95	22,523.13
18. HDFC Corporate Bond Fund	2,02,54,665.89	15,84,116.03
19. Aditya Birla Sun Life Savings Fund - DG	1,88,159.74	2,30,72,613.14
20. HDFC Ultra Short Term Fund	83,84,762.47	83,84,762.47
21. HDFC Liquid Fund	-	5,123.17
22. ICICI Prudential Liquid Fund	2,02,667.70	-
23. Aditya Birla Sunlife Liquid Fund	1,50,823.16	2,19,141.72
24.Baroda Liquid Fund	12,689.66	-
25.ICICI Prudential Liquid Fund	3,28,174.61	15,84,116.03
26. UTI Liquid Fund	23,852.06	-
27. Aditya Birla Sunlife Money Manager Fund	13,95,891.84	-
28.UTI Money Market Fund	1,25,600.20	-
29. Nippon India Money Market Fund	1,24,459.18	-
30. ICICI Prudential Ultra Short Fund	87,83,819.42	2,30,72,613.14

Notes
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Particulars	As at March 31, 2021 Numbers/Units	As at March 31, 2020 Numbers/Units
31. Axis Ultra Short Fund	75,76,459.83	-
32. ICICI Prudential Savings Fund	5,74,082.59	-
33. Kotak Low Duration Fund	36,052.05	-
34. Aditya Birla Sunlife Floating Rate Fund	4,83,024.04	-
35. ICICI Prudential Floating Interest Fund	3,10,073.14	-
36. Kotak Short term Fund	34,57,849.03	-
Investment in Bonds		
1. Aditya Birla Finance Limited SR PPMLD K1 BR NCD 04MY21 FVRS10LAC	130.00	-
2. 8.50% Shriram Transport Finance Co. Ltd - SR-D-14 8.5 NCD 16AG21 FVRS10LAC	150.00	-
3. 8.85% Shriram Transport Finance Co. Ltd - SR-D-11 8.85 NCD 03AG21 FVRS10LAC	40.00	-
4. Shriram City Union Finance Co. Ltd - SR I TR I 9.55 NCD 30AP21 FVRS1000	3,50,000.00	-
5. Shriram Transport Finance Co. Ltd - SR F-16 OPT I NCD 31MY21 FVRS10LAC	200.00	-
Investment in commercial papers		
1. Adani Enterprises Limited - 181D CP 23SEP21	1,000.00	-
2. Adani Enterprises Limited - 185D CP 06SEP21	1,000.00	-
Investment in pass through certificates		
1. Indian Receivable Trust 2019 SERIES 5 - SERIES A1 PTC 01MR19	1,750.00	-
2. Indian Receivable Trust 2019 SERIES 5 - SERIES A2 PTC 01MR19	2,318.00	-

Note 8. Others financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	23.42	23.02
Interest Accrued on Commercial Papers	3.68	-
Interest Accrued on Bonds/Debentures	43.06	-
Receivable on sale of Investment in Equity share	27.50	-
Total	**97.66**	23.02

Note 9. Current tax assets (net)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax (net of provision for tax)	82.62	93.01
Total	**82.62**	93.01

Note 10. Deferred tax assets (net)

The major components of deferred tax assets and liabilities are :

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
a) Depreciation	22.95	-	21.33	-
b) Provision for employee benefits	12.63	-	9.54	-
c) Amortised Finance Cost	-	4.36	-	9.43
d) Provisions for loans	195.69	-	97.29	-
e) Amortised Fees Income	13.75	-	-	-
f) MAT Credit Entitlement	8.08	-	8.08	-
g) Financial Instruments at FVTPL	-	3.81	-	-
h) Others	12.36	-	25.03	-
Total	**265.46**	**8.17**	161.27	9.43
Net Deferred Tax Asset		**257.29**		151.84

Note 11. Investment properties

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Properties*	6.67	8.82
Total	**6.67**	8.82

Notes
Forming part of Consolidated Financial Statements

(₹ in Millions)

Cost or Deemed Cost	**As at March 31, 2021**	As at March 31, 2020
Balance at the beginning of the year	8.82	10.97
Additions during the year	-	-
Disposals	2.15	2.15
Balance at the end of the year	**6.67**	8.82

* Investment Properties are in the nature of freehold properties and fair value of the properties is ₹25.19 Millions.

Note 12. Property, plant and equipment & Intangible Assets

Property, plant and equipment

(₹ in Millions)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 1, 2020	Additions	Deductions	**As at March 31, 2021**	As at April 1, 2020	For the Year	Deductions	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Buildings :										
Buildings	2.70	-	-	2.70	0.38	0.11	-	0.49	2.21	2.32
Leasehold Premises	22.85	-	-	22.85	13.39	2.45	-	15.84	7.01	9.46
Computer Hardware	88.01	11.08	7.42	91.67	72.01	10.39	7.03	75.37	16.30	16.00
Furniture and Fixtures	48.59	1.86	0.14	50.31	28.68	5.43	0.08	34.03	16.28	19.91
Office Equipments	32.35	1.50	0.63	33.22	25.77	3.14	0.56	28.35	4.87	6.58
Vehicles	55.57	6.93	1.10	61.40	35.46	6.93	0.37	42.02	19.38	20.11
Electrical Installation	9.91	0.03	-	9.94	6.00	1.02	-	7.02	2.92	3.91
Total	259.98	21.40	9.29	**272.09**	181.69	29.47	8.04	**203.12**	**68.97**	78.29

Intangible assets:

(₹ in Millions)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 1, 2020	Additions	Deductions	**As at March 31, 2021**	As at April 1, 2020	For the Year	Deductions	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Software	59.43	19.31	-	78.74	41.25	20.69	-	61.94	16.80	18.18
Right of Use *	273.27	23.55	-	296.82	56.20	54.95	-	111.15	185.67	217.07
Royalty	-	-	-	-	-	-	-	-	-	-
Total	332.70	42.86	-	**375.56**	97.45	75.64	-	**173.09**	**202.47**	235.25

* Refer note no. 39

Property, plant and equipment

(₹ in Millions)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 1, 2019	Additions/ Modification	Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Buildings :										
Buildings	2.70	-	-	2.70	0.26	0.12	-	0.38	2.32	2.44
Leasehold Premises	22.85	-	-	22.85	10.08	3.31	-	13.39	9.46	12.77
Computer Hardware	84.37	11.14	7.50	88.01	62.44	16.69	7.12	72.01	16.00	21.93
Furniture and Fixtures	65.23	0.47	17.11	48.59	36.78	7.16	15.26	28.68	19.91	28.45
Office Equipments	36.06	1.64	5.35	32.35	25.77	5.01	5.01	25.77	6.58	10.29
Vehicles	53.93	12.74	11.10	55.57	28.64	7.58	0.76	35.46	20.11	25.29
Electrical Installation	12.82	-	2.91	9.91	7.34	1.39	2.73	6.00	3.91	5.48
Total	277.96	25.99	43.97	259.98	171.31	41.26	30.88	181.69	78.29	106.66

Intangible assets:

(₹ in Millions)

	Gross Block				Depreciation and Amortisation				Net Block	
Particulars	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	49.94	9.49	-	59.43	30.87	10.38	-	41.25	18.18	19.07
Right of Use *	-	273.27	-	273.27	-	56.20	-	56.20	217.07	-
Royalty	70.54	-	70.54	-	70.54	-	70.54	-	-	-
Total	120.48	282.76	70.54	332.70	101.41	66.58	70.54	97.45	235.25	19.07

* Refer note no. 39

Note 13. Other non-financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances/ Asset Under Financing*	144.35	134.97
Prepaid expenses	24.04	15.59
Assets Held for sale	3.75	5.26
Accrued Income	6.14	-
Deferred lease rentals	9.65	11.01
GST Input Credit	0.47	1.52
Advance to vendor	11.91	4.20
Other Assets	4.03	1.56
Total	**204.34**	174.11

* Net of provision of ₹48.19 Millions (31st March 2020 ₹42.98 Millions)

Note 14. Trade Payables

Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	74.95	68.58
Total	**74.95**	68.58

Other Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Employee Benefit Expense	72.26	68.22
Total	**72.26**	68.22

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Group. The amount of principal and interest outstanding during the year is given below.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Amount outstanding but not due as at year end	-	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
Total	-	-

Note 15. Debt Securities

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	6,741.30	6,741.30	1,500.00	1,500.00
Total (A)	**6,741.30**	**6,741.30**	1,500.00	1,500.00
Debt securities in India	6,741.30	6,741.30	1,500.00	1,500.00
Debt securities outside India	-	-	-	-
Total (B)	**6,741.30**	**6,741.30**	1,500.00	1,500.00

Notes

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Terms of repayment, nature of security & rate of interest in case of Non Convertible Debtenture.

(₹ in Millions)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2021	As at March 31, 2020
Series 4 (FV ₹10 Lakhs)	09-08-2029	Bullet payment on aturity	10.23%	1,500.00	1,500.00
Series 8 (FV ₹10 Lakhs)	23-07-2023	Payable in 3 equal annual instalments	8.80%	500.00	-
Series 6 (FV ₹10 Lakhs)	05-06-2023	Bullet payment on maturity	9.00%	500.00	-
Series 5 (FV ₹10 Lakhs)	22-05-2023	Bullet payment on maturity	8.80%	2,000.00	-
Series 9 (FV ₹10 Lakhs)	04-02-2022	Bullet payment on maturity	8.35%	1,500.00	-
Series 7 (FV ₹10 Lakhs)	16-01-2022	Bullet payment on maturity	8.25%	500.00	-
Series 1 (FV ₹10 Lakhs)	28-01-2022	Bullet payment on maturity	8.00%	250.00	-
		Total		**6,750.00**	1,500.00

The above NCD's are secured against first pari-passu charge by way of hypothecation on the loan receivables/book debts, bank balances and investments of the Group.

Note 16. Borrowings (other than debt securities) - at amortised cost

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks*	26,314.10	24,878.65
Term Loans from others**	4,633.16	1,541.24
Unsecured		
Loan from Director	0.02	0.01
Loan Repayable on Demand		
From Banks (Cash Credit)	-	446.22
Total (A)	**30,947.28**	26,866.12
Borrowings in India	30,947.28	26,866.12
Borrowings outside India	-	-
Total (B)	**30,947.28**	26,866.12

* Exclusive charge by way of hypothecation of Company's loan receivables, bank balances and investments with assets cover of 1.2 times in favour of borrowing from SBI of ₹928.50 Million.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balances and investments with asset cover of 1.10 to 1.33 times and weighted average cost for FY 20-21 is 9.72% p.a. and for FY 19-20 is 10.38% p.a.

** Exclusive charge by way of hypothecation of Group's loan receivables with assets cover 1.25 times in favour of borrowing from NABARD of ₹2,000 Million.

**Exclusive charge by way of hypothecation of the Group's loan receivables / book debts with asset cover of 1.25 to 1.35 times in favour of borrowing from NHB and weighted average cost for FY 20-21 is 7.26% p.a. and 7.89% p.a. for FY 19-20.

Borrowings other than above: First pari-passu charge by way of hypothecation of the Group's loan receivables / book debts, bank balance and investments with asset cover of 1.33 times and weighted average cost for FY 20-21 is 9.59% p.a. and for FY 19-20 is 10.50% p.a.

Terms of repayment, nature of security & rate of interest in case of Borrowings from Banks (Other than Debt Securities)

(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
Small Industrial Development Bank of India	June 10, 2024	19 quarterly instalments starting from Dec 2019	685.00	895.00
National Bank for Agriculture and Rural Development	December 31, 2025	19 quarterly instalments starting from Jun 2021	2,000.00	-
Canara Bank	March 13, 2027	26 quarterly instalments starting from Dec 2020	692.29	500.00
Canara Bank (Erstwhile known as Syndicate Bank)	March 31, 2026	24 quarterly instalments starting from Jun 2020	416.67	500.00

(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
State Bank Of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	166.70	583.50
State Bank Of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from Apr 2019	1,696.30	2,142.80
State Bank Of India - Term Loan 3	August 31, 2026	24 quarterly instalments starting from Nov 2020	1,830.29	1,000.00
State Bank Of India - Term Loan 4	November 30, 2025	16 quarterly instalments starting from Feb 2022	1,500.00	-
Indian Bank - Term Loan 1	February 6, 2025	24 quarterly instalments starting from May 2019	665.31	832.31
Indian Bank - Term Loan 2	December 31, 2024	18 quarterly instalments starting from Sept 2020	833.12	50.00
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	-	249.55
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	311.65	395.70
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	1,331.71	1,666.19
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from Mar 2020	395.13	478.98
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	592.47	718.25
Union Bank of India - Term Loan 5	May 31, 2026	24 quarterly instalments starting from Aug 2020	1,310.47	1,499.15
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Feb 2018	-	125.00
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan 4	December 26, 2026	24 quarterly instalments starting from Mar 2021	479.09	100.00
Bank of India - Term Loan 3	December 31, 2024	16 quarterly instalments starting from Mar 2021	234.38	250.00
Bank of India - Term Loan 4	September 30, 2025	16 quarterly instalments starting from Dec 2021	500.00	-
Punjab & Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	333.34	416.67
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	395.83	479.17
Bank of Maharashtra - Term Loan 4	January 13, 2027	24 quarterly instalments starting from Apr 2021	500.00	300.00
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	166.01	833.13
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 2)	September 30, 2020	12 quarterly instalments starting from Dec 2017	-	124.92
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 3)	March 27, 2021	12 quarterly instalments starting from Jun 2018	-	166.49
Bank of Baroda (Erstwhile known as Vijaya Bank - Term Loan 4)	March 31, 2024	16 quarterly instalments starting from Jun 2020	374.02	499.82
Bank of Baroda (Erstwhile known as Dena Bank)	September 30, 2021	12 quarterly instalments starting from Dec 2018	41.32	124.90
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	-	224.71
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from Mar 2020	197.06	239.22
UCO Bank - Term Loan 3	February 28, 2028	24 quarterly instalments starting from May 2022	499.86	-
UCO Bank - Term Loan 4	March 31, 2028	24 quarterly instalments starting from Jun 2022	500.00	-
ICICI Bank - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	43.75	106.25

Notes

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(₹ in Millions)

Name of Bank	Maturity date	Repayable In	**As at March 31, 2021**	As at March 31, 2020
Karnataka Bank - Term Loan 1	March 31, 2021	12 quarterly instalments starting from Jun 2018	-	66.39
Karnataka Bank - Term Loan 2	December 13, 2022	11 quarterly instalments starting from Jun 2020	63.46	99.99
HDFC Bank - Term Loan	July 07, 2021	36 monthly instalments starting from July 2018	9.59	45.14
Indian Overseas Bank	September 21, 2026	22 quarterly instalments starting from Jun 2021	999.81	-
Punjab National Bank - Term Loan	December 31, 2024	24 quarterly instalments starting from Mar 2019	-	791.38
Punjab National Bank (Erstwhile known as United Bank of India)- Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	-	249.31
YES Bank - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	-	25.00
YES Bank - Term Loan 1	March 28, 2022	Repayable in 16 quarterly instalments starting from July 2018	-	281.25
YES Bank - Term Loan 1	April 25, 2022	Repayable in 16 quarterly instalments starting from July 2018	-	421.88
YES Bank - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	-	312.50
YES Bank - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	-	187.50
YES Bank - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	-	137.50
YES Bank - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	-	206.25
YES Bank - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	-	137.50
YES Bank - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	-	206.25
YES Bank - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	-	137.50
Union Bank of India - Term Loan 1	November 30, 2025	Repayable in 28 Equal Quarterly Installment starting from Feb 2019	339.05	410.67
Union Bank of India - Term Loan 2	August 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Nov 2019	149.75	183.16
Union Bank of India - Term Loan 2	September 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Dec 2019	373.68	457.18
Union Bank of India - Term Loan 2	November 30, 2025	Repayable in 24 Equal Quarterly Installment starting from Feb 2020	316.48	383.31
Union Bank of India - Term Loan 2	December 31, 2025	Repayable in 24 Equal Quarterly Installment starting from Mar 2020	316.49	383.32
Union Bank of India - Term Loan 3	September 30, 2027	Repayable in 24 Equal Quarterly Installment starting from Dec 2021	249.95	-
Union Bank of India (Erstwhile known as Andhra Bank) - Term Loan	February 27, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	178.57	214.29
State Bank Of India - Term Loan 1	December 31, 2025	Repayable in 28 Equal Quarterly Installment starting from April 2019	338.90	428.57
State Bank Of India - Term Loan 2	October 31, 2027	Repayable in 28 Equal Quarterly Installment starting from Jan 2021	926.80	1,000.00
State Bank Of India - Term Loan 3	June 30, 2025	Repayable in 16 Equal Quarterly Installment starting from Sept 2021	2,000.00	-
YES Bank - Term Loan 1	December 30, 2022	Repayable in 20 Equal Quarterly Installment starting from April 2018	-	30.00
YES Bank - Term Loan 1	April 17, 2023	Repayable in 20 Equal Quarterly Installment starting from July 2018	-	97.50
YES Bank - Term Loan 1	April 25, 2023	Repayable in 20 Equal Quarterly Installment starting from 01 July 2018	-	130.00
YES Bank - Term Loan 2	July 30, 2023	Repayable in 20 Equal Quarterly Installment starting from Nov 2018	-	70.00

(₹ in Millions)

Name of Bank	Maturity date	Repayable In	As at March 31, 2021	As at March 31, 2020
YES Bank - Term Loan 2	December 31, 2023	Repayable in 20 Equal Quarterly Installment starting from April 2019	-	120.00
YES Bank - Term Loan 3	December 31, 2023	Repayable in 20 Equal Quarterly Installment starting from April 2019	12.50	200.00
YES Bank - Term Loan 4	October 19, 2023	Repayable in 20 Equal Quarterly Installment starting from Feb 2019	-	187.50
YES Bank - Term Loan 5	October 19, 2023	Repayable in 20 Equal Quarterly Installment starting from Feb 2019	-	187.50
Bank of Maharashtra - Term Loan	December 31, 2024	Repayable in 24 Equal Quarterly Installment starting from March 2019	466.57	591.57
Bank of Baroda (Erswhile known as Vijaya Bank) - Term Loan	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	214.06	256.95
Punjab National Bank (Erstwhile known as United Bank of India) - Term Loan 1	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	178.36	214.02
Punjab National Bank (Erstwhile known as United Bank of India) - Term Loan 2	August 28, 2027	Repayable in 28 Equal Quarterly Installment starting from Nov 2020	-	249.99
UCO Bank - Term Loan 1	February 28, 2026	Repayable in 28 Equal Quarterly Installment starting from May 2019	356.70	428.29
UCO Bank - Term Loan 2	August 10, 2028	Repayable in 28 Equal Quarterly Installment starting from Nov 2021	500.00	-
Punjab Sindh Bank - Term Loan	June 14, 2026	Repayable in 28 Equal Quarterly Installment starting from Sept 2019	187.41	223.21
Indian Bank - Term Loan 1	August 15, 2026	Repayable in 28 Equal Quarterly Installment starting from Nov 2019	589.26	696.43
Indian Bank - Term Loan 2	November 11, 2028	Repayable in 31 Equal Quarterly Installment starting from May 2021	499.99	-
Indian Bank - Term Loan 3	March 31, 2029	Repayable in 28 Equal Quarterly Installment starting from Jun 2022	500.00	-
Indian Overseas Bank	March 31, 2028	Repayable in 24 Equal Quarterly Installment starting from Jun 2022	10.00	-
Bank of India	December 31, 2027	Repayable in 26 Equal Quarterly Installment starting from Sept 2021	750.00	-
National Housing Bank (Refinance)	April 1, 2026	Repayable in 28 Equal Quarterly Installment starting from Oct 2019	7.81	17.78
National Housing Bank (Refinance)	April 1, 2034	Repayable in 60 Equal Quarterly Installment starting from Oct 2019	18.43	28.47
National Housing Bank (Refinance)	January 1, 2025	Repayable in 19 Equal Quarterly Installment starting from Jul 2020	473.60	600.00
National Housing Bank (Refinance)	April 1, 2030	Repayable in 39 Equal Quarterly Installment starting from Oct 2020	448.32	-
National Housing Bank (Refinance)	January 1, 2028	Repayable in 27 Equal Quarterly Installment starting from Jul 2021	1,000.00	-

Note 17. Other financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Book Overdraft	2,055.41	-
Unclaimed dividend	0.22	0.24
Margin money received from customers	179.81	19.67
Advances from customers	3.29	-
Lease Liability	211.74	231.58
Interest Accrued but not due on borrowings	372.98	31.78
Others	0.37	25.54
Total	**2,823.82**	308.81

Notes
Forming part of Consolidated Financial Statements

Note 18. Current tax liabilities (net)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Tax (Net of Advance Tax)	148.87	117.12
Total	**148.87**	117.12

Note 19. Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision on non-fund exposure	38.61	37.98
Provision for Interest on Interest Waiver	34.39	-
Provision for Employee Benefits		
- Gratuity	6.38	9.31
- Compensated Absences	46.28	37.15
Total	**125.66**	84.44

Note 20. Other non-financial liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables		
Statutory dues	23.68	9.42
Advance received from customer	-	0.25
Total	**23.68**	9.67

Note 21. Share capital

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
36,00,00,000 Equity Shares of ₹2 each	720.00	720.00
(Previous Year 36,00,00,000 Equity Shares of ₹2 each)		
	720.00	720.00
Issued, Subscribed and Fully Paid Up		
17,52,85,355 Equity Shares of ₹2 each	350.57	350.27
(Previous Year 17,51,34,805 Equity Shares of ₹2 each)		
	350.57	350.27

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,51,34,805	350.27	17,51,34,805	350.27
Issued during the year	1,50,550	0.30	-	-
Equity shares outstanding as at the end of the year	17,52,85,355	350.57	17,51,34,805	350.27

During the year the Company has allotted 1,50,550 equity shares of ₹2/- each for consideration of ₹0.30 Millions as ESOPs.

Details of shareholders holding more than 5 percent shares in the Company are given below:

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	%	Number	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.69%	6,78,24,643	38.73%
Mr. Rameshchandra Sharma	4,37,64,630	24.97%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	9.99%	1,75,17,060	10.00%

Terms/Rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Board of Directors at their meeting held on 27th May, 2021 have recommended a dividend of ₹0.40 per equity share on face value of ₹2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
2. During the year the Company has paid the dividend of ₹35.02 Millions at ₹0.10 per equity share (on face value of ₹2/- per equity share) approved in its Annual General Meeting held on 31st July, 2020.
3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

Shares reservation :

In FY 2020-21 No. of 15,80,450 (FY 2019-20 no. of 16,79,500) shares of ₹2 each towards outstanding employee stock options granted (Refer Note 46)

Objective for managing capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Note 22. Other equity

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per the last Financial Statements	2,120.04	1,848.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	287.92	272.04
Closing balance	**2,407.96**	2,120.04
Statutory Reserve Section 29C of the National Housing Bank Act, 1987		
Balance as per the last Financial Statements	91.10	42.10
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	67.20	49.00
Closing balance	**158.30**	91.10
Securities premium		
Balance as per the last financial statements	4,471.01	4,471.01
Add: Amount transferred from surplus balance in the statement of profit and loss	20.79	-
Closing balance	**4,491.80**	4,471.01
General Reserve		
Balance as per the last financial statements	642.05	642.05
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**642.05**	642.05
Employee Stock Option Reserve		
Balance as per the last Financial Statements	57.92	30.69
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	20.85	27.23
Closing balance	**78.77**	57.92
Retained earnings (Surplus/deficit in statement of profit and loss)		
Surplus/(Deficit) in Profit & Loss Account	7,659.46	6,442.68
Profit for the year:	1,774.26	1,615.16
Less: Appropriations		
Loss on Cessastion of Subsidiaries	-	(1.33)
Transfer to Reserve Fund Section 29C of the National Housing Bank Act, 1987	(67.20)	(49.00)
Dividend Paid	(35.04)	(63.05)
Tax on Dividend Paid	-	(12.96)
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(287.92)	(272.04)
Closing Balance	**9,043.56**	7,659.46
Total	**16,822.44**	15,041.58

Notes

Forming part of Consolidated Financial Statements

Securities premium

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

General reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Every non-banking financial company shall create a reserve fund to transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987

Every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its profit every year as disclosed in the profit and loss account and before any dividend is declared. Explanation.—A housing finance institution creating and maintaining any special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 (43 of 1961) may take into account any sum transferred by it for the year to such special reserve for the purposes of this sub-section. For the previous comparative periods, the Housing finance subsidiary has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Employee Stock Option Reserve

This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.

Note 23. Interest Income

(₹ in Millions)

Particulars	2020-21 On Financial Assets measured at Amortised Cost	2020-21 Total	2019-20 On Financial Assets measured at Amortised Cost	2019-20 Total
Interest on Loans	6,679.83	6,679.83	6,688.67	6,688.67
Interest on deposits	42.49	42.49	10.95	10.95
Interest income from investments	12.89	12.89	-	-
Total	**6,735.21**	**6,735.21**	6,699.62	6,699.62

Note 24. Fee and commission Income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Application fees	20.74	50.36
Total	**20.74**	50.36

Note 25. Net gain on fair value changes

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	126.68	28.65
- Mutual Funds and Bonds	161.55	94.18
(B) Total Net gain on fair value changes	288.23	122.83
(C) Fair Value changes:		
- Realised	273.10	107.09
- Unrealised	15.13	15.74
Total Net gain on fair value changes	**288.23**	122.83

Note 25A. Net loss on fair value changes

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	62.41
- Mutual Funds and Bonds	-	-
(B) Total Net loss on fair value changes	-	62.41
(C) Fair Value changes:		
- Realised	-	-
- Unrealised	-	62.41
Total Net loss on fair value changes	-	62.41

Note 26. Other operating income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement Income	153.95	95.10
Foreclosure Fees	61.85	116.15
Bad Debts Recovered	1.10	1.60
Legal Charges Received	7.49	4.54
Other Charges	91.08	68.09
Total	**315.47**	285.48

Note 27. Other income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on sale of other assets	-	1.53
Profit on sale of investment Property	3.28	5.14
Interest on deposits with Banks	-	1.15
Other	0.55	26.20
Service Fees	1.77	-
Interest on Income Tax Refund	4.94	-
Total	**10.54**	34.02

Note 28. Finance costs

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at Amortised Cost
Interest on Borrowings other than Debt Securities	2,361.41	2,638.37
Interest on Bank Overdraft	0.32	25.65
Interest on Debt Securities	497.48	103.67
Interest on Bank CC	2.28	34.68
Interest on Lease Liability	25.56	25.09
Interest Others	-	0.56
Total	**2,887.05**	2,828.02

Note 29. Impairment on financial instruments

The table below displays Stagewise ECL charged to the Statement of Profit and Loss:

(₹ in Millions)

Particulars	2020-21				2019-20			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	66.28	307.60	170.16	544.04	30.12	101.05	120.73	251.90
Disbursement/Loan commitments	(2.19)	0.49	2.34	0.64	(3.29)	3.74	0.19	0.64
Others	-	-	-	-	-	-	46.69	46.69
Total impairment loss	**64.09**	**308.09**	**172.50**	**544.68**	26.83	104.79	167.61	299.23

The ECL figures given in brackets indicate stagewise release of the provision amount.

Notes
Forming part of Consolidated Financial Statements

Note 30. Employee benefit expense

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Bonus	903.91	1,081.87
Contribution to provident and other funds	43.96	47.19
Share Based Payments to employees	30.87	31.71
Staff Training and Welfare Expenses	15.05	27.30
Total	**993.79**	1,188.07

Note 31. Other expense

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertising	6.24	2.83
Auditors' Remuneration	5.70	5.46
Bad Debts Written Off	62.32	53.89
Banking Charges	9.19	5.68
Business Development Expenses	6.98	10.20
Corporate Social Responsibility Expenses	37.47	28.44
Directors' Fees and Commission	7.74	5.91
Electricity Charges	9.00	12.90
Legal Expenses	124.89	138.66
Loss On Sale of Fixed Assets	0.20	3.14
Recruitment Expenses	13.93	9.65
Membership & Subscription Expenses	2.45	2.56
Postage, Telephone and Fax	25.84	24.59
Printing and Stationery	10.50	10.04
Rent	9.08	25.80
Software Expenses	35.86	32.65
Filing & Other Fees to ROC	0.12	0.20
Travelling and Conveyance	55.50	64.10
Service fees*	4.05	2.02
NOC Review Charges	18.43	6.39
Miscellaneous Expenses	38.12	44.55
Total	**483.61**	489.66

1. Auditors' remuneration

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) For Audit	2.55	1.82
b) For Tax Audit	0.50	0.50
c) For Limited Review	1.13	1.13
d) For other services (Certification Fees)	1.40	1.77
e) For reimbursement of expenses	0.12	0.24
Total	**5.70**	5.46

2. Corporate social responsibility expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross Amount Required to be spent during the year	37.47	28.44
Amount spent during the year on Corporate Social Responsibility in line with Schedule VII of the Companies Act 2013	37.47	28.44

Note 32. Other comprehensive income

(₹ in Millions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement gain on defined benefit plan	6.27	3.77
Income tax relating to these items	(1.56)	(0.94)
Total other comprehensive income for the year, net of tax	**4.71**	2.83

Notes

Forming part of Standalone Financial Statements

Note 33.1. Construction Finance Loans

1.1 Credit quality of assets

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	10,990.72	-	-	10,990.72	9,698.74	-	-	9,698.74
Standard grade	27.73	-	-	27.73	-	-	-	-
Sub-standard grade	-	791.41	-	791.41	-	1,176.32	-	1,176.32
Past due but not impaired	-	-	-	-	-	-	-	-
Non Performing								
Individually impaired	-	-	16.75	16.75	-	-	16.75	16.75
Total	**11,018.45**	**791.41**	**16.75**	**11,826.61**	9,698.74	1,176.32	16.75	10,891.81

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,698.74**	**1,176.32**	**16.75**	**10,891.81**	13,363.24	-	16.75	13,379.99
New assets originated	5,061.12		-	5,061.12	2,493.36	-	-	2,493.36
Assets derecognised or repaid (excluding write offs)	(3,878.17)	(248.15)	-	(4,126.32)	(4,981.53)	-	-	(4,981.53)
Transfers to Stage 1	605.57	(605.57)	-	-	-	-	-	-
Transfers to Stage 2	(468.81)	468.81	-	-	(1,176.32)	1,176.32	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**11,018.45**	**791.41**	**16.75**	**11,826.61**	9,698.74	1,176.32	16.75	10,891.81

Reconciliation of ECL balance is given below:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**65.22**	**13.70**	**3.20**	**82.12**	74.83	-	2.67	77.50
New assets originated	14.49	-	-	14.49	24.67	-	-	24.67
Assets derecognised or repaid (excluding write offs)	(25.07)	(2.82)	-	(27.89)	(20.05)	-	-	(20.05)
Transfers to Stage 1	9.35	(9.35)	-	-	-	-	-	-
Transfers to Stage 2	(3.15)	3.15	-	-	(13.70)	13.70	-	-
Transfers to Stage 3	-	-	-	-	(0.53)	-	0.53	-
Other movements (on account of change in EAD)	5.01	(0.60)	13.55	17.96	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**65.85**	**4.08**	**16.75**	**86.68**	65.22	13.70	3.20	82.12

Notes

Forming part of Consolidated Financial Statements

Internal rating grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
LGD	19.09	19.09

Probability of Default

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	1.50	3.52
Stage 2	3.84	4.21
Stage 3	100.00	100.00

Notes

Forming part of Standalone Financial Statements

Note 33.2 MSME Loans

1.1 Credit quality of assets

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade #								
Performing								
High grade	18,508.18	-	-	18,508.18	16,540.48	-	-	16,540.48
Standard grade	1,942.41	-	-	1,942.41	1,159.73	-	-	1,159.73
Sub-standard grade	-	976.79	-	976.79	-	788.39	-	788.39
Past due but not impaired	-	736.26	-	736.26	-	875.82	-	875.82
Restructured	-	1,817.97	-	1,817.97	-	-	-	-
Non Performing								
Individually impaired	-	-	1,389.58	1,389.58	-	-	733.20	733.20
Total	**20,450.59**	**3,531.02**	**1,389.58**	**25,371.19**	17,700.21	1,664.22	733.20	20,097.63

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**17,700.21**	**1,664.22**	**733.20**	**20,097.63**	17,923.15	1,057.45	461.41	19,442.00
New assets originated	7,447.60	-		7,447.60	4,146.28	-	-	4,146.28
Assets derecognised or repaid (excluding write offs)	(2,488.39)	(110.65)	(152.36)	(2,751.40)	(3,127.99)	(185.50)	(132.40)	(3,445.90)
Transfers to Stage 1	442.02	(389.24)	(52.78)	-	206.78	(168.09)	(38.69)	-
Transfers to Stage 2	(2,208.77)	2,231.76	(22.99)	0.00	(1,172.19)	1,204.21	(32.02)	-
Transfers to Stage 3	(442.09)	(298.73)	740.82	-	(275.81)	(243.84)	519.66	-
Other movements (on account of change in EAD)	-	433.66	197.89	631.55	-	-	-	-
Amounts written off*	-	-	(54.20)	(54.20)	-	-	(44.76)	(44.76)
Gross carrying amount closing balance	**20,450.58**	**3,531.02**	**1,389.58**	**25,371.19**	17,700.21	1,664.22	733.20	20,097.63

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the company.

Reconciliation of ECL balance is given below:

(₹ in Millions)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**83.86**	**109.36**	**256.43**	**449.65**	54.26	33.32	158.86	246.44
New assets originated	45.59	-	-	45.59	238.29	-	-	238.29
Assets derecognised or repaid (excluding write offs)	(9.83)	(11.87)	(52.36)	(74.06)	(9.78)	(3.35)	(21.94)	(35.07)
Transfers to Stage 1	35.89	(23.51)	(12.38)	-	13.45	(4.55)	(8.91)	-
Transfers to Stage 2	(10.53)	15.87	(5.34)	-	(85.36)	92.35	(6.99)	-
Transfers to Stage 3	(2.11)	(17.78)	19.89	-	(127.00)	(8.42)	135.41	-
Other movements (on account of change in EAD)	(7.29)	309.88	202.49	505.08	-	-	-	-
Amounts written off	-	-	(13.82)	(13.82)	-	-	-	-
ECL allowance - closing balance	**135.58**	**381.95**	**394.91**	**912.44**	83.86	109.36	256.43	449.66

Notes

Forming part of Consolidated Financial Statements

Internal rating grades are classified on below basis

Grade	**Classification Basis**	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Restructured	0 DPD & Resturctured	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(in %)

Particulars	**As at March 31, 2021**	As at March 31, 2020
LGD	25.50	22.65

Probability of Default

(in %)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Stage 1	2.60	2.06
Stage 2	42.44	23.43
Stage 3	100.00	100.00

Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	8,868.40	295.62
51% - 70%	12,386.38	435.36
71%-90%	3,947.47	180.48
91%-100%	168.95	1.18
more than 100%	-	-

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	469.20	133.18
51% - 70%	648.78	177.68
71%-90%	271.52	84.03
91%-100%	0.08	0.02
more than 100%	-	-

Notes
Forming part of Standalone Financial Statements

Note 33.3 Individual Loans
1.1 Credit quality of assets

(₹ in Millions)

	As at March 31, 2021				As at March 31, 2020			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing	-	-	-	-	-	-	-	-
High grade	9,666.49	-	-	9,666.49	8,374.91	-	-	8,374.91
Standard grade	1,035.44	-	-	1,035.44	277.66	-	-	277.66
Sub-standard grade	-	425.14	-	425.14	-	150.24	-	150.24
Past due but not impaired	-	310.24	-	310.24	-	109.01	-	109.01
Restructured Assets	-	22.54	-	22.54	-	-	-	-
Non Performing								
Individually impaired	-	-	202.06	202.06	-	-	108.27	108.27
Total	**10,701.93**	**757.92**	**202.06**	**11,661.91**	8,652.57	259.25	108.27	9,020.09

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Millions)

	As at March 31, 2021				As at March 31, 2020			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**8,652.57**	**259.25**	**108.27**	**9,020.09**	7,720.69	105.68	37.88	7,864.25
New assets originated or purchased	3,770.17	-	-	3,770.17	1,515.74	-	-	1,515.74
Assets derecognised or repaid (excluding write offs)	(1,105.22)	(12.84)	(2.22)	(1,120.29)	(310.88)	(30.24)	(18.78)	(359.90)
Transfers to Stage 1	99.86	(99.07)	(0.78)	(0.00)	30.92	(29.06)	(1.86)	0.00
Transfers to Stage 2	(640.37)	645.00	(4.63)	-	(227.91)	235.25	(7.34)	(0.00)
Transfers to Stage 3	(75.07)	(34.43)	109.50	-	(75.99)	(22.38)	98.37	-
Amounts written off	-	-	(8.07)	(8.07)	-	-	-	-
Gross carrying amount closing balance	**10,701.93**	**757.92**	**202.06**	**11,661.91**	8,652.57	259.25	108.27	9,020.09

Reconciliation of ECL balance is given below:

(₹ in Millions)

	As at March 31, 2021				As at March 31, 2020			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**21.45**	**14.32**	**34.01**	**69.78**	11.33	3.02	11.38	25.73
New assets originated or purchased	19.56	-	-	19.56	51.74	-	-	51.74
Assets derecognised or repaid (excluding write offs)	(2.04)	(1.58)	(4.37)	(7.99)	(0.93)	(0.79)	(5.97)	(7.69)
Transfers to Stage 1	5.83	(5.61)	(0.23)	(0.01)	1.45	(0.96)	(0.49)	-
Transfers to Stage 2	(1.53)	2.86	(1.33)	0.00	(11.73)	13.68	(1.95)	-
Transfers to Stage 3	(0.18)	(1.88)	2.07	0.01	(30.41)	(0.63)	31.04	-
Other movements (on account of change in EAD)	(7.76)	49.46	21.93	63.63	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**35.34**	**57.58**	**52.07**	**144.98**	21.45	14.32	34.01	69.78

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* Internal Rating Grades are classified on below basis

Grade	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-89 DPD	Stage 2
Restructured Assets	0 DPD & Resturctured	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default $

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
LGD	23.42	28.78

Probability of Default $

(in %)

Particulars	As at March 31, 2021	As at March 31, 2020
Stage 1	1.50	0.85
Stage 2	33.46	17.68
Stage 3	100.00	100.00

$ PD & LGD includes management overlay due to COVID-19 pandemic (refer note no. 34)

Details of collateral received against loan portfolio :

Nature of security against advances :

Underline securities for the assets secured by tangible assets - Property & and book debts.

Advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,319.59	31.67
51% - 70%	2,864.01	29.27
71%-90%	5,478.31	84.04

Credit impaired advances (LTV band wise):

LTV ratio	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	36.91	8.65
51% - 70%	35.44	8.30
71%-90%	129.70	35.13

Note 34.

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

Further, the management of the group, based on current available information, has estimated overlays based on the policy of the group for the purpose of determination of the provision for impairment of financial assets carried at amortised cost. Based on the current indicators of future economic conditions, the group considers these provisions to be adequate. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial results.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India will continue to impact future results of the group will depend on the current as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the group. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

Note 35. Income Taxes relating to continuing operations

1. Income Tax recognised in statement of profit and loss

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
In respect of the current year	693.03	606.04
In respect of prior years	-	6.48
	693.03	612.52
Deferred Tax		
In respect of the current year	(105.45)	(5.04)
On Other Comprehensive Income	-	-
	(105.45)	(5.04)
Total Income tax expense recognised in the current year relating to continuing operations	**587.58**	607.48

2. Reconciliation of income tax expense for the year:

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consolidated Profit before tax	**2,357.13**	2,219.82
Adjustments of allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	481.22	157.33
Tx Effect of income exempt from tax/ deduction allowable	-	(2.73)
Tax Effect of income considered separately	(357.89)	(114.92)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	273.10	117.31
Tax Effect of deduction under Chapter VI A/ Other Sections	-	(0.69)
Taxable Profits/ (loss)	**2,753.57**	2,376.12
Income tax expense recognised in statement of profit and loss	**693.02**	606.03

3. Reconciliation of income tax rate is as follows:

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Normal Tax Rate	22.00	22.00
Surcharge (@ 10% of Normal Tax Rate)	2.20	2.20
Health and Education Cess	0.97	0.97
Total Tax Rate	**25.17**	25.17
Adjustments of Tax Effect of allowable and non-allowable income and expenses:		
Non-deductible expenses	5.14	1.78
Income exempt from tax/ deduction allowable	-	(0.03)
Income considered separately	(3.82)	(1.30)
Capital Gain on sale of shares,mutual funds, interest etc	2.92	1.33
Deduction under Chapter VI A/ Other Sections	-	(0.01)
Deferred Tax Assets/MAT credit	(4.47)	(0.06)
Non taxable subsidiaries and effect of differential tax rate	-	0.41
Prior Period Expenses	-	0.07
Effective Tax Rate	**24.93**	27.36

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Note 36. Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in Millions)

Particulars	Deferred Tax Assets As at March 31, 2021	Deferred Tax Liabilities As at March 31, 2021	Income Statement 2020-21	OCI 2020-21
Provisions	12.64	-	3.09	-
Depreciation	22.95	-	1.63	-
MAT Credit	8.08	-	-	-
Impairment allowance for financial assets	195.69	-	98.41	-
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-
Financial Instruments at FVTPL	-	3.81	(3.81)	-
Unmortised borrowing Cost	-	4.37	5.06	-
Unmortised Fees and commission	18.07	-	(3.29)	-
Adjusted against current tax	-	-	-	-
Others	8.03	-	4.36	-
Total	**265.46**	**8.17**	**105.45**	-

(₹ in Millions)

Particulars	Deferred Tax Assets As at March 31, 2020	Deferred Tax Liabilities As at March 31, 2020	Income Statement 2019-20	OCI 2019-20
Provisions	9.54	-	1.56	-
Depreciation	21.33	-	(4.59)	-
MAT Credit entitlement	8.08	-	-	-
Impairment allowance for financial assets	97.28	-	24.65	-
Financial Instruments at FVTPL	-	-	(0.33)	-
Unmortised borrowing Cost	-	9.43	27.05	-
Tax related to earlier years	-	-	91.15	-
Others	3.67	-	3.54	-
Unmortised Fees and commission	21.36	-	(137.98)	-
Total	161.27	9.43	5.04	-

Deffered Tax Assets / Liabilities are calculated at the applicable rate of 25.17%

Note 37. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Group uses the same basis of expected repayment as used for estimating the EIR.

(₹ in Millions)

Particulars	As at March 31, 2021 Within 12 months	After 12 months	Total	As at March 31, 2020 Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	1,705.82	-	1,705.82	623.25	-	623.25
Bank Balance other than above	427.61	109.05	536.66	111.13	7.64	118.77
Trade Receivables	30.56	-	30.56	9.12	-	9.12
Loans	7,198.20	39,664.35	46,862.55	7,437.81	31,850.60	39,288.41
Investments	6,479.78	1,594.75	8,074.53	3,607.28	-	3,607.28
Other financial Assets	79.19	18.47	97.66	2.38	20.64	23.02
Total Assets	**15,921.16**	**41,386.62**	**57,307.78**	11,790.97	31,878.88	43,669.85
Liabilities						
Financial Liabilities						
Payables						
-Trade Payables	74.95	-	74.95	68.57	-	68.57
-Other Payables	72.26	-	72.26	68.31	-	68.31
Debt Securities	2,415.16	4,326.14	6,741.30	-	1,500.00	1,500.00
Borrowings (Other than debt securities)	6,002.59	24,944.69	30,947.28	7,295.09	19,571.02	26,866.11
Other financial liabilities	2,546.39	277.43	2,823.82	105.09	203.71	308.80
Total liabilities	**11,111.35**	**29,548.26**	**40,659.61**	7,537.06	21,274.74	28,811.80
Net	**4,809.81**	**11,838.36**	**16,648.17**	4,253.91	10,604.15	14,858.06

Classification of assets and liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI. The Above is based on the information available with the company which has been relied upon by the auditor.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

Note 38. Change in liabilities arising from financing activities

(₹ in Millions)

Particulars	As at April 1, 2020	Cash flows	Other	**As at March 31, 2021**
Debt Securities	1,500.00	5,241.30	-	6,741.30
Borrowings other than debt securities	26,866.12	4,081.16	-	30,947.28
Book Overdraft	-	2,055.41	-	2,055.41
Unclaimed dividend	0.24	(0.02)	-	0.22
Margin money	19.67	160.14	-	179.81
Advances from customers	-	3.29	-	3.29
Lease Liability	231.58	(19.84)	-	211.74
Interest Accrued but not due on borrowings	31.78	341.21	-	372.98
Others	25.54	(25.17)	-	0.37
Total liabilities from financing activities	28,674.92	11,837.48	-	**40,512.41**

(₹ in Millions)

Particulars	As at April 1, 2019	Cash flows	Other	**As at March 31, 2020**
Debt Securities	499.48	1,000.52	-	1,500.00
Borrowings other than debt securities	27,187.57	(321.45)	-	26,866.12
Book Overdraft	898.89	(898.89)	-	-
Unclaimed dividend	0.22	0.02	-	0.24
Margin money	13.89	5.78	-	19.67
Advances from customers	-	-	-	-
Lease Liability	-	231.58	-	231.58
Interest Accrued but not due on borrowings	7.71	24.07	-	31.78
Others	30.76	(5.23)	-	25.54
Total liabilities from financing activities	28,638.52	36.39	-	**28,674.92**

Note 39. Leases

The changes in the carrying value of ROU assets are as follows:

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Gross carrying value		
Balance as at the beginning of the Year	273.27	264.25
On adoption of IND AS 116	-	-
Additions/Modifications	23.55	9.02
Terminations/modifications	-	-
Translation adjustments	-	-
Balance as at the end of the Year	296.82	273.27
Accumulated depreciation		
Balance as at the beginning of the Year	56.20	-
Depreciation	54.95	56.20
Terminations/modifications	-	-
Translation adjustments	-	-
Balance as at the end of the Year	111.15	56.20
Net carrying value as at March 31, 2021	185.67	217.07

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The following is the movement in lease liabilities during the year:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities		
Balance as at April 1, 2020	**231.58**	264.25
Additions	23.55	9.02
Terminations/modifications	-	-
Finance expense	25.56	25.09
Payment of lease liabilities	68.95	66.78
Translation adjustments	-	-
Balance as at March 31, 2021	**211.74**	231.58

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021, on an undiscounted basis:

(₹ in Millions)

Tenure	As at March 31, 2021	As at March 31, 2020
Less than 1 year	62.07	58.74
1-3 years	97.49	97.63
3-5 years	92.14	86.02
More than 5 years	28.50	70.23
Total	**280.20**	312.63

The entity has adequate liquidity for payment of lease liabilities. The Group regularly monitor and pays lease rentals on timely manner as per the terms of respective leave and license agreement.

The Group has right to extend lease term as per mutually agreed terms laid down in respective leave and license agreement. The Group takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.

Note 40. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

IndAS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

40.1 Financial instruments by category

(₹ in Millions)

	As at March 31, 2021		As at March 31, 2020	
Particulars	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- Equity instruments (Other than subsidiaries)	38.73	-	30.86	-
- Mutual funds	4,394.08	-	3,576.42	-
- Commercial Papers	-	959.13	-	-
- Debt Securities	-	952.76	-	-
- Pass Through Certificates	-	1,729.83	-	-
-Equity Shares - Subsidiaries	-	-	-	-
Trade receivables	-	30.56	-	9.12
Loans	-	46,862.55	-	39,288.41
Cash and cash equivalents	-	1,705.82	-	623.25
Bank Balances other than above	-	536.66	-	118.77
Other financial Assets	-	97.66	-	23.02
Total financial assets	**4,432.81**	**52,874.96**	3,607.28	40,062.58
Financial liabilities				
Borrowings (including Debt Securities)	-	37,688.58	-	28,366.12
Trade payables	-	74.95	-	68.58
Other financial liabilities	-	2,823.82	-	308.81
Total financial liabilities	**-**	**40,587.35**	-	28,743.52

40.2Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Millions)

			Fair Value			
	Notes	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2021						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	38.73	38.73	-	-	38.73
Mutual funds		4,394.08	4,394.08	-	-	4,394.08
Total financial assets		**4,432.81**	**4,432.81**	**-**	**-**	**4,432.81**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Millions)

			Fair Value			
	Notes	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2021						
Financial assets						
Cash and cash equivalents	3	1,705.82	1,705.82	-	-	1,705.82
Bank Balance other than above	4	536.66	536.66	-	-	536.66
Trade Receivable	5	30.56	-	-	30.56	30.56
Loans		-	-	-	-	-
Loans to employees	6	1.19	-	-	1.19	1.19
Loans - Others	6	46,861.36	-	-	46,861.36	46,861.36
Investments		-	-	-	-	
- Commercial Paper	7	959.13	-	959.13	-	959.13
- Debt Securities	7	952.76	-	952.76	-	952.76
- Pass Through Certificates	7	1,729.83	-	-	1,729.83	1,729.83
Other financial assets	8	97.66	-	-	97.66	97.66
Total financial assets		**52,874.96**	**2,242.48**	**1,911.89**	**48,720.59**	**52,874.96**
Financial Liabilities						
Trade Payable	14	74.95	-	-	74.95	74.95
Debt Securities	15	6,741.30	6,741.30	-		6,741.30
Borrowings other than Debt Securities	16	30,947.28	-	-	30,947.28	30,947.28
Other Financial Liabilities	17	2,823.82	-	-	2,823.82	2,823.82
Total financial liabilities		**40,587.35**	**6,741.30**	**-**	**33,846.05**	**40,587.35**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Millions)

			Fair Value			
	Notes	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2020						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	30.86	30.86	-	-	30.86
Mutual funds	7	3,576.42	3,576.42	-	-	3,576.42
Total financial assets		3,607.28	3,607.28	-	-	3,607.28
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Millions)

			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2020						
Financial assets						
Cash and cash equivalents	3	623.25	623.25	-	-	623.25
Bank Balance other than above	4	118.77	118.77	-	-	118.77
Trade Receivable	5	9.12	-	-	9.12	9.12
Loans						-
Loans to employees	6	4.51	-	-	4.51	4.51
Loans - SME & CF	6	39,283.90	-	-	39,283.90	39,283.90
Other financial assets	8	23.02	-	-	23.02	23.02
Total financial assets		40,062.57	742.02	-	39,320.55	40,062.57
Financial Liabilities						
Trade Payable	14	68.58	-	-	68.58	68.58
Debt Securities	15	1,500.00	1,500.00	-	-	1,500.00
Borrowings other than Debt Securities	16	26,866.12	-	-	26,866.12	26,866.12
Other Financial Liabilities	17	308.81	-	-	308.81	308.81
Total financial liabilities		28,743.52	1,500.00	-	27,243.52	28,743.52

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The Group gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group borrowings are at floating rates therefore fair value of these borrowings approximates the carrying value.

The fair value of Debentures approximates the carrying value.

Note 41.1 Risk Disclosures

Group's risk is managed at Group level through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and interest rate risk.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture,

41.2. Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

41.2.1 Impairment assessment

41.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor.The amortised principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3. Non payment on another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

41.2.1.2 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

41.2.1.3 Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

41.2.1.4 PD estimation process

"The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.Probability of Default is computed based on number of accounts that default during a year as a percentage of average no. of accounts outstanding (refer note 34).

a) The Group has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

41.2.1.5 Loss Given Default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/ collateral security. LGD is computed based on discounted expected recoveries at an account level based on collateral valuation and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level (refer note 34).

41.2.2 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Group has guidelines are in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothication of Receivables.

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2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

3) In case of retail lending, collaterals are by way of hypothication of Receivables/Book Debts.

4) In case of Housing loans the Group adhers to the NHB guidelines in respect of maintainence of adequate

Loan to Value Ratios. The main types of collateral for home loans are mortgages over residential properties.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In case of defaults by customers, where the Group is unable to recover the dues, the Group through a legal process enforces the security and recovers the dues.

41.2.3 In accordance with the instructions in the RBI circular dated April 07 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consullation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/adjustment.

41.2.4 The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant volatility and decline in the global and Indian financial markets and slowdown in the economic activities. Pursuant to the guidelines issued by RBI dated, March 27, 2020, April 17, 2020 and May 23, 2020 relating to COVID-19 Regulatory Package, the Company has granted moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to the eligible borrowers. For the purpose of asset classification on all such accounts, the number of days past due as on March 31, 2021 excludes the moratorium period to the respective borrower, as per the policy.

41.2.5 Hon'able Supreme court vide order dated 23 March 2021, in the matter of Small Scale industrial Manufacturers Associations VS UOI & Ors. Has stated that interium relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly the company has classified non performing assets as per extant RBI guidlines.

41.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note No. 37

41.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Group is providing loans to MSME, Construction Finance and Housing Finance. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Group's statement of profit and loss and equity.

(₹ in Millions)

Particulars	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2020-21			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	120.66	Impact on equity	90.29
	50 Basis point Up		241.33		180.59
	25 Basis point Down		(120.66)		(90.29)
	50 Basis point Down		(241.33)		(180.59)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(77.92)	Impact on equity	(58.31)
	50 Basis point Up		(155.84)		(116.62)
	25 Basis point Down		77.92		58.31
	50 Basis point Down		155.84		116.62

(₹ in Millions)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
		2019-20			
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	99.70	Impact on equity	73.73
	50 Basis point Up		199.40		147.46
	25 Basis point Down		(99.70)		(73.73)
	50 Basis point Down		(199.40)		(147.46)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(67.61)	Impact on equity	(49.82)
	50 Basis point Up		(135.21)		(99.64)
	25 Basis point Down		67.61		49.82
	50 Basis point Down		135.21		99.64

Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

During the year, the the Company has not come across any instances of fraud.

Capital Management:

Company's capital management objective is primarily to safeguard business continuity. The Company's capital raising policy is aligned to macro economic situation and incidental risk factors. The Company's cashflows are regularly monitored in sync with annual operating plans and long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes this approach would create shareholder value in long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present a large portion of the company's resource base is equity. Therefore the company enjoys a low gearing.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

The gearing ratio at each date were as follows :

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
*Debt (I)	37,900.30	28,597.69
Cash and bank balances (II) (refer note 3)	1,705.72	623.25
Net debt (I - II)	**36,194.58**	27,974.44
Total equity	**18,922.75**	17,141.49
Net debt to equity ratio	**1.91**	1.63

* Debt includes debt securities, borrowings and lease liabilities.

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Note 42A. Defined Benefit Plan

The group's state governed provident fund scheme are defined contribution plan for its employees. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from group or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee.

(₹ in Millions)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Employer's contribution to provident fund	28.03	21.88
Employer's contribution to National Pension Scheme	3.25	3.90
Total	**31.28**	25.78

Note 42B- Defined Benefit Plan

The group has a defined benefit gratuity plan in India (funded). The group's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund.The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at separation/retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table sets out the status of the Defined Benefit Gratuity Plan as per the actuarial valuation by the independent Actuary appointed by the group:-

Principal assumptions used for the actuarial valuations are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	**As at March 31, 2021**	As at March 31, 2020
Discount Rate	5.58%	6.24%
Expected Rate of return on Plan Asset	5.58%	6.24%
Salary Escalation	5.00%	5.00%
Attrition Rate	20.00%	16.10%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Millions)

	Gratuity Plans	
Particulars	**As at March 31, 2021**	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	38.44	30.91
Current Service Cost	12.35	13.00
Interest Cost	2.40	2.31
Past Service Cost (Vested Benefit)	-	-
Liability transferred In/ Acquisitions	-	-
Remeasurement (gains)/losses	-	-
Benefit Paid From the Fund	(4.99)	(4.17)
Direct Payment by the group	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1.60)	(0.74)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.15	2.32
Actuarial (Gains)/Losses on Obligations - Due to Experience	(5.53)	(5.19)
Present Value of Benefit Obligation at the End of the Period	**42.22**	38.44

Movements in the fair value of the plan assets are as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	Gratuity Plans As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the Period	29.12	20.81
Interest income	1.82	1.56
Contributions by employer	9.60	10.50
Assets transferred In/Acquisitions	-	-
Expected Contributions by the employees	-	-
Benefit Paid From the Fund	(4.99)	(4.17)
Remeasurement gain (loss)	-	-
Return on Plan Assets, Excluding Interest Income	0.29	0.44
Fair Value of Plan Assets at the End of the Period	**35.84**	29.12

Amount recognised in the balance sheet from the group's obligation in respect of its defined benefit plans is as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	Gratuity Plans As at March 31, 2020
(Present Value of Benefit Obligation at the end of the Period)	(42.22)	(38.44)
Fair value of plan assets	35.84	29.13
Funded status (Surplus/ (Deficit))	(6.38)	(9.31)
Net (Liability)/Asset Recognised in the Balance Sheet	**(6.38)**	(9.31)

Net Interest Cost for current period:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	Gratuity Plans As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the Period	38.44	30.91
(Fair Value of Plan Assets at the Beginning of the Period)	(29.13)	(20.81)
Net Liability/(Asset) at the Beginning	9.31	10.10
Interest Cost	2.40	2.31
(Interest Income)	(1.82)	(1.56)
Net Interest Cost for Current Period	**0.58**	0.76

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	Gratuity Plans As at March 31, 2020
Service cost:		
Current service cost	12.35	13.00
Expected Contributions by the employees	-	-
Past Service Cost (Amortised) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Net interest expense	0.58	0.76
Expense Recognised	**12.94**	13.76

Amounts recognised in the Other Comprehensive Income (OCI) in respect of these defined benefit plans are as follows:

(₹ in Millions)

Particulars	Gratuity Plans As at March 31, 2021	Gratuity Plans As at March 31, 2020
Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.44)
Actuarial (gains) / losses on defined benefit obligations	(5.98)	(3.61)
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognised in OCI	**(6.26)**	(4.05)

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The fair value of the plan assets for the India at the end of the year 31st March 2021 for each category, are as follows:

(₹ in Millions)

Category of Assets	Gratuity Plans As at March 31, 2021	 As at March 31, 2020
Central Govt. Securities	-	-
State Govt. Securities	-	-
Debt Securities, Money Market Securities and Bank Deposits	-	-
Mutual Funds	-	-
Insurer Managed Funds	35.84	29.13
Others	-	-
Total	**35.84**	29.13

Maturity Analysis of benefit payments

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.94	3.81
2nd Following Year	4.51	4.35
3rd Following Year	6.24	4.05
4th Following Year	6.91	5.11
5th Following Year	5.33	5.80
Sum of Years 6 To 10	16.46	17.59
Sum of Years 11 and above	10.04	15.59

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

Sensitivity analysis

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1) Discount Rate	(1.72)	(1.89)	1.87	2.09
2) Future Salary Increases	1.81	1.97	(1.70)	(1.83)
3) Employee Turnover	(0.48)	(0.38)	0.49	0.37

Note :

-The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

-The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

-Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

-There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 43. Related party disclosures in respect of transactions for the year

Compensation of Key Management Personnel of the Group

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Employee benefits	26.09	13.44
Total	**26.09**	13.44

A. List of Related Parties and related party relationship:

Considering only parties with whom transaction has entered during the FY 2020-21

a) Enterprises over which Management and/or their relatives have control

1	Capri Global Holdings Private Limited
2	Ramesh Chandra Sharma - HUF
3	Parshwanath Buildcon Private Limited

b) Key Management Personnel of the Company

Sr no	Name of KMP	March 31, 2021	March 31, 2020
1	Mr. Quintin E Primo III	Not Applicable	Non-Executive Chairman (Resigned w.e.f 01.06.2019)
2	Mr. Rajesh Sharma	Managing Director	Managing Director
3	Mr. Jayesh Doshi	Whole Time Director (Resigned w.e.f.31.03.20)	Not Applicable
4	Mr. Beni Prasad Rauka	Independent Director	Independent Director
5	Ms. Bhagyam Ramani	Independent Director	Independent Director
6	Mr. Mukesh Kacker	Independent Director	Independent Director
7	Mr. Tilak Raj Bajalia	Not Applicable	Independent Director (Resigned w.e.f 19.12.2019)
8	Mr. Ajay Relan	Independent Director	Independent Director
9	Mr. Ajit Mohan Sharan	Independent Director	Independent Director (Appointed w.e.f 01.06.2019)
10	Mr. Ashish Gupta	Chief Financial Officer (Resigned w.e.f 08.07.2020)	Chief Financial Officer (Appointed w.e.f 03.05.2019)
11	Mr. Raj Ahuja	Chief Financial Officer (Appointed w.e.f 15.12.2020)	Not Applicable
12	Mr. Abhishekh Kanoi	Company Secretary (Resigned w.e.f 06.11.2020)	Company Secretary
13	Mr. Harish Agrawal	Company Secretary (Appointed w.e.f 07.11.2020)	Not Applicable

c) Post-employment benefit plan:

1 Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme

2 Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme

d) Corporate Social Responsibility:

1. Capri Foundation

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B) Details of transactions during the year and closing balances as at the year end:

(₹ in Millions)

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		Year Ended March 31, 2021	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020	**Year Ended March 31, 2021**	Year Ended March 31, 2020
a.	**Statement of Profit and Loss Items:**								
I	**Incomes :**								
i	Sale of Investment								
	Capri Global Holdings Private Limited	-	26.80	-	-	-	-	-	26.80
II	**Expenses :**								
i	Rent Paid								
	Capri Global Holdings Private Limited	0.38	0.42	-	-	-	-	0.38	0.42
	Ramesh Chandra Sharma (HUF)	-	1.65	-	-	-	-	-	1.65
	Parshwanath Buildcon Private Limited	0.25	0.28	-	-	-	-	0.25	0.28
ii	Salaries, Commission and other benefits								
	Mr. Rajesh Sharma	-	-	-	3.60	-	-	-	3.60
	Mr. Ashish Gupta	-	-	5.55	9.84	-	-	5.55	9.84
	Mr. Abhishekh Kanoi	-	-	2.37	-	-	-	2.37	-
	Mr. Harish Agrawal	-	-	2.46	-	-	-	2.46	-
	Mr. Jayesh Doshi	-	-	10.35	-	-	-	10.35	-
	Mr. Raj Ahuja	-	-	5.36	-	-	-	5.36	-
iii	Director Sitting Fees								
	Mr. Quintin E Primo III	-	-	-	0.15	-	-	-	0.15
	Mr. Beni Prasad Rauka	-	-	2.38	1.50	-	-	2.38	1.50
	Ms. Bhagyam Ramani	-	-	2.49	1.19	-	-	2.49	1.19
	Mr. Mukesh Kacker	-	-	1.06	0.68	-	-	1.06	0.68
	Mr. Tilak Raj Bajalia	-	-	0.45	1.05	-	-	0.45	1.05
	Mr. Ajit Sharan	-	-	0.70	0.33	-	-	0.70	0.33
	Mr. Ajay Kumar Relan	-	-	0.57	0.45	-	-	0.57	0.45
	Mr. Desh Raj Dogra	-	-	0.08	-	-	-	0.08	-
iv	Employee Benefits								
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	7.50	8.50	7.50	8.50
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	2.35	2.01	2.35	2.01
v	Corporate Social Responsibility								
	Capri Foundation	-	-	37.26	28.06	-	-	37.26	28.06

(₹ in Millions)

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
b	**Balance Sheet Items (Closing Balances):**								
	Other Liabilities for rendering services								
i	**Other Payable**								
	Parshwanath Buildcon Private Limited	0.16	0.58	-	-	-	-	0.16	0.58

Note 44. Segment Information (IND-AS 108)

Operating Segment:

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments',

Note 45. In Accordance with IND AS - 33 Earnings Per Share

The computation of earning per share is set out below:

Particulars			**For the Year ended March 31, 2021**	For the Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Millions	1,769.55	1,612.33
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	17,51,34,805	17,51,34,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	17,65,01,662	17,61,93,461
Basic earnings per equity share (in Rupees) (Face value of ₹2/- per share)	(A)/(B)	₹	10.10	9.21
Diluted earnings per equity share (in Rupees) (Face value of ₹2/- per share)	(A)/(C)	₹	10.03	9.15

Particulars		**For the Year ended March 31, 2021**	For the Year ended March 31, 2020
Weighted average number of equity shares for calculating EPS	Nos.	17,52,85,355	17,51,34,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	12,16,307	10,58,656
Weighted average number of equity shares in calculation of diluted EPS	Nos.	17,65,01,662	17,61,93,461

Note 46. Employee Stock Option

The Capri Global Capital Limited has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Group spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under: -

Name of Plan	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	15,80,450	₹2 to ₹194.9

The activity of the Stock Plans is summarised below

	Year ended			
	As at March 31, 2021		As at March 31, 2020	
Particulars	**Numbers**	**Vesting Price (₹)**	Numbers	Vesting Price (₹)
Outstanding at the beginning of the year	5,74,000	100.00	7,71,500	100.00
	2,85,000	70.00	2,85,000	70.00
	5,55,000	2.00	6,87,500	2.00
	2,00,500	130.00	-	-
	50,000	174.00	-	-
	15,000	158.20	-	-
Granted	2,95,000	2.00	2,00,500	130.00
	20,000	194.9	50,000	174.00
	-	-	15,000	158.20
Exercised	1,13,000	100.00	-	-
	37,550	2.00		
Forfieted, expired and cancelled	25,500	100.00	1,97,500	100.00
	52,000	2.00	-	70.00
	1,50,000	130.00	1,32,500	2.00
	15,000	158.20	-	-
	21,000	2.00	-	-
Outstanding at the end of the year	4,42,000	100.00	5,74,000	100.00
	2,85,000	70.00	2,85,000	70.00
	7,32,950	2.00	5,55,000	2.00
	50,500	130.00	2,00,500	130.00
	50,000	174.00	50,000	174.00
	20,000	194.90	15,000	158.20

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The following table summarises information about stock option plans

	Year ended			
	As at March 31, 2021		As at March 31, 2020	
Exercise Price (₹)	**Numbers**	**Weighted Average Remaining Life (Months)**	Numbers	Weighted Average Remaining Life (Months)
130.00	50,500	31	2,00,500	43
174.00	50,000	31	50,000	43
158.20	-	-	15,000	48
194.90	20,000	48	-	-
100.00	4,42,000	16	5,74,000	24
70.00	2,85,000	12	2,85,000	22
2.00	7,32,950	28	5,55,000	30

The following table summarises the assumptions used in calculating the grant date fair value.

Particulars	March 31, 2021	**March 31, 2021**
Expected life of the options	3 to 5 Years	3 to 5 Years
Expected volatility	60%	60%
Dividend yield	1%	1%
Risk-free interest rate	4.59% to 5.62%	6.07% to 6.66%

ESOP cost recognised in the Statement of Profit and Loss for March 31,2021 ₹26.59 Millions (March 31, 2020 ₹22.45 Millions)

An aggregate amount of ₹4.60 Millions being the difference between the exercise price and fair value of the options is receivable from the subsidiary Group with which employees are employed.

Note 47. Expenditure in Foreign Currency

Foreign Travelling Expenses	NIL (March 31, 2020 ₹2.84 Millions)
Professional Fees	NIL (March 31, 2020 ₹1.64 Millions)
Training & Development	NIL (March 31, 2020 ₹5.05 Millions)
Director Sitting Fees	NIL (March 31, 2020 ₹0.15 Millions)
Software Expenses	₹1.61 Millions (March 31, 2020 ₹ NIL)

Note 48. Details of dues to micro and small enterprises

The Group has sent confirmations to suppliers to confirm whether they are covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the confirmations sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, there are no outstanding amounts payable to vendors covered under The Micro, Small and Medium Enterprises Development Act 2006. The Above is based on the information available with the Group which has been relied upon by the auditor.

Note 49. Contingent Liabilities

Income Tax matters under dispute: March 31, 2021 ₹3.63 Millions (March 31, 2020 ₹9.70 Millions).

Note 50. Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2021 ₹13.88 Millions (March 31, 2020 ₹3.55 Millions).

b) Amount payable towards acquisition of Property for March 31, 2021 ₹48.10 Millions (March 31, 2020 ₹59.63 Millions)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31,2021 ₹9,259.46 Millions (March 31,2020 ₹7,059.45 Millions).

Note 51. The Group has reported frauds aggregating March 31,2021 ₹ NIL (March 31, 2020: ₹15.83 Millions) based on management reporting to risk committee and to the RBI through prescribed returns.

Note 52. Details of all collateral used as security for liabilities

(₹ in Millions)

Particulars	Carrying amount of financial assets pledged	
	As at March 31, 2021	As at March 31, 2020
Assets type		
Loans receivable as collateral under lending agreements	47,853.20	39,397.51
Loans receivable as collateral under PTC agreements	1,729.84	-
Recievables from debt securities as collateral	5,389.90	3,576.42
Cash collateral under lending agreements	2,141.42	741.77

Note 53. Additional information

Name of the entity in the Group	Net Assets, i.e. total assets minus total liability		Share in Profit or Loss		Share in Other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total Comprehensive income	Amount
Parent								
Capri Global Capital Limited	94.76%	16,272.69	81.10%	1,435.18	93.85%	4.42	81.14%	1,439.60
Subsidiaries								
Indian								
1. Capri Global Housing Finance Limited	15.43%	2,650.07	18.90%	334.48	6.15%	0.29	18.87%	334.77
3. Capri Global Resources Private Limited	0.00%	0.25	(0.01%)	(0.10)	-	-	(0.01%)	(0.10)
Consolidation Adjustment	(10.19%)	(1,750.00)	0.00%	(0.01)			0.00%	(0.01)
Total	100.00%	17,173.01	100.00%	1,769.55	100.00%	4.71	100.00%	1,774.26

Note 54. Previous year figures

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Form AOC -1

(Pursuant to first proviso to Sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(₹ in Millions)

Particulars	Capri Global Housing Finance Limited	Capri Global Resource Private Limited
Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA	NA
Share Capital	607.14	11.05
Reserves & Surplus	2,042.92	(10.80)
Total Assets	14,781.81	0.57
Total Liabilities	12,131.74	0.32
Investments	2,805.37	-
Turnover	1,636.18	-
Profit/(Loss) Before Taxation	427.86	(0.11)
Provision for Taxation	93.38	-
Profit after Taxation*	334.48	(0.11)
Proposed Dividend	-	-
% of Shareholding	100	100

*PAT without considering the Other Comprehensive Income.

Notes:

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

Part "B": Associate and Joint Ventures

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

For and on behalf of the Board of Directors

Sd/-
(Rajesh Sharma)
Managing Director
DIN 00020037

Sd/-
Beni Prasad Rauka
Independent Director
DIN 00295213

Sd/-
(Harish Agrawal)
Senior Vice President & Company Secretary

Sd/-
(Raj Ahuja)
Group Chief Financial Officer

Place: Mumbai
Date: May 27, 2021

Notes

Notes

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Corporate Information

Board of Directors
Mr. Rajesh Sharma - Managing Director
Mr. Ajay Kumar Relan - Non-Executive & Non - Independent
Mr. Ajit Mohan Sharan - Non-Executive & Independent
Mr. Beni Prasad Rauka - Non-Executive & Independent
Ms. Bhagyam Ramani - Non-Executive & Independent
Mr. Desh Raj Dogra - Non-Executive & Independent
(w.e.f. February 1, 2021)
Mr. Mukesh Kacker - Non-Executive & Independent

Chief Financial Officer
Mr. Raj Ahuja
(w.e.f. December 15, 2020)

Company Secretary & Compliance Officer
Mr. Harish Agarwal
Senior - Vice President & Company Secretary

(w.e.f. November 7, 2020)

Board Committees

Audit Committee
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. Mukesh Kacker - Member

Corporate Social Responsibility Committee
Ms. Bhagyam Ramani - Chairman
Mr. Beni Prasad Rauka - Member
Mr. Rajesh Sharma - Member

Nomination and Remuneration Committee
Ms. Bhagyam Ramani - Chairman
Mr. Beni Prasad Rauka - Member
Mr. Ajit Mohan Sharan - Member
Mr. Desh Raj Dogra - Member

Risk Management Committee
Mr. Rajesh Sharma - Chairman
Mr. Beni Prasad Rauka - Member
Ms. Bhagyam Ramani - Member
Mr. Desh Raj Dogra - Member

Stakeholders Relationship Committee
Mr. Beni Prasad Rauka - Chairman
Ms. Bhagyam Ramani - Member
Mr. Rajesh Sharma - Member

Auditors
M/s. Deloitte Haskins & Sells LLP
One International Centre, 32nd Floor, Tower 3,
Senapati Bapat Marg, Elphinstone Mill Compound,
Elphinstone (West),
Mumbai – 400013
Tel. no. (022) 6185 4000

Bankers and Financial Institutions
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
HDFC Bank Limited
ICICI Bank Limited
Indian Bank
Karnataka Bank Limited
Life Insurance Corporation of India
Punjab & Sind Bank
Punjab National Bank
Small Industries Development Bank of India
State Bank of India
UCO Bank
Union Bank of India
Yes Bank Limited

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Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Tel. No. (022) 40888100
Fax No. (022) 40888170

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C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270
Fax: +91 (22) 49186060

Corporate Identification Number (CIN)
L65921MH1994PLC173469

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