DIRECTORS REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST MARCH, 2020

To,
The Members,
Your Directors present the Eleventh Annual Report on the Business and Operations of the Company together with Audited Statement of Accounts and Auditors Report thereon for the Financial Year ended March 31, 2020.

1. Financial Results summary

Particulars	Rs.(In Lakh) For the year ended 31st March 2020	Rs.(In Lakh) For the year ended 31st March 2019
Income from Operation	4570.65	3125.77
Other income	29.15	36.71
Profit (Loss) before Depreciation & Tax	334.55	728.99
Less : Depreciation	9.69	6.94
Profit (Loss) before Tax	324.86	722.05
Less : MAT / Current Tax	257.19	206.86
Less : Deferred Tax (expense)/benefit	-229.84	-86.76
Profit (Loss) after Tax	297.51	601.95

2. Dividend
Your Directors do not recommend dividend for the year.

3. Reserves
Your Directors have transferred Rs. 59.50 lakh being 20% of net profit after tax to the Statutory Reserves as per the Reserve Bank of India Act, 1934.

4. Review of business and operations and State of affairs of your company and outlook

During the year under review, the total income of your company increased to Rs.4599.80 Lakh. The Profit before tax and exceptional items and COVID provision stood at Rs.658.22 lakh. The Profit after tax stood at Rs.297.51 lakh.

Our Loan assets under management (AUM) stood at Rs. 26,437.91 lakhs. Your company could raise debt capital of Rs.12025 lakh during the year. Your Directors are pleased to inform that during the year the company made its maiden issue of listed debt securities and was able to raise Rs.1500 lakh by issuing 150 (One Hundred and Fifty) Secured Rated Listed Redeemable Non-Convertible Debentures of Rs. 10,00,000/- (Rupees Ten Lakhs only) to UTI International Wealth Creator 4 on a private placement basis in accordance with the provisions specified under SEBI (Issue and Listing of Debt Securities)

Regulations, 2008 as amended from time to time. The company listed the Debentures on the Bombay Stock Exchange.

During the year, the company also moved the preparation and presentation of its accounts to Ind AS. The consolidated GNPAs and NNPAs, recognized as per RBI's prudential norms and provisioned as per Expected Credit Loss (ECL) method prescribed in Ind AS, stood at 2.17% and 1.07% respectively. Provision coverage (incl. standard assets provision), under Ind AS norms, on stage 3 assets for the year was 39%. The overall ECL provision made stands at 4.27% of the loan portfolio.

Despite the challenging environment for the industry, your company managed its liquidity well with adequate margin of safety. The company had a positive ALM throughout the year, whereby inflows covered or exceeded expected outflows across all buckets.

Outlook

The Covid-19 pandemic has disrupted global economy and created unprecedented challenges. Economic activity in India was down to a standstill owing to the nation-wide lockdown in India from March 25, 2020. The NBFC industry was severely impacted with disruption in collections, moratorium to customers, challenges in raising funds and Banks not granting moratorium, adversely affecting our business performance in the last quarter of the financial year.

During the lockdown, your company migrated to a 100% work from home scenario and all business operations continued to run smoothly. However, both disbursements and collections were adversely impacted during the lockdown period. Taking cognisance of the scenario, the company made an additional provision of Rs.333.39 lakh for any potential COVID related impact on asset quality.

The Government and RBI have introduced several liquidity and stimulus measures to support the NBFC industry, however those are yet to show tangible results as at the time of writing this report.

We expect, as the lockdown starts to lift, and as stimulus measures start reaching end-customers, economic recovery will commence. The NBFC industry remains an important functionary in the economic ecosystem to fulfil credit requirement of credit starved and new to credit customers by bringing them into formal financial services ecosystem.

5. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return is available on the website of the Company at www.ananyafinance.com

6. Details of Directors appointed/resigned during the year

Your company appointed Mr. Gaurav Gupta as the Managing Director w.e.f 01st February 2020. During the year 2019-20, Mr. S.S. Bhat resigned from the post of Managing Director w.e.f 01st February 2020.

Your Directors also place on record the cessation of Directorship of the founder of the company, Ms. Vijayalakshmi Das on 08th February 2020 due to her sad demise. The Board placed on record its deep appreciation and gratitude for the valuable contribution made by her.

8. <u>Details of Subsidiaries Companies, Associate Company & LLP/Partnership</u>

Sr, No.	Name of Company	Nature of Relationship	No. of Share hold/Capital Contribution
	NIL	NIL	NIL

*There is no Subsidiary, Associate & LLP/Partnership of Company hence no such information is provided

9. <u>Number of Board Meetings</u>

During the Financial Year 2019-20, meetings of the Board of Directors of the company were held on the following dates:

Sr. No.	Date of Board Meeting	No. of Director Present in the Meeting
1.	08th May 2019	All the Directors were present in the Meeting except Ms. Vijayalakshmi Das. Leave of absence was also granted
2.	21st June 2019	All the Directors were present in the Meeting
3.	26th September 2019	All the Directors were present in the Meeting except Prof.Dr.Sidharth Sinha. Leave of absence was also granted
4.	12th November 2019	All the Directors were present in the Meeting except Ms. Vijayalakshmi Das and Mr. Arvind Agarwal. Leave of absence was also granted
5.	24th December 2019	All the Directors were present in the Meeting except Mr. Taejun Shin. Leave of absence was also granted
6.	30th December 2019	All the Directors were present in the Meeting
7.	16th January 2020	All the Directors were present in the Meeting except Mr. Taejun Shin. Leave of absence was also granted
8.	29th January 2020	All the Directors were present in the Meeting, except Ms. Vijayalakshmi Das. Leave of absence was also granted.
9.	13th March 2020	All the Directors were present in the Meeting

9. Particulars of Loan, Guarantees and Investments under Section 186

During the year under review, your Company has disbursed loans totaling to Rs. 29,869.30 lakhs to 77 institutions and enterprises as part of its normal course of business. In addition, the company did two pool purchases totaling to Rs.460.59 lakh through Direct Assignment from two existing partners as part of its delinquency management and overdue loan recovery efforts. Your Directors draw attention of the members to Note no.46 to the audited financial statements which sets out the break-up of the loan portfolio disclosures.

The investment made in other securities has been as part of the normal course of business and has been within the limits prescribed under Section 186 of the Companies Act, 2013.

10. Particulars of Contracts or Arrangements with Related Parties:

All the transactions with related parties were carried out on an arm's length basis. Your Directors draw attention of the members to Note no.39 to the audited financial statements which sets out related party disclosures.

11. Auditor's Report:

The Auditor's Report does not contain any qualification notes to accounts and the Auditor's Report is self-explanatory and therefore do not call for any further comments.

12. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

Your Company is taking all possible steps to conserve energy and reduce the cost of operations by implementing the Environmental Policy.

Your company made investments in technology to upgrade its Accounting system, introduce a HR software system and develop its proprietary Loan Management System for which the trademark name 'Finclusys' has been registered. The investments in technology will help the company strengthen its internal controls and improve its produce and service offering.

During the year under review, the foreign exchange outflow was equivalent to Rs.2.67 lakh

13. Risk Management Policy:

Your company has a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimization procedures being followed by the company and steps taken by it to lower these risks. The Risk Management processes has been established across the company and are continuously reviewed improved and adapted to the changing risk landscape.

The company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that have been designed to be commensurate with its business of lending in the Microfinance, Agrifinance and MSME segments, and endeavors to manage the various risks in the business including Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risks. Your Directors draw attention of the members to Note no.42 to the audited financial statements which sets out the Financial Risk Management disclosures.

The Board of Directors have constituted a Risk Management Committee that reviews the risk management framework of the company on a quarterly basis. The committee comprises of the following Directors:

1. Ms.Jayshree Vyas
2. Prof. Dr.Sidharth Sinha
3. Mr.Sanjay Gandhi
4. Mr.Arvind Agarwal

14. <u>Details of Directors:</u>

SR. NO.	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT	RESIDENTIAL ADDRESS
1	Mr. Brij Mohan	00667210	Independent Director	09/05/2009	C-4c-085 Carlton-Iv, Phase-V,, Gurgaon, 122001, Haryana, India
2.	Ms. Jayshree Vyas	00584392	Director	22/04/2009	1, Sun view Apartment, Opp. Purnanand Ashram Ishwarbhuvan, Ahmedabad, 380014, Gujarat, India
3.	Prof. Dr.Sidharth Sinha	01831966	Nominee Director	07/12/2012	House 402 , Indian Institute Of Management, Ahmedabad, 380015, Gujarat, India

4.	Ms. Sutapa Banerjee	02844650	Nominee Director	13/06/2014	3003 A&B, 30th Floor, Springs I, GD Ambekar Marg,Naigaon, Dadar East, Mumbai, 400014, Maharashtra, India
5.	Mr. Arvind Kumar Agarwal	07405470	Nominee Director	19/02/2016	Flat A1 1101 Elite Prominade Rai Layout, JP Nagar 7th Phase Bangalore 560078 KA IN
6.	Mr. Sanjay Gandhi	02234298	Nominee Director	27/02/2018	2/7, Hamelia Street,Vatika City, Sector 49, Gurgaoan, 122018, Haryana
7.	Mr. Taejun Shin	08056236	Nominee Director	31/07/2018	5-10-49-1210, Yashio, Shinagawa, Tokyo, Japan-140003
8.	Mr. Gaurav Gupta	08663203	Managing Director	01/02/2020	D-71, Vishal Residency, Ramdev Nagar Road, Satellite, Ahmedabad

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

There have been no orders passed by the regulators or courts or tribunals that impact the status of going concern of your company or that hinder the company's operations in future.

16. Deposits (As per the Definition under Section 2(31) of the Companies Act, 2013)

The company does not accept any deposits from Public as prescribed under the RBI rules.

The following details of deposits, covered under Chapter V of the act:

I. Deposits Accepted during the year: Nil

II. remained unpaid or unclaimed as at the end of the year: Nil

III. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- Nil

a. At the beginning of the year: Nil

b. Maximum during the year: Nil

c. At the end of the year: Nil

IV. The details of deposits which are not in compliance with the requirements of Chapter: Nil

17. Receipt of any commission by MD /WTD from a Company or for receipt of commission /remuneration from it Holding or subsidiary

The MD has not received any commission from the company or from its holding company.

18. Corporate Social Responsibility (CSR) Committee

As per Section 135 of Companies Act 2013, your company falls under the purview of CSR and has constituted the Corporate Social Responsibility (CSR) Committee consisting of the following Directors:

1. Mr. Brijmohan
2. Ms. Jayshree Vyas
3. Mr. Sanjay Gandhi

The Corporate Social Responsibility Committee held two meetings on 12th November 2019 and 25th March 2020 during the year under review.

During the year under review, your Company has spent Rs. 10 lakhs which was the total amount required to be spent as per section 135 of The Companies Act, 2013 in respect of Corporate Social Responsibility (CSR). The amount was spent on nurturing women entrepreneurship with the objective of reaching out to 200 women entrepreneurs in urban, semi urban and rural areas engaged in livelihood activities across the Gujarat state. The project focused on women's entrepreneurship development, incorporating training on financial education, business management and local livelihood scoping to make the women’s enterprises sustainable.

19. Audit Committee

As part of the internal controls monitoring process, The Board of Directors have constituted an Audit Committee comprising of the Directors listed below. The committee on a half-yearly basis reviews the Financial Reporting process, the system of internal controls, audit process and compliances with applicable laws and regulations and internal guidelines. The Audit Committee consists of the following Directors:

1. Ms. Jayshree Vyas
2. Prof. Dr.Sidharth Sinha

3. Mr. Sanjay Gandhi

20. Nomination & Remuneration Committee Policy

The Company has in place the Nomination Committee consisting of Ms. Jayshree Vyas and Mr. Sanjay Gandhi. Also there is a Compensation Committee (HR Committee) constituted by the Board of Directors which includes Prof. Dr. Sidharth Sinha, Ms. Jayshree Vyas and Mr. Taejun Shin that reviews the HR performance and adherence to internal policies and guidelines and applicable external guidelines on a bi-annual basis.

21. Disclosure on Establishment of a Vigil Mechanism

A Fraud free and corruption free environment has been core to your company's culture. In view of the potential risk of fraud and corruption due to rapid growth, the Company has put an even greater emphasis to address this risk. To meet this objective, a comprehensive Vigil Mechanism and Whistle Blower Policy have been laid down by the Board of Directors which form part of the HR policy of the Company.

22. Managerial remuneration

Sr. No.	Name of Director	Remuneration for F.Y 2019-2020(Amount In Rs.)	Remuneration for F.Y 2018-2019(Amount In Rs.)
1.	Mr. Subraya Shankar Bhat (Apr'19 – Jan'20)	45,96,170	50,13,966
2.	Mr. Gaurav Gupta (Feb-Mar'20)	8,41,911	-

23. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (SHWS) Act, 2013, your company has a policy for Prevention of Sexual Harassment at the Workplace and the Board of Directors have unanimously adopted the same w.e.f. 17th June, 2016. The Company has appointed Ms. Rekha Singhal, General Manager (F&A), as Presiding Officer in the Internal Complaints Committee constituted under SHWW Act, 2013

24. Secretarial Audit and Secretarial Auditor's Report

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed **Kashyap R.**

Mehta & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report in the prescribed Form No MR-3 is annexed herewith.

25. Statutory Auditors

Deloitte Haskin & Sells have consented and shown their eligibility for appointment as Statutory Auditors of the Company and were appointed in the sixth annual general meeting of the Company for a period of five years. The members are requested to consider their reappointment them for another period of 5 years.

26. Cost Auditors

The Company does not fall within the purview of Section 148 of the Companies Act, 2013 and hence the Company was not required to appoint Cost Auditor for the year under review.

27. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit /loss of the Company for that period;
c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) The Directors have prepared the annual accounts on a going concern basis;
e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
f) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

28. Capacity Building Initiatives

The Directors are pleased to inform that your Company, as part of its capacity building and technical assistance services, completed the SEDP program (Swavalamban Enterprise Development Program) aiming at creating/scaling-up business enterprises by developing necessary skills and facilitating credit linkages for womenat the base of the economic pyramid. The SEDP program concluded on 31st March 2020 and led to setting up /scaling-up of 2,953 micro-enterprises which included 1,027 new enterprises and 1,926 scaled-up enterprises. These trained entrepreneurs were further supported with access to credit with the help of seven SEDP partner MFIs creating a Micro-Enterprise Loan portfolio of Rs. 12.71 Cr

The company was also appointed as the Technical Advisor to World Bank for three years under the JOHAR project that targets to benefit 200,000 rural households in Jharkhand. Your company will provide capacity building and credit linkage facilities to FPOs that are formed under the program.

29. Impact of COVID-19 and outlook

The spread of COVID-19 and the consequential lockdown has impacted the global and Indian economy. It has affected livelihoods across the country but the most affected are the families at the bottom of the economic pyramid and the worst affected are families that form the set of the migrant population.

The pandemic and loss of livelihoods has a disproportionately higher effect on the women of the households since they are primary caretakers of the family. The effect is due to being unable to participate in employment engagements outside the house that were present pre-COVID and health related issues arising from the higher burden of household tasks. These are in addition to the challenges that women face on account of domestic violence, higher risk of falling ill and needs not being met as women tend to have less decision-making power.

However, the microfinance sector that accounts for ~85% of your company's business, has fueled the efforts of rural development, women empowerment and wealth generation by providing small scale savings, credit, insurance and other financial services to poor and low-income households. One of the most important features of Micro Finance is aiding the process of attaining financial inclusion in India.

Hence, your Directors believe that with the lockdown easing and the steps being taken by the Government and the Reserve Bank to boost liquidity, the economic activities in the microfinance, agriculture and MSME sectors are expected to pick-up in the second half of FY21. With lending appetite among mainstream banks continuing to be low, the gap between demand and supply in micro credit will remain and provide an opportunity for your company to grow its portfolio. Your Directors draw attention of the members to Note no. 7.3 to the audited financial statements which sets out the Impact of COVID-19

30. Acknowledgement

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

Date: 30/06/2020
Place: Ahmedabad

For and Behalf of the Board of Directors

Sd/-	**Sd/-**
____________	____________
(Director)	**(Director)**
DIN: 01831966	**DIN:00584392**

903, 9th Floor, Sakar 9 , B/s Old RBI, Ashram Road, Ahmedabad 380 009.
Ph.: 0091 79 40403030 Email : admin@ananyafinance.com
CIN U65993GJ2009PTC056691
GSTIN : 24AAHCA8023D1Z4

ANANYA
Finance for Inclusive Growth Pvt. Ltd.

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1) Gojo & Company, Inc 2) Stichting Capital 4 Development 3) Subraya Shankar Bhat 4) Satya Micro Capital 5) Gaurav Gupta
b)	Nature of contracts/arrangements/transaction	1) Issuance of issuance of fresh

		equity shares – Parent Company 2) Issuance of Fresh Equity Shares- Entity having significant influence 3) Consultancy Charges – Key Managerial Personnel 4) Loan's given – Associate of Parent Company 5) Salary – Key Managerial Personnel
c)	Duration of the contracts/arrangements/transaction	1) Strategic investment 2) Strategic Investment 3) 10 months 4) 2 years 5) 3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	1) 24/12/2019 2) 24/12/2019 3) 21/06/2019 4) 30/06/2020 5) 29/01/2020
f)	Amount paid as advances, if any	NIL
g)		

By Order of the Board of Directors

Date: 30/06/2020 **Sd/-** **Sd/-**

Place: Ahmedabad __________ ___________

(Director) **(Director)**
DIN: 01831966 **DIN: 00584392**

Annexure

Annual Report on Corporate Social Responsibility (CSR) activities to be included in the Board's Report

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

At the outset, CSR activities at Ananya Finance for Inclusive Growth Private Limited (Ananya) is already in existence for the benefit of clients in the matter of capacity building, women empowerment initiatives etc. We at Ananya, believe that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability. Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013, Schedule VII and such other amendments from time to time as spelt out by the Ministry of Corporate Affairs, Government of India.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and the Board of Directors of the Company has approved the same as per the recommendation of the CSR Committee.

Web link: www.ananyafinance.com

Corporate Social Responsibility Project for the year 2019-20

Title of the Project: Nurturing Women Entrepreneurship

An MOU was signed with Friends of WWB, India, a non-government organisation engaged in various social and community projects including those dedicated to empowerment of women belonging to weaker sections of the society through entrepreneurship for implementing the Company's CSR project for the financial year 2019-20. A detailed project report was prepared in this regard providing details regarding the project and its implementation.

The project aims to reach out to 200 women entrepreneurs in urban, semi urban and rural areas engaged in livelihood activities across the Gujarat state. The project focuses on women's entrepreneurship development, incorporating training on financial education, business management and local livelihood scoping. It aims to make these enterprises sustainable by locating them in the socio-economic background of the respective areas and providing skills that utilize local knowledge and resources.

To facilitate training, master trainers were Identified and were provided with training kit (registers, fake currency, charts etc) and 'Workbook' for training on Financial Education, Basic Business Management Skills and Business Planning. The women members were trained under the livelihood activities of their choice such as Tailoring, Beauty Parlour, Snacks Making etc.

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

The Chairperson and members of the Committee are as follows:

Sr. No	Name	Designation	Chairman/Member
01.	Mr. Brijmohan	Chairman	Chairperson
02.	Ms. Jayshree Vyas	Director	Member
03.	Mr. Sanjay Gandhi	Nominee Director	Member

3. **Average net profit of the company for the last three financial years**

Average Profit of last three years viz. 2018-19, 2017-18, 2016-17	Rs.46,511,470
Amount of CSR (2% of Avg Net profit of last three years)	Rs.9,30,229
Rounded off	**Rs.10,00,000**

4. **Prescribed CSR Expenditure**

Rs. 10 lakhs

5. **Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year: Rs. 10 lakhs

(b) Amount unspent, if any: NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs: 1 local area or other 2 specify the state or district where the project is undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or programs Subheads: 1) Direct Expenditure on Projects or programs 2) Overheads	Cumulative Expenditure up to the Reporting period	Amount spent directly or through implementing agency
1.	Nurturing Women Entrepreneurship	Schedule VII (Item no iii) Promoting gender equality and empowering women	Training women members in Anand and Kheda districts of Gujarat state	10 lakhs	Direct Expenditure on project – 8,14,000 Overheads – 1,86,000	10 lakhs	Through implementing Agency – Friends of WWB, India

6. **<u>In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report</u>**

N.A

7. **<u>A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company</u>**

We confirm that the implementation of CSR activities is in compliance with the Companies Act 2013 and to meet the CSR objectives and Policy of the Company.

Sd/- **Sd/-**

__________________ ______________________

(Managing Director) **(Chairman of the CSR Committee)**

DIN: 08663203 **DIN: 00667210**

PLACE: Ahmedabad

DATE: 30th June 2020

Form No.MGT-9

EXTRACT OF ANNUAL RETURN *AS* ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[Pursuant to section92(3) of the CompaniesAct,2013 andrule12(1) of the Companies (Management and Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS:

i.	**CIN**	**U65993GJ2009PTC056691**
ii.	**Registration Date**	22/04/2009
iii.	**Name of the Company**	ANANYA FINANCE FOR INCLUSIVE GROWTH PVT.LTD
iv.	**Category/Sub-Category of the Company**	Company Limited by Shares/ Indian Non-Government Company
v.	**Address of the Registered office and contact details**	101, SAKAR-1 , NEAR GANDHIGRAM STATION, ASHRAM ROAD, AHMEDABAD GUJARAT-380009
vi.	**Whether listed company**	No
vii.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	-

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	**Commercial Loan Companies Activities**	**64920**	**96.46%**

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section

1.	**NIL**				

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. ***Category-wise Share Holding***

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during The year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoter									
1) Indian									
a) Individual/ HUF		**1820**	**1820**	**0.003**		**1820**	**1820**	**0.003**	**NIL**
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other		**105,61,050**	**105,61,050**	**19.07**		**105,61,050**	**105,61,050**	**15.99**	**(3.08)**
Sub-total(A)(1):-		**105,62,870**	**105,62,870**	**19.07**		**105,62,870**	**105,62,870**	**16**	**(3.08)**
2) Foreign									
g) NRIs-Individuals		**-**	**-**	**-**		**-**	**-**	**-**	**-**
h) Other-Individuals		**-**							
i) Bodies Corp.		**-**							
j) Banks / FI		**-**							
k) Any Other….		**-**							
Sub-total(A)(2):-		**-**	**-**	**-**		**-**	**-**	**-**	**-**
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									

903, 9th Floor, Sakar 9 , B/s Old RBI, Ashram Road, Ahmedabad 380 009.
Ph.: 0091 79 40403030 Email : admin@ananyafinance.com
CIN U65993GJ2009PTC056691
GSTIN : 24AAHCA8023D1Z4

d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	-	447,19,827	447,19,827	80.76		553,75,300	553,75,300	83.86	3.1
h) Foreign Venture Capital Funds									
i) Others (specify) • Gojo & Company, Inc. (Foreign Company)		309,00,918	309,00,918	55.80		363,16,030	363,16,030	55.00	(0.80)
• Stichting Capital 4 Development (Foundation)		105,41,340	105,41,340	19.04		157,81,701	157,81,701	23.90	4.86
• Women's World Banking Capital Partners, LP (Limited Partership)		3,277,569	3,277,569	5.92		3,277,569	3,277,569	4.96	(0.96)
Sub-total(B)(1)		447,19,827	447,19,827	80.76		553,75,300	553,75,300	83.86	3.1
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1		91,044	91,044	0.16		91,044	91,044	0.14	(0.02)

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lakh									
c) Others(Specify)									
Sub-total(B)(2)		**91,044**	**91,044**	**0.16**		**91,044**	**91,044**	**0.14**	**(0.02)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**448,10,871**	**448,10,871**	**80.92**		**554,66,344**	**554,66,344**	**84**	**3.08**
C. Shares held by Custodian for GDRs &ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**553,73,741**	**553,73,741**	**100**		**660,29,214**	**660,29,214**	**100**	**0**

<u>Shareholding of Promoters</u>

Sr. No	**Shareholder's Name**	**Shareholding at the beginning of the year**		**Shareholding at the end of the year**			
		No. of Shares (includes both equity and preference Shares)	% of total Shares of the company	No. of Shares	% of total Shares of the company	%of Shares Pledged encumbered to total shares	% change in share holding during the year
1.	Vijayalakshmi Das **	910	0.002	910	0.001	-	**(0.001)**
2.	Jayshree Vyas	910	0.002	910	0.001	-	**(0.001)**
3.	Indian Foundation for Inclusive Growth	105,61,050	19.07	105,61,050	15.99	-	**(3.08)**
	Total	**105,62,870**	**19.08**	**105,62,870**	**16**	**-**	**(3.08)**

**** The shares have been transmitted to Mr. Biswaroop Das vide Board Resolution dated 25th June 2020**

Change in Promoters' Shareholding (please specify, if there is no change)

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Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**105,62,870**	**19.08**	**105,62,870**	**19.08**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**Decrease in shareholding due to new overseas investment**			
	At the End of the year	**105,62,870**	**16**	**105,62,870**	**16**

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**1,59,30,93,987**			**1,59,30,93,987**
ii) Interest due but not paid	**-**	**-**	**-**	
iii) Interest accrued but not due	**64,17,410**	**-**	**-**	**64,17,410**
Total(i+ii+iii)	**1,59,95,11,397**		**-**	**1,59,95,11,397**
Change in Indebtedness during the financial year				
- Addition	**1,35,25,00,000**		**-**	**1,35,25,00,000**
- Reduction	**1,21,29,30,703**		**-**	**1,21,29,30,703**
- Unamortised Transaction cost	**1,33,91,706**			**1,33,91,706**
Net Change	**12,61,77,591**		**-**	**12,61,77,591**

Indebtedness at the end of the financial year **i)** Principal Amount **ii)** Interest due but not paid iii) Interest accrued but not due	**1,71,92,71,578** **1,87,04,136**	**-** **-** **-**	**-** **-** **-**	**1,71,92,71,578** **1,87,04,136**
Total (i+ii+iii)	**1,73,79,75,714**		**-**	**1,73,79,75,714**

<u>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</u>

A. <u>Remuneration to Managing Director, Whole-time Directors and/or Manager</u>

Sl. No.	**Particulars of Remuneration**	**Name of Managing Director**	**Name of Managing Director**	**Total Amount**		
		Mr. S.S. Bhat(Upto 31.01.2020)	Mr.Gaurav Gupta(From 01.02.2020)			
1.	Gross salary (a)Salary as per					

	provisions containedinsection 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2)Income-tax Act, 1961 (c)Profits in lieu of salary undersection17(3)Income- taxAct,1961 (d)Consultancy Charges	 **45,96,170**	**8,14,926**			**8,14,926** **45,96,170**
2.	Stock Option	**-**				
3.	Sweat Equity					
4.	Commission - as%ofprofit - others ,specify…					
5.	Others, please specify- Appreciation on deferred PLI	**-**	**26,985**			**26,985**
6.	Total(A)	**45,96,170**	**8,41,911**			**54,38,081**
	Ceiling as per the Act	***No restriction***	***No restriction***			

0Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors ·Fee for attending board committee meetings ·Commission ·Others ,please specify					

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	Total(1)					
	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	**12,45,000**				**12,45,000**
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration	**12,45,000**				**12,45,000**
	Overall Ceiling as per the Act **	**1,00,000 (Per Director per meeting)**				

** The Company pays Rs. 15,000/- as Sitting Fees Per Director for Board Meetings. Whereas the Sitting Fees for Committee Meeting is Rs. 7500/-. The same is within the prescribed ceiling.

Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	–	**5,44,484**	–	–
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit				

	-others, specify…				
5.	Others ,please specify				
6.	Total		**5,44,484**		

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	**Section of the companies Act**	**Brief description**	**Details of Penalty/ Punishment/Compounding fees imposed**	**Authority [RD /NCLT/Court]**	**Appeal made. If any(give details)**
A.Company					
Penalty					
Punishment					
Compounding	-	-	NIL	-	-
B.Directors					
Penalty	-	-	-	-	-
Punishment					
Compounding					
D. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment					
Compounding					

Date: 30/06/2020 **By Order of the Board of Directors**

Place: Ahmedabad

Sd/-
(Director)
DIN:01831966

Sd/-
(Director)
DIN: 00584392

CS KASHYAP R. MEHTA
B. Com., LL.B., ACMA, FCS, ACIS (London)

KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

B – 403, 'The First', Beside ITC Narmada Hotel, Behind Keshavbaug, Vastrapur, Ahmedabad – 380 015.
Tel. No.: 079-29702975 / 76 / 77 **Mobile:** 98250 15581 **Email :** kashyaprmehta@hotmail.com **Web :** www.cskashyap.in

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ananya Finance For Inclusive Growth
Private Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ananya Finance For Inclusive Growth Private Limited,** [CIN: U65993GJ2009PTC056691] ('hereinafter called the Company') having Registered Office at 101, Sakar 1 Building, Nr. Gandhigram Station, Ashram Road, Ahmedabad – 380 009. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives **whether electronically or otherwise** during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period, covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

(iv) Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable as the Equity shares of the Company are not listed during audit period

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any further share capital during the audit period

(d) Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 – Not applicable during the audit period

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. The Company got permission for issue and listing of 150 Secured Rated Listed Redeemable Transferable Non Convertible Debentures each having face value of Rs. 10,00,000/- only aggregating to Rs. 15 crores during the reporting year.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Company is not registered as Registrar to Issue and Share transfer agent during audit period

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable during the audit period; and

(vi) Various common laws applicable to the activities of the Company such as The Reserve Bank of India Act, 1934, Prevention of Money Laundering Act, 2002, Income Tax, Act, 1961, Chapter V of the Finance Act, 1994 (Service Tax), Land Laws, Stamp Act, for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Consultants, Chartered Accountants and officers of the Company and have found that the Company is generally regular in complying with the provisions of various applicable Acts. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

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

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

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchange for its listed Debt securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *As per the provisions of section 92(3) of the Companies Act, 2013 and Rules made thereunder, Form MGT-9 (Extract of Annual Return) is not attached in the Annual Report nor the hyperlink of the same is mentioned in the Annual Report. The form is also not hosted on the website of the Company.*

2. *Auditors did not remain present at the Extra Ordinary General Meetings of the Company and moreover the resolution exempting them to remain present was not passed as per Secreterial Standard No. 2 of General Meetings point no. 4.2.*

3. *One of the form PAS-3 pertaining to allotment of shares under preferential issue, reflects incorrect name of the allottee in the details of list of allottee. The Board resolution however reflects the correct name of allottee.*

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors during the audit period under review, was duly made after complying with the necessary provisions of Companies Act, 2013 and the Rules made thereunder. 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.

All decisions at Board meetings and Committee meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

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

We further report that during the audit period the Company has:

1. Duly passed Special Resolution under Section 42 of the Companies Act, 2013 for approval of issuance of Debentures under Private Placement basis.

2. Duly passed Special Resolution under Section 62 Companies Act, 2013 for approving the Ananya Finance for Inclusive Growth Private Limited ESOP – 2019 (ESOP Scheme – 2019) for setting up of the Ananya Finance Employees Welfare Trust and matters incidental thereto.

3. Duly passed Special Resolution for further approvals for implementation of the Ananya Finance for Inclusive Growth Private Limited ESOP – 2019 (ESOP Scheme – 2019) and for funding of the Ananya Finance Employees Welfare Trust and matters incidental thereto.

4. Duly passed Special Resolution under section 62(1)(c) and section 42 Companies Act, 2013 for issuance of Equity Shares to Gojo & Co., INC (Gojo) and Stitching Capital 4 Development (C4D) on Preferential Basis.

5. Duly passed Board Resolution and had made allotment of 54,15,112 Equity Shares at a price of Rs. 20.38 per share to Foreign party viz. Gojo & Co. and made allotment of 52,40,361 Equity Shares at a price of Rs. 20.38 per share to Foreign party viz. Stitching Capital 4 Development (C4D) after complying with necessary provisions of the Companies Act, 2013 and Rules made thereunder and has intimated the same to Reserve Bank of India under FEMA Act and Rules and Regulations made thereunder and BSE Limited.

For KASHYAP R. MEHTA & ASSOCATES,
COMPANY SECRETARIES,
FRN: S2011GJ166500

Sd/-
KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-583/2019
UDIN: F001821B000401363

Date: 30th June, 2020
Place: Ahmedabad

Disclaimer: Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations /guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-20. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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

Annexure - 1

To,
The Members,
Ananya Finance For Inclusive Growth,
Private Limited.

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

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

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

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

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES
FRN: S2011GJ166500

Sd/-
KASHYAP R. MEHTA
PROPRIETOR
FCS-1821 : COP-2052 : PR-583/2019
UDIN: F001821B000401363

Date: 30th June, 2020
Place: Ahmedabad

Deloitte Haskins & Sells

Chartered Accountants
19th floor, Shapath-V,
Opposite to Karnavati Club,
S.G. Highway,
Ahmedabad - 380 015
Tel. +91 79 6682 7300

INDEPENDENT AUDITOR'S REPORT

To The Members of Ananya Finance for Inclusive Growth Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ananya Finance for Inclusive Growth Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, 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 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 financial statements.

Emphasis of Matter

We draw attention to Note 7.3 to the Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the Covid-19 pandemic.

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**<u>Impairment of loans held at amortised cost:</u>** The Company exercises significant judgement using subjective assumptions over both when and how much to record as impairment for loans and estimation of the amount of the impairment provision for loans. The most significant areas are: ▪ Impairment models: - Judgement is required to determine the inputs, methodologies, staging/restaging in case of Significant Increase in Credit Risk ("SICR") cases and assumptions and these can significantly impact the provisions held. The most significant judgements include the segmentation level at which historical loss rates are calculated, the length of the recovery period and the loss emergence period applied to historical loss provisions. ▪ Identification of impairment: - For loan exposures, collective impairment allowances are calculated using models which approximate credit conditions on homogenous portfolios of loans. ▪ Inputs and Judgements used in determination of management overlay at	**<u>Principal audit procedure performed</u>** ▪ We read the Company's Ind-AS 109 based impairment provisioning policy ; ▪ We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes; ▪ We tested the completeness of loans, off balance sheet items and other financial assets included in the Expected Credit Loss (ECL) calculations as of 31 March 2020; ▪ For data from external sources, we understood the process of choosing such data, its relevance for the Company, and the controls and governance over such data; ▪ We tested the data integrity and completeness of the Staging Report; ▪ For a sample of exposures, we tested the appropriateness of staging into Stage 1, Stage 2 and Stage 3; ▪ For provision against exposures classified as Stage 1, Stage 2 and Stage 3, we obtained an understanding of the Company's provisioning methodology, consistency of various inputs and assumptions used, the reasonableness of the underlying assumptions and the sufficiency of the data used by the Management; ▪ For a sample of exposures, we tested the appropriateness of determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages;

	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. Since the loans form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall Company audit and a key audit matter. As at March 31, 2020, the Company's total exposure at default for loans amounted to Rs. 26,630.33 lacs and the related impairment provisions amounted to Rs. 1,137.21 lacs, comprising Rs. 293.88 lacs of provision against Stage 1 and 2 exposures and Rs. 843.33 lacs against exposures classified under Stage 3. Refer Note 42 to the Financial Statements.	▪ For a sample of exposures, we tested the appropriateness of determining Exposure at Default (EAD); ▪ For a sample of exposures, we tested the calculation of the Probability of Default (PD) and the Loss Given Default (LGD) used in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; ▪ We assessed the appropriateness of the calculation of the management overlay in response to COVID 19 related economic uncertainty. ▪ We performed an overall assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

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, but does not include the financial statements and our auditor's report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

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

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

- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matters

The comparative financial information of the Company for the year ended 31st March 2019 and the related transition date opening balance sheet as at 1st April 2018 included in these financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

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 relevant books of account.

   d) In our opinion, the aforesaid 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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
Chartered Accountants
(Firm's Registration No. 117365W)

-Sd-

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 20105035AAAAFM6071)

Place: Mumbai
Date: June 30, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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")

We have audited the internal financial controls over financial reporting of Ananya Finance for Inclusive Growth Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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 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.

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.

Deloitte
Haskins & Sells

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 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, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm‘s Registration No. 117365W)

-Sd-

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 20105035AAAAFM6071)

Place: Mumbai
Date: June 30, 2020

Deloitte
Haskins & Sells

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of fixed assets :

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) According to the information and explanations given to us, the Company does not have any immovable properties of acquired freehold land and building. In respect of immovable properties of building that have been taken on lease and disclosed as Right of Use Assets in the Ind AS financial statements, the lease agreements are in the name of the Company.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) 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 Companies Act, 2013.

(iv) The Company is a registered non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Hence reporting under clause (v) of CARO 22016 is not applicable to the Company.

(vi) The maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the nature of services rendered by the Company.

(vii) 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, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on 31st March, 2020 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 Involved (Rs. In lacs)	Amount Unpaid (Rs. In lacs)
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2011-12	379.97	-
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2012-13	58.25	-
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2013-14	132.16*	-

*Rs. 14.11 lacs, additional interest adjusted by tax authorities while processing refunds of earlier years, has been added here and adjusted the original demand of Rs.118.05 lacs, as the information pertaining to assessment year for which such Rs.14.11 lacs are adjusted, is not available with the Company.

There are no dues of Goods and Service Tax that have not been deposited as at 31st March, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans from the government.

(ix) In our opinion and according to the information and explanations given to us, monies raised by way of initial public offer (including debt instruments) and 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.

(x) To the best of our knowledge and according to the information and explanations 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) As the Company is a private limited company, the provisions of section 197 of the Companies Act, 2013 do not apply to the Company and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of equity shares during the year. In respect of the above issue, we further report that:

(a) The requirements of Section 42 of the Companies Act, 2013, as applicable have been complied with and

(b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending allocation.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or the directors of its holding company or persons connected with them as referred to in Section 192 of the Companies Act, 2013.

(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
Chartered Accountants
(Firm's Registration No. 117365W)

-Sd-

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN: 20105035AAAAFM6071)

Place: Mumbai
Date: June 30, 2020

Ananya Finance for Inclusive Growth Private Limited
Balance Sheet as at 31st March 2020

(Rs. In Lakhs)

	Particulars	Note	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
ASSETS					
[1]	**Financial Assets**				
(a)	Cash and cash equivalents	5	3,611.78	329.55	354.56
(b)	Bank Balance other than (a) above	6	1,503.87	1,230.27	1,243.16
(c)	Loans	7	25,302.03	24,638.37	13,727.80
(d)	Investments	8	56.58	53.30	137.63
(e)	Other Financial assets	9	7.08	12.66	21.11
			30,481.34	**26,264.15**	**15,484.26**
[2]	**Non-financial Assets**				
(a)	Current tax assets (Net)	11	1,017.85	788.67	667.18
(b)	Deferred tax Assets (Net)	11	522.34	357.67	270.87
(c)	Property, Plant and Equipment	12	14.98	10.87	6.99
(d)	Other Intangible assets	13	2.57	4.52	5.81
(e)	Intangible assets under development	13.1	26.72	18.26	-
(f)	Right of Use Asset	14	177.26	-	-
(g)	Other non-financial assets	10	40.92	7.55	15.64
			1,802.64	**1,187.54**	**966.49**
	Total Assets		**32,283.98**	**27,451.69**	**16,450.75**
LIABILITIES AND EQUITY					
[1]	**Financial Liabilities**				
(a)	Payables	15			
	Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		28.72	18.96	12.52
	(II) 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		-	-	-
(b)	Lease Obligation	16	170.86	-	-
(c)	Debt Securities	20	1,561.09	-	-
(d)	Borrowings (Other than Debt Securities)	20	15,818.67	15,995.11	11,426.38
(e)	Subordinated Liabilities	21	-	-	775.34
(f)	Other financial liabilities	17	4,132.67	3,342.93	1,892.98
			21,712.01	**19,357.00**	**14,107.22**
[2]	**Non-Financial Liabilities**				
(a)	Provisions	18	52.98	34.66	15.21
(b)	Other non-financial liabilities	19	43.41	44.56	25.85
			96.39	**79.22**	**41.06**
[3]	**EQUITY**				
(a)	Equity Share capital	22	6,602.92	5,537.37	1,302.10
(b)	Instruments entirely equity in nature	23	-	-	822.09
(c)	Other Equity	24	3,872.66	2,478.10	178.28
			10,475.58	**8,015.47**	**2,302.47**
	Total Liabilities and Equity		**32,283.98**	**27,451.69**	**16,450.75**

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

-sd-
Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 30th June 2020

For and on behalf of the Board of Directors

-sd-
Brij Mohan
Chairman
(DIN 00667210)

-sd-
Gaurav Gupta
Managing Director
(DIN 08663203)

-sd-
Rekha Singhal
Chief Financial Officer

-sd-
Lavina Parikh
Company Secretary

Place: Ahmedabad
Date: 30th June 2020

Ananya Finance for Inclusive Growth Private Limited
Statement of Profit and Loss for the year ended 31st March 2020

(Rs. In Lakhs)

	Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
REVENUE FROM OPERATIONS				
(i)	Interest Income	25	4,541.24	3,099.50
(ii)	Net gain on fair value changes	26	29.41	12.81
(iii)	Net gain on derecognition of financial instruments under amortised cost category	27	-	13.46
(I)	**Total Revenue from operations**		**4,570.65**	**3,125.77**
(II)	Other Income	28	29.15	36.71
(III)	**Total Income (I+II)**		**4,599.80**	**3,162.48**
EXPENSES				
(i)	Finance Costs	29	2,524.17	1,854.97
(ii)	Net loss on derecognition of financial instruments under amortised cost category	27	329.82	-
(iii)	Impairment on financial instruments	30	833.01	141.97
(iv)	Employee Benefits Expenses	31	377.82	302.84
(v)	Depreciation, amortization and impairment	12, 13 & 14	9.69	6.94
(vi)	Other expenses	32	200.43	133.71
(IV)	**Total Expenses**		**4,274.94**	**2,440.43**
(V)	**Profit before tax (III -IV)**		**324.86**	**722.05**
(VI)	Tax Expense:			
	(1) Current Tax	11	257.19	206.86
	(2) Deferred Tax	11	(229.84)	(86.76)
	Total Tax Expense		**27.35**	**120.10**
(VII)	**Profit for the year (V - VI)**		**297.51**	**601.95**
(VIII)	**Other Comprehensive Income**	11.1		
	(i) Items that will not be reclassified to profit or loss		(9.08)	(0.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.52	0.04
	Other Comprehensive Income/(loss)		**(6.56)**	**(0.12)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**290.95**	**601.83**
(X)	**Earnings per equity share**			
	Basic (Rs.)	33	0.51	1.36
	Diluted (Rs.)		0.51	1.36

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

-sd-
Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 30th June 2020

For and on behalf of the Board of Directors

-sd-
Brij Mohan
Chairman
(DIN 00667210)

-sd-
Gaurav Gupta
Managing Director
(DIN 08663203)

-sd-
Rekha Singhal
Chief Financial Officer

-sd-
Lavina Parikh
Company Secretary

Place: Ahmedabad
Date: 30th June 2020

Ananya Finance for Inclusive Growth Private Limited
Statement of Cash Flow for the year ended 31st March 2020

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A) Cash flows from operating activities		
Net Profit before tax	324.86	722.05
Adjustments For:		
Depreciation and amortisation	9.69	6.94
Loss on Sale of Property, Plant and Equipment	0.25	-
Impairment on financial instruments	833.01	141.97
Interest income on loans	(4,437.06)	(3,010.89)
Interest income received on loans	4,377.32	3,079.58
Net loss on derecognition of financial instruments under amortised cost category	329.82	11.35
Interest income on Fixed Deposits	(104.14)	(85.50)
Interest income on Investments	-	(3.11)
Interest on Unwinding of Security Deposit	(0.04)	-
Finance Cost	2,524.17	1,854.97
Finance Cost Paid	(2,352.06)	(1,790.12)
Net Gain on Fair Value changes	(29.41)	(12.81)
Provision for Employee benefit expenses	38.27	24.52
Operating cash flows before working capital changes	**1,514.68**	**938.95**
(Increase) / decrease in other assets	(0.92)	16.54
Increase in Trade Payables	9.76	6.44
Increase in other liabilities and provisions	681.84	1,407.79
Cash generated from operations	**2,205.36**	**2,369.72**
Income taxes paid	(418.68)	(328.35)
Cash generated from operating activities after tax paid	**1,786.68**	**2,041.37**
Loan disbursed (Net)	(1,766.75)	(11,132.58)
Net cash (used in)/generated from operating activities (A)	**19.93**	**(9,091.21)**
B) Cash flows from investing activities		
Purchase of Property, Plant, Equipment	(39.82)	(8.35)
Initial direct expenses incurred for Lease	(4.42)	-
Purchase of Intangible Assets / Intangibles under development	(15.41)	(8.64)
Proceeds from Sale of Property, Plant and Equipment	0.16	-
Purchase of units of long term mutual funds	-	(50.00)
Proceeds from purchase and sale of units of mutual funds (Net)	26.13	71.46
Interest received on Fixed Deposit and Other Investments	82.31	55.40
Bank deposit/Margin money placed	(825.50)	(478.59)
Bank deposit/Margin money released	573.73	521.58
Proceeds from Redemption of Investment in Preference Shares	-	78.80
Net cash (used in)/generated from investing activities (B)	**(202.82)**	**181.66**
C) Cash flows from financing activities		
Proceeds from issue of Compulsory Convertible Preference shares	-	2,737.40
Proceeds from issue of equity shares	2,171.59	2,383.40
Share Issue Expenses	(2.43)	(9.63)
Proceeds from issue of Debt Securities	1,500.00	-
Proceeds from Other Borrowings	10,425.00	11,950.00
Repayment of Other Borrowings	(10,626.89)	(7,401.28)
Repayment of Lease Liability	(2.15)	
Repayment of Subordinated Liability	-	(775.34)
Net cash generated from financing activities (C)	**3,465.12**	**8,884.55**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**3,282.23**	**(25.01)**
Cash and cash equivalents at the beginning of the year	329.55	354.56
Cash and cash equivalents at the end of the year (Refer note no. 5)	**3,611.78**	**329.55**

Cash Flow Statement has been prepared using Indirect Method Prescribed under Ind AS 7.

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

-sd-
Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 30th June 2020

For and on behalf of the Board of Directors

-sd-
Brij Mohan
Chairman
(DIN 00667210)

-sd-
Gaurav Gupta
Managing Director
(DIN 08663203)

-sd-
Rekha Singhal
Chief Financial Officer

-sd-
Lavina Parikh
Company Secretary

Place: Ahmedabad
Date: 30th June 2020

Ananya Finance for Inclusive Growth Private Limited
Statement of Changes in Equity for the year ended 31st March 2020

A Equity Share Capital

Particulars		(Rs. In Lakhs)
Issued, Subscribed and fully paid up:		
	Class A	**Class B**
Balance as at 1 April 2018	1,302.10	-
Changes during the year:		
i) Fresh allotment of shares :	1,563.91	-
ii)Issue of Bonus Shares	-	273.13
ii) Preference shares converted into Equity Shares during the year- Gojo & Company Inc	2,216.14	-
iii) Preference shares converted into Equity Shares during the year- Indian Foundation for Inclusive Growth	-	182.09
iv) Interclass Conversion	455.22	(455.22)
Balance as at 31 March 2019	**5,537.37**	**-**
Balance as at 1 April 2019	5,537.37	-
Changes during the year:		
i) Fresh allotment of shares	1,065.55	-
Balance as at 31 March 2020	**6,602.92**	**-**

B Instruments entirely equity in nature

Compulsorily Convertible Preference Shares

Particulars	(Rs. In Lakhs)
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2018	822.09
Changes during the year:	
i) Fresh allotment of shares :	2,737.40
ii) Conversion during the year in equity	(3,559.49)
Balance as at 31 March 2019	**-**
Balance as at 1 April 2019	**-**
Changes during the year:	
i) Fresh allotment of shares	-
Balance as at 31 March 2020	**-**

C Other Equity

(Rs. In Lakhs)

	Reserves and Surplus			Total
	Statutory Reserves*	**Securities Premium**	**Retained Earnings**	
Balance as at 1st April,2018	**153.26**	**304.49**	**(279.47)**	**178.28**
Securities Premium Received Against Fresh Issue	-	819.49	-	**819.49**
Securities Premium Received on Conversion	-	1,161.26	-	**1,161.26**
Amount utilised towards issue of bonus Shares	-	(273.13)	-	**(273.13)**
Share Issue Expense	-	(9.63)	-	**(9.63)**
Transferred from Retained earnings to Statutory Reserves*	141.47	-	(141.47)	**-**
Net Profit for the year	-	-	601.95	**601.95**
Other Comprehensive Income/ (loss)	-	-	(0.12)	**(0.12)**
Balance as at 31st March 2019	**294.73**	**2,002.48**	**180.89**	**2,478.10**
Securities Premium Received Against Fresh Issue	-	1,106.04	-	**1,106.04**
Share Issue Expense	-	(2.43)	-	**(2.43)**
Transferred from Retained earnings to Statutory Reserves*	59.50	-	(59.50)	**-**
Net Profit for the year	-	-	297.51	**297.51**
Other Comprehensive Income / (loss)	-	-	(6.56)	**(6.56)**
Balance as at 31st March 2020	**354.23**	**3,106.09**	**412.34**	**3,872.66**

* As required by section 45-IC of the Reserve Bank of India Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act,1984.

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

-sd-
Pallavi A. Gorakshakar
Partner

Place: Mumbai
Date: 30th June 2020

For and on behalf of the Board of Directors

-sd-
Brij Mohan
Chairman
(DIN 00667210)

-sd-
Gaurav Gupta
Managing Director
(DIN 08663203)

-sd-
Rekha Singhal
Chief Financial Officer

-sd-
Lavina Parikh
Company Secretary

Place: Ahmedabad
Date: 30th June 2020

1 Company overview

Ananya Finance for Inclusive Growth Private Limited (the 'Company') is a Private limited company domiciled in India and is incorporated under the provisions of the Companies Act. The company is also Non-Systemically Important Non-deposit Taking Non-Banking Finance Company ('NBFC-ND-NSI') registered with Reserve Bank of India (RBI).

The financial statements are approved for issue by the Company's Board of Directors on 30th June 2020.

2 Basis of Preparation and Presentation of Financial Statements

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements up to year ended March 31, 2020 were prepared in accordance with the Accounting standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended and the Companies (Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable (Indian GAAP or previous GAAP).
In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented reconciliations and explanations of the effects from IGAAP to Ind AS on financial position, financial performance and cash flows in the Note no. 4.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

2.3 Measurement of fair values

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 assumes that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest Rupee, unless otherwise indicated.

Foreign Currency Transaction and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date.

All differences arising on non–trading activities are taken to other income/ expense in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

2.5.1 Useful lives of property, plant and equipment:

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.5.2 Effective Interest Rate (EIR) Method:

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

2.5.3 Impairment of Financial Assets:

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

2.5.4 Impairment of non-financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the upcoming years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.5.5 Employee benefits:

The cost of the defined benefit and long term employee benefit plans and the present value of the related obligations 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, a defined benefit and long term employee benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.5.6 Expense Provisions & contingent liabilities:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

2.5.7 Deferred tax :

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.5.8 Presentation of financial statements :

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

3 Significant Accounting Policies

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed.

Interest income

Interest income is recognised using effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, if any, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss.

Dividend

Dividend income is recognised when the right to receive the dividend is established and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

Gain or loss on derecognition of financial assets

Gain or Loss on derecognition of financial asset is recognised upfront in the year of sale and is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

Other Income

All other incomes are recognised and accounted for on accrual basis when company satisfies the performance obligations and right to receive is established.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Changes in the expected useful life, if any, are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing property, plant and equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the carrying value of property plant and equipment under previous GAAP as on 01 April 2018 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as “Capital work-in-progress”.

Depreciation on tangible assets is calculated on a straight-line basis, using the rates based on the useful lives estimated by the management based on a technical evaluation, which is different from the useful life as specified in Schedule II of the Act. The Comparison between the useful life estimated by the Management and the useful life as defined in Schedule II of the Act is as follows:

Asset Class	Estimated Useful Life adopted by Company	Estimated Useful Life as per Schedule II
Furniture & Fixtures	3-4 Years	10 Years
Vehicles	4 Years	8-10 Years
Office Equipments	5 Years	5 Years
Computers	3 Years	3 Years

Depreciation is calculated on a pro-rata basis from the day the assets are purchased / sold. Tangible assets individually costing less than Rs. 5,000 are depreciated fully in the year of purchase.

The residual value, useful live and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the expected duration of benefit which ranges from 3 to 5 years, on a straight-line basis. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

The residual value, useful life and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4 Financial Instruments

3.4.1 Recognition and Initial Measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (Other than financial assets and liabilities at FVTPL) are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.4.2 Classification and Subsequent measurement

a Non-derivative financial instruments

i Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial assets at fair value through other comprehensive income

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

iii Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

iv Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

b Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

c Instruments entirely equity in nature

An option embedded in financial instruments to exchange a fixed number of the company's own equity instruments for a fixed amount of any currency are considered as equity instruments. Such instruments in financial statements are disclosed as Instruments entirely equity in nature.

3.4.3 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

3.4.4 Off-setting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4.5 Modification

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and / or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

3.5 Income tax

Income tax expense comprises current tax and deferred tax.

3.5.1 Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.5.2 Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Impairment

3.6.1 Financial assets

Considering the prudence, the Company recognizes impairment on financial asset on higher of the provision required as per the regulations of Reserve Bank of India or using expected credit loss (ECL) model as prescribed in Ind AS for the financial assets which are not fair valued.

The expected credit losses (ECLs) is recognized based on forward-looking information for all financial assets at amortized cost, no impairment loss is applicable on equity investments.

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognized for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortized cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 30 days as two separate buckets.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3: Lifetime ECL – credit impaired

Financial asset is 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. For financial asset that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

ECL is recognized on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Presentation of ECL allowance for financial asset:
Expected Credit Loss on Financial assets measured at amortized cost are shown as a deduction from the gross carrying amount of the assets.

Write off
Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

3.6.2 Non-financial assets

Tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

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 the 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.

3.7 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

All other borrowing costs are expensed in the year they occur.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.8 Employee Benefits

Short term employee benefits for salary that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

Retirement benefit in the form of provident fund and ESIC is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund and ESIC. The company recognizes contribution payable to the provident fund and ESIC scheme as an expenditure, when an employee renders the related service.

The company operates one defined benefit plan and one long term benefit plan for its employees, viz., gratuity plan and leave encashment plan respectively. The costs of providing benefits under the plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurement for defined benefit plans are recognised in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

3.9 Provisions

A provision is recognized when the company has a present obligation as a result of past event 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.10 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3.11 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

3.12 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders 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.

3.14 Lease

As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets as separate line item in Non-current Assets and lease liabilities in Financial Lease obligation in the balance sheet.

<u>Short-term leases and leases of low-value assets:</u>

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

3.15 Cash Flow Statement

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

3.16 Segment Reporting

The Company identifies segments as operating segments whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] i.e. Board of Directors, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

3.17 Share-based Payments

Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

3.18 Securities issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve as permissible under section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in Securities premium reserve. Share issue expense in excess of the balance in Securities premium reserve is expensed in the Statment of Profit and Loss.

3.19 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

4 Transition to Ind AS

These financial statements of the Company for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS"). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 01, 2018 as the transition date.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

4.1 First time adoption of Ind AS

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2018 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and Exceptions availed

1 Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Investment in mutual funds carried at fair value through profit or loss
- Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

b Ind-AS optional Exemptions

1 Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.2 Reconciliation between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Ananya Finance for Inclusive Growth Private Limited
Notes forming part of the Financial Statements for the year ended 31st March 2020

4.2.1 Comparative Balance sheet as at 1 April 2018 and 31 March 2019

(Rs. In Lakhs)

			As at 31st March 2019			As at 1st April 2018		
	Particulars	**Note**	**As per IGAAP***	**Adjustments**	**As per Ind AS**	**As per IGAAP***	**Adjustments**	**As per Ind AS**
	ASSETS							
[1]	**Financial Assets**							
(a)	Cash and cash equivalents		329.55	-	329.55	354.56	-	354.56
(b)	Bank Balance other than (a) above		1,230.27	-	1,230.27	1,243.16	-	1,243.16
(c)	Loans	(a) & (b)	24,930.95	(292.58)	24,638.37	13,957.59	(229.79)	13,727.80
(d)	Investments	(e)	50.00	3.30	53.30	105.33	32.30	137.63
(e)	Other Financial assets	(c)	5.58	7.08	12.66	8.00	13.11	21.11
			26,546.35	**(282.20)**	**26,264.15**	**15,668.64**	**(184.38)**	**15,484.26**
[2]	**Non-financial Assets**							
(a)	Current tax assets (Net)		788.67	-	788.67	667.18	-	667.18
(b)	Deferred tax Assets (Net)	(g)	306.96	50.71	357.67	234.77	36.10	270.87
(c)	Property, Plant and Equipment		10.87	-	10.87	6.99	-	6.99
(d)	Intangible assets under development		18.26	-	18.26	-	-	-
(e)	Other Intangible assets		4.52	-	4.52	5.81	-	5.81
(f)	Other non-financial assets	(a)	5.03	2.52	7.55	5.32	10.32	15.64
			1,134.31	**53.23**	**1,187.54**	**920.07**	**46.42**	**966.49**
	Total Assets		**27,680.66**	**(228.97)**	**27,451.69**	**16,588.71**	**(137.96)**	**16,450.75**
	LIABILITIES AND EQUITY							
	LIABILITIES							
[1]	**Financial Liabilities**							
(a)	Payables							
	Trade Payables							
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		18.96	-	18.96	12.52	-	12.52
	(II) 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		-	-	-	-	-	-
(b)	Debt Securities		-	-	-	-	-	-
(c)	Borrowings (Other than Debt Securities)	(a)	16,092.69	(97.58)	15,995.11	11,528.25	(101.87)	11,426.38
(e)	Subordinated Liabilities	(h)	-	-	-	-	775.34	775.34
(f)	Other financial liabilities	(h)	3,342.93	-	3,342.93	1,910.76	(17.78)	1,892.98
			19,454.58	**(97.58)**	**19,357.00**	**13,451.53**	**655.69**	**14,107.22**
[2]	**Non-Financial Liabilities**							
(a)	Provisions		34.66	-	34.66	15.21	-	15.21
(b)	Other non-financial liabilities	(f)	39.00	5.56	44.56	25.85	-	25.85
			73.66	**5.56**	**79.22**	**41.06**	**-**	**41.06**
[3]	**EQUITY**							
(a)	Equity Share capital	(i) & (h)	5,537.37		5,537.37	2,824.19	(1,522.09)	1,302.10
(b)	Instruments entirely equity in nature	(i)	-		-	(0.00)	822.09	822.09
(c)	Other Equity		2,615.05	(136.95)	2,478.10	271.94	(93.66)	178.28
	Total Equity		**8,152.42**	**(136.95)**	**8,015.47**	**3,096.13**	**(793.66)**	**2,302.47**
	Total Liabilities and Equity		**27,680.66**	**(228.97)**	**27,451.69**	**16,588.72**	**(137.97)**	**16,450.75**

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

4.2.2 Comparative Statement of profit and loss for the year ended 31 March 2019

(Rs. In Lakhs)

	Particulars	Note	Year ended 31st March 2019 As per IGAAP*	Adjustments	As per Ind AS
	Revenue from operations				
(i)	Interest Income	(a)	3,194.15	(94.65)	3,099.50
(ii)	Net gain on fair value changes	(e)	16.12	(3.31)	12.81
(iii)	Net gain on derecognition of financial instruments under amortised cost category	(c)	(11.35)	24.81	13.46
(I)	**Total Revenue from operations**		**3,198.92**	**(73.15)**	**3,125.77**
(II)	Other Income	(f)	72.38	(35.67)	36.71
(III)	**Total Income (I+II)**		**3,271.30**	**(108.82)**	**3,162.48**
	Expenses				
(i)	Finance Costs	(a)	1,838.22	16.75	1,854.97
(ii)	Impairment on financial instruments	(b)	146.10	(4.13)	141.97
(iii)	Employee Benefits Expenses	(d)	303.00	(0.16)	302.84
(iv)	Depreciation, amortization and impairment		6.94	-	6.94
(v)	Other expenses	(f)	135.03	(1.32)	133.71
(IV)	**Total Expenses**		**2,429.29**	**11.14**	**2,440.43**
(V)	**Profit before tax (III -IV)**		**842.01**	**(119.96)**	**722.05**
(VI)	Tax Expense:	(g)			
	(1) Current Tax		206.86		206.86
	(2) Deferred Tax		(72.20)	(14.56)	(86.76)
(VII)	**Profit for the year (V - VI)**		**707.35**	**(105.40)**	**601.95**
(VIII)	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss	(d)	-	(0.16)	(0.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(g)	-	0.04	0.04
	Other Comprehensive Income/(loss)		**-**	**(0.12)**	**(0.12)**
(IX)	**Total Comprehensive Income for the Year (VII+ VIII)**		**707.36**	**(105.52)**	**601.83**

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

4.2.3 Reconciliation of Equity as previously reported under IGAAP to Ind AS

(Rs. In Lakhs)

Particulars	Note	As at March 31, 2019	As at April 01, 2018
Total Shareholders' Fund as per IGAAP		8,152.42	3,096.13
Nature of Ind AS Adjustments			
Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR:			
(i) Financial Assets	(a)	(251.41)	(118.83)
(ii) Financial Liabilities	(a)	100.10	54.63
Impact on recognition of Income on Stage III assets on net carrying value	(b)	9.13	-
Impact on application of Expected Credit Loss method for loan loss provisions	(b)	(113.21)	(117.34)
Impact on Recognition of Revenue based on completion of Performance Obligations	(f)	(5.55)	-
Impact on de-recognition of assigned loan portfolio	(c)	69.98	45.17
Impact on fair valuation of Investments	(e)	3.30	6.61
Classification of Preference share capital as subordinated liabilities	(h)	-	(700.00)
Deferred Tax Impact on above adjustments	(g)	50.71	36.10
		(136.95)	**(793.66)**
Total Equity as per Ind AS		**8,015.47**	**2,302.47**

4.2.4 Reconciliation of Total Comprehensive Income **(Rs. In Lakhs)**

Particulars		**For Year ended March 31, 2019**
Profit after tax as per IGAAP		**707.34**
Nature of Ind AS Adjustments		
Impact on recognition of financial assets and financial liabilities at amortised cost by application of EIR:		
(i) Financial Assets	(a)	(132.57)
(ii) Financial Liabilities	(a)	(16.75)
Impact on recognition of Income on Stage III assets on net carrying value	(b)	9.13
Impact on application of Expected Credit Loss method for loan loss provisions	(b)	4.13
Impact on Recognition of Revenue based on completion of Performance Obligations	(f)	(5.55)
Reclassification of actuarial loss to Other Comprehensive Income	(d)	0.16
Impact on de-recognition of assigned loan portfolio	(c)	24.81
Impact on fair valuation of Investments	(e)	(3.31)
Deferred Tax Impact on above adjustments	(g)	14.56
		(105.39)
Other Comprehensive Income (net of tax)	(d)	(0.12)
Total Comprehensive Income		**601.83**

4.2.5 Reconciliation of statement of cash flows

There are no material adjustment of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2019.

4.2.6 Notes to Reconciliations

(a) Interest income and expense measured using effective interest method

i) Under Previous GAAP, origination fees and transaction costs charged to customers was recognised upfront. Under Ind AS, such fees and costs is amortised over the expected life of the loan assets and recognised as interest income using effective interest method. Under previous GAAP, interest income on non performing assets (i.e. loans that are 180 days past due) was not accrued. Under Ind AS interest income on such loans are recognised on their net carrying amount.

ii) Under Previous GAAP, the transaction costs related to borrowings accepted were recognised upfront in the Statement of Profit and Loss / Securities Premium. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest method in the Statement of Profit and Loss.

(b) Impairment Allowance for expected credit loss

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Direction- Non Banking Financial Company - Non Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

(c) Impact on derecognition of loans

Under Previous GAAP, financial assets were derecognized if the control criteria is met in accordance with relevant RBI guidelines. Under Ind AS, financial assets are derecognised only when the Company transfers substantially all the risks and rewards related to the cash flows. Any Gain / Loss on derecognition is recognised upfront in Statement of Profit and Loss.

(d) Reclassification of actuarial loss / (gain), arising out of employee benefit schemes, to Other Comprehensive Income

Actuarial gain and losses are recognised in other comprehensive income under Ind AS. Under Previous GAAP, these were recognised in Statement of profit and loss.

(e) Fair Valuation of Investments

Under Previous GAAP, investment in Mutual Funds was carried at lower of cost or net realisable value. Under Ind AS, these investments are measured at FVTPL.

(f) Revenue Recognition Based on Completion of Performance Obligations

Under Previous GAAP, Revenue from Johar Project was recognised based on achievement of milestone whereas under Ind AS, same is recognised based on completion of performance obligations with reference to the Revenue Contract.

(g) Implication of Tax Expense

The impact of deferred tax has been considered for all the Ind AS adjustments recorded and where there are temporary differences, the deferred tax related to same has been adjusted in the Tax Expense of that period.

(h) Subordinates liability

Under Previous GAAP, Optionally convertible preference shares were considered as part of share capital whereas under Ind AS, same is recognised as subordinated liabilities and recorded at amortised cost.

(i) Instrument in equity nature

Under Previous GAAP, Compulsorily convertible preference shares were considered as part of share capital whereas under Ind AS, due to an option embedded in financial instruments to exchange a fixed number of the company's own equity instruments for a fixed amount of INR, are considered as equity instruments and are disclosed as Instruments entirely equity in nature.

Ananya Finance for Inclusive Growth Private Limited
Notes forming part of the Financial Statements for the year ended 31st March 2020

5 Cash and cash equivalents (Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Cash on hand	0.16	0.02	0.02
Balances with Banks;			
- in current accounts	1,610.56	329.53	194.50
- in bank deposits (Original maturity less than or equal to 3 months)	2,001.06	-	160.04
Total	**3,611.78**	**329.55**	**354.56**

6 Bank Balance other than (a) above (Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Bank deposit (Original maturity more than 3 months)(Refer note below)	1,503.87	1,230.27	1,243.16
Total	**1,503.87**	**1,230.27**	**1,243.16**

Represents deposits for the current Year Rs. 1,493.05/- lakh (As at 31st March 2019 :Rs. 1,220.11 /- lakh) (As at 1st April 2018 : Rs. 1,243.16/- lakh) held as margin money against loans availed by the Company.
The above balance also represents deposits for the current year Rs.Nil/- (As at 31st March 2019 : Rs.10.16/- lakh) (As at 1st April 2018 :Rs. Nil) kept against bank Guarantee of Project

7 Loans (Rs. In Lakhs)

	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
A)	**Loans (at amortised cost):**			
	i) Term loans (Refer note 7.2) (Refer note 39)	26,437.91	24,939.90	13,890.03
	ii) Others - Loan to Employees	1.33	2.67	-
	Total (Gross) - A	**26,439.24**	**24,942.57**	**13,890.03**
	Less : Impairment loss allowance	1,137.21	304.20	162.23
	Total (Net) - A	**25,302.03**	**24,638.37**	**13,727.80**
B)	i) Secured by Books Debts (Refer note 7.1)	26,437.91	24,939.90	13,890.03
	ii) Unsecured	1.33	2.67	-
	Total (Gross) - B	**26,439.24**	**24,942.57**	**13,890.03**
	Less : Impairment loss allowance	1,137.21	304.20	162.23
	Total (Net) - B	**25,302.03**	**24,638.37**	**13,727.80**
C)	**i) Loans in India**			
	a) Public Sector		-	-
	b) Others	26,439.24	24,942.57	13,890.03
	Total (Gross) - C	**26,439.24**	**24,942.57**	**13,890.03**
	Less : Impairment loss allowance	1,137.21	304.20	162.23
	Total (Net) - C (i)	**25,302.03**	**24,638.37**	**13,727.80**
	ii) Loans outside India	-	-	-
	Less : Impairment loss allowance	-	-	-
	Total (Net) - C (ii)	-	-	-
	Total (Net) - C (i+ii)	**25,302.03**	**24,638.37**	**13,727.80**

Note 7.1 As per the terms of the contract with borrowers, the Company has first and exclusive charge on the book debts of the borrower, equitable mortgage of property , hypothecation of assets, personal guarantee , corporate guarantee, security deposit etc.

Note 7.2 There is no Loan Asset measured at FVTOCI or FVTPL or designated at FVTPL.

Note 7.3 The outbreak of the COVID-19 pandemic and consequent lockdown announced by the Government of India for more than two and half months has impacted the revenue, collection and profitability of the Company. Given the dynamic nature of pandemic situation, the extent of impact would depend on the duration of the pandemic, the impacts of actions of governments and other authorities, the responses of businesses and consumers in different industries and the associated impact on the global economy.

In terms of the policy approved by the Board of Directors of the Company pursuant to Reserve Bank of India (RBI) Circulars dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Company has granted Principal moratorium to eligible customers for a period upto 3 months with regards to the payment falling due between March 01, 2020 to May 31, 2020. Further, in relation to the accounts overdue but standard as at 29 February 2020 where moratorium benefit has been extended in terms of aforesaid RBI guidelines, the staging of those accounts at March 31, 2020 is based on the days past due status as on February 29, 2020. In line with the RBI guidelines, the extension of moratorium does not result in accounts becoming past due or trigger Stage 2 or Stage 3 classification. The Company continues to recognize interest income during the moratorium period. On May 22, 2020, the RBI has extended the Moratorium Period by further three months.
Further, the Company has, based on current available information and based on the policy approved by the Board of Directors of the Company, determined the provision for impairment of financial assets. The Company has also assessed the possible impact of COVID-19 pandemic on each borrower and significant increase in credit risk based on delayed payments metrics observed along with an estimation of potential stress on probability of defaults and loss given default. Accordingly, the Company has made provision for additional impairment loss allowance of Rs.325.13 lakhs due to the COVID-19 pandemic on the loan portfolio, which is adequate in the view of the Company based on the current information available. In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to repayments of loan assets and undrawn committed lines of credit, based on its past experience which have been adjusted for current events.

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 monitor any material changes to the future economic conditions, the effect of which, if any, will be given in the respective period.

8 Investments

(Rs. In Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
	Amortised Cost	Fair value Through profit or loss	Total	Amortised Cost	Fair value Through profit or loss	Total	Amortised Cost	Fair value Through profit or loss	Total
Mutual funds (Quoted) (Refer Note 8.1) (Refer Note 20.1)	-	56.58	56.58	-	53.30	53.30	-	61.95	61.95
Preference Shares (Unquoted)	70.19	-	70.19	70.19	-	70.19	145.88	-	145.87
Total – Gross (A)	**70.19**	**56.58**	**126.77**	**70.19**	**53.30**	**123.49**	**145.88**	**61.95**	**207.82**
(i) Investments outside India									
(ii) Investments in India	70.19	56.58	126.77	70.19	53.30	123.49	145.88	61.95	207.82
Total (B)	**70.19**	**56.58**	**126.77**	**70.19**	**53.30**	**123.49**	**145.88**	**61.95**	**207.82**
Less:									
Allowance for Impairment Loss (C)	70.19	-	70.19	70.19	-	70.19	70.19	-	70.19
Total – Net Investments D= (A)-(C)	**-**	**56.58**	**56.58**	**-**	**53.30**	**53.30**	**75.69**	**61.95**	**137.63**

Breakup of Investments:

(Rs. In Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019		As at 1st April 2018	
	No. / Units	Amount	No. / Units	Amount	No. / Units	Amount
Mutual Funds						
Reliance corporate bond fund	-	-	-	-	4,27,830	61.95
SBI Credit Risk Fund Regular Growth	1,78,461	56.58	1,78,461	53.30	-	-
Preference Shares						
Non - convertible cumulative redeemable preference shares of Rs. 10 each of Access Livelihood Consulting India Limited	-	-	-	-	8,00,000	75.69
Optionally convertible cumulative redeemable preference shares of Rs.10 each of Asmitha Microfin Limited	7,01,930	70.19	7,01,930	70.19	7,01,930	70.19
Sub Total (A)		**126.77**		**123.49**		**207.83**
Less: Allowance for Impairment Loss (B)		(70.19)		(70.19)		(70.19)
Total (A - B)		**56.58**		**53.30**		**137.64**

Note 8.1 There is a lien on SBI Mutual Funds against the loan obtained from State Bank of India.

Ananya Finance for Inclusive Growth Private Limited
Notes forming part of the Financial Statements for the year ended 31st March 2020

9 Other Financial Assets **(Rs. In Lakhs)**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Secured and Considered Good (Refer Note 9.1)			
Interest strip asset on assignment	-	7.08	13.11
Unsecured and Considered Good			
Rental Deposits	2.10	0.74	0.74
Gratuity Fund Balance	-	-	3.04
Other Receivable	4.98	4.84	4.22
Total	**7.08**	**12.66**	**21.11**

Note 9.1 Interest Strip asset on assignment are secured against security deposit.

10 Other non-financial assets **(Rs. In Lakhs)**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Prepaid Expenses	4.64	6.27	12.91
Staff Advances	0.06	0.04	-
Balance with Government Authorities	6.22	1.24	2.66
Advances to suppliers	-	-	0.07
Capital Advance	30.00	-	-
Total	**40.92**	**7.55**	**15.64**

11 Significant component of income tax expenses for the year ended March 31,2020 and March 31,2019 are as under:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Current income tax	257.19	206.86
MAT Credit Entitlement	-	(206.86)
Deferred tax due to origination of temporary difference	(229.84)	120.10
Adjustments of earlier year tax		-
Total	**27.35**	**120.10**

11.1 Amounts recognised in other comprehensive income

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Remeasurements of defined benefit liability/ (asset)		
Before Tax	(9.08)	(0.16)
Tax Expense	2.52	0.04
Net of Tax	**(6.56)**	**(0.12)**

11.2 The details of income tax assets and liabilities and Deferred tax liabilities/asset : **(Rs. In Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1st April, 2018
Tax Recoverable (net)	1,017.85	788.67	667.18
Total	**1,017.85**	**788.67**	**667.18**
Deferred Tax (Liabilities) / Assets (Net)	383.18	150.81	270.87
Tax Credit Entitlement under MAT	139.16	206.86	-
Total	**522.34**	**357.67**	**270.87**

11.3 Deferred Tax Assets / (Liabilities)

(Rs. In Lakhs)

Particulars	As at March 31, 2020	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	MAT credit utilisation	As at March 31, 2019	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 1st April, 2018
Tax effect of items constituting deferred tax assets								
Application of EIR on financial assets	50.91	1.01	-	-	49.90	18.62	-	31.28
Provision for employee benefits	21.07	(4.51)	2.52	-	23.06	18.78	0.04	4.23
Allowance for ECL	335.90	231.74	-	-	104.16	39.49	-	64.67
MAT credit entitlement	139.16	-	-	(67.70)	206.86	206.86	-	-
Property, plant and equipment / Intangible assets	3.24	0.36	-	-	2.88	(84.31)	-	87.19
Unabsorbed depreciation	-	-	-	-	-	(67.85)	-	67.85
Others	12.48	10.02	-	-	2.46	(48.05)	-	50.51
	562.76	**238.62**	**2.52**	**(67.70)**	**389.32**	**83.54**	**0.04**	**305.73**
Tax effect of items constituting deferred tax liabilities								
Application of EIR on financial liabilities	(37.25)	(10.11)	-	-	(27.14)	1.20	-	(28.34)
Others	(3.17)	1.33	-	-	(4.50)	2.02	-	(6.52)
	(40.42)	**(8.78)**	**-**	**-**	**(31.64)**	**3.22**	**-**	**(34.86)**
Net Deferred Tax Assets	**522.34**	**229.84**	**2.52**	**(67.70)**	**357.67**	**86.76**	**0.04**	**270.87**

Deferred tax asset on unabsorbed depreciation has been recognised to the extent of future expected profit estimated considering the planned level of operations and borrowings that will generate sufficient future taxable income.
MAT credit entitlement is available for a period of 14 years as on 31/03/2020.

11.4 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting Profit Before tax	324.86	722.05
Normal / MAT tax rate	27.82	27.82
Tax liability on accounting profit	**90.38**	**200.87**
Tax Effect of Non deductible Expenses	1.38	29.92
Tax Effect of Deductible Expenses	(9.40)	-
Current year depreciation on which no deferred tax asset is recognised	(15.83)	(21.11)
Utilisation of previously unrecognised tax depreciation	(21.67)	(246.31)
Reversal of previously recognised tax depreciation	-	152.30
Others	(17.51)	4.43
Total income tax expense	**27.35**	**120.10**

12 Property Plant and Equipments

(Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April,2019	Additions	Disposals	As at 31st March 2020	As at 1st April,2019	For the year	Disposals	As at 31st March 2020	As at 31st March 2020	As at 1st April,2019
Furniture and fixtures	0.53	0.79	-	1.32	0.19	0.31	-	0.50	0.82	0.34
Office equipment	8.86	0.11	-	8.97	1.68	2.02	-	3.70	5.27	7.18
Computer	5.95	8.92	0.63	14.24	2.60	2.97	0.22	5.35	8.89	3.35
Total	**15.34**	**9.82**	**0.63**	**24.53**	**4.47**	**5.30**	**0.22**	**9.55**	**14.98**	**10.87**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the year	Disposals	As at 31st March 2019	As at 31st March 2019	As at 1st April 2018
Furniture and fixtures	0.53	-	-	0.53	-	0.19	-	0.19	0.34	0.53
Office equipment	2.82	6.04	-	8.86	-	1.68	-	1.68	7.18	2.82
Computer	3.64	2.31	-	5.95	-	2.60	-	2.60	3.35	3.64
Total	**6.99**	**8.35**	**-**	**15.34**	**-**	**4.47**	**-**	**4.47**	**10.87**	**6.99**

13 Other Intangible Assets

(Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April,2019	Additions	Disposals	As at 31st March 2020	As at 1st April,2019	For the year	Disposals	As at 31st March 2020	As at 31st March 2020	As at 1st April,2019
Software (Refer note below)	6.99	0.95	-	7.94	2.47	2.90	-	5.37	2.57	4.52
Total	**6.99**	**0.95**	**-**	**7.94**	**2.47**	**2.90**	**-**	**5.37**	**2.57**	**4.52**

Total additions during the year includes Rs 0.39 lakhs paid in foregin currency.

(Rs. In Lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the year	Disposals	As at 31st March 2019	As at 31st March 2019	As at 1st April 2018
Software	5.81	1.18	-	6.99	-	2.47	-	2.47	4.52	5.81
Total	**5.81**	**1.18**	**-**	**6.99**	**-**	**2.47**	**-**	**2.47**	**4.52**	**5.81**

13.1 Intangible Assets Under Development

The company is in the process of development of a software for operations and accounting, such amount for the current year is Rs.26.72 lakh (As at 31st March, 2019 : Rs.18.26 lakh) (As at 1st April, 2018 - Rs. Nil). The company expects the same to be capitalized during the next year.

14 Right of use assets

(Rs. In Lakhs)

Particulars	**Buildings**
As at April 1, 2018	**-**
Addition during the year	-
Amortisation for the Year	-
As at March 31, 2019	**-**
Addition during the year	178.75
Amortisation for the Year	1.49
As at March 31, 2020	**177.26**

15 Payables

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	28.72	18.96	12.52
Total	**28.72**	**18.96**	**12.52**

Disclosure in respect of Micro and Small Enterprises :

A	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-
B	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
C	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
D	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
E	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

16 Lease Obligation

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Lease liabilities (Refer note 37)	170.86	-	-
Total	170.86	-	-

17 Other Financial Liabilities

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
(a) Payable to capital creditors	4.80	10.80	-
(b) Payable for employee benefits			
(i) Gratuity (funded) (Refer Note 47)	22.76	1.89	-
(c) Unspent amount of Poorest State Initiative Growth project (Refer Note 17.1)	41.76	151.32	159.33
(d) Security Deposits (Refer Note 17.2)	4,063.35	3,178.92	1,733.65
Total	**4,132.67**	**3,342.93**	**1,892.98**

Note 17.1 SIDBI had granted in Mar 2015, an interest free loan of Rs. 1500/- lakhs to support MFI partners under Poorest State Inclusive Growth Project wherein the Company was required to create a fund @ 11% of the loan amount which was required to be utilized for the capacity building of the MFIs boarded under the project. The said project was successfully completed in March 2018 and the balance fund was then approved to be utilized under a new project Skill and Enterprise Development Project till March 2020. As a balance amount of Rs.41.67 lakh still remains unutilized, the Company has obtained approvals from SIDBI to utilize the unspent amount for extending loans to small and medium MFI Partners.

Note 17.2 The Company accept security deposits up to 10 percent of the loan amount for the full tenure of the loan against the loan disbursed.

18 Provisions

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Provision for employee benefits			
(i) Compensated absences	42.69	19.66	15.21
(ii) Performance linked incentive (Refer Note 40)	10.29	15.00	-
Total	**52.98**	**34.66**	**15.21**

19 Other Non-financial liabilities

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
(a) Advance from customers;	6.36	8.47	-
(b) Statutory Remittances	35.65	35.95	25.52
(c) Other Liability	1.40	0.14	0.33
Total	**43.41**	**44.56**	**25.85**

20 Debt Securities

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Non-Convertible Debentures (At Amortised Cost)	1,568.04		
Less: Unamortised Debenture Issue Expense	(6.95)		
Total (A)	**1,561.09**	**-**	**-**
Debt Securities in India	1,561.09	-	-
Debt Securities outside India	-	-	-
Total (B)	**1,561.09**	**-**	**-**

Non Convertible debentures are secured by way of bookdebts to the extent of 110% of principal debt outstanding. The Debentures are issued on 23rd May 2019 with coupon rate @12.76% (net of taxes) payable semi-annually and Principal is payable over a period of three years. The Debentures are issued with a Put option which can be excercised at the end of 18 months. (i.e 23rd November 2020)

20 Borrowings (Other than Debt Securities)

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
(a)Term loans (Secured)			
(i)from banks (At Amortized Cost)	6,986.21	6,203.32	3,337.35
(ii)from other parties (At Amortized Cost)	8,959.11	9,839.97	8,182.31
Less: Unamortised transaction costs	(126.96)	(97.58)	(101.87)
Total	15,818.36	15,945.71	11,417.79
(b)Loans repayable on demand			
(i)from banks (At Amortized Cost)	0.31	49.40	8.59
Total (A)	**15,818.67**	**15,995.11**	**11,426.38**
Borrowings in India	15,818.67	15,995.11	11,426.38
Borrowings outside India	-	-	-
Total (B)	**15,818.67**	**15,995.11**	**11,426.38**

Terms and Conditions of Borrowings (Rs. In Lakhs)

Name of the lender	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018	Maturity date after considering moratorium 1.0	Rate of Interest
Secured term loans from banks (Refer Note 20.1)					
IDBI Bank Ltd	-	-	476.19	Matured	12.20%
State Bank of India	327.98	1,038.57	1,043.00	Less than 12 months	10.75% -10.95%
Union Bank of India	1,787.42	1,090.91	1,818.16	upto 3 years	10.75% -10.82%
Yes Bank Ltd	589.95	-	-	1-3 years	12.85%
Bandhan Bank Ltd	1,227.18	-	-	1-3 years	12.50%
IDFC First Bank Ltd	2,643.85	4,073.84	-	1-3 years	12.25% -12.50%
Suryoday Small finance Bank Ltd	409.83	-	-	3-5 years	12.50%
Rabo Bank	-	49.40	8.59	Less than 12 months	11.50%
Total (A)	**6,986.21**	**6,252.72**	**3,345.94**	**-**	**-**
Secured loan from others (Refer Note 20.1)					
Reliance Capital Ltd.	-	651.12	1,355.91	Matured	14.00%
Nabkisan Finance Ltd	1,003.96	1,784.80	1,550.70	upto 3 years	11.50%
Mahindra & Mahindra Financial Services Limited	182.93	788.85	445.29	Less than 12 months	12.00%
Avanse Financial Services Limited	46.67	552.33	482.46	Less than 12 months	12.50%
Micro Units Development & Refinance Agency Limited	1,508.21	1,499.15	1,426.18	1-3 years	12.30%
Tata Capital Financial Services Limited	416.71	1,102.30	940.11	upto 3 years	12.50%
Nabard Financial Services Limited	1,716.90	1,572.11	972.39	upto 3 years	12.90%
Vivriti Capital Private Limited	823.14	-	-	1-3 years	13.50%
Nabsamruddhi Finance Limited	1,444.06	1,138.55	1,009.27	upto 3 years	11.75%
Maanveeya Development & Finance Pvt.ltd.	1,816.53	750.76	-	1-3 years	13.50%
Total (B)	**8,959.11**	**9,839.97**	**8,182.31**		
Unamortised Transaction Costs (C)	**(126.96)**	**(97.58)**	**(101.87)**	**-**	**-**
Total (A + B + C)	**15,818.36**	**15,995.11**	**11,426.38**		

Notes:

Note 20.1 Secured loans are Secured by way of Fixed deposit, Units of Mutual Fund and hypothecation of book debt.

Note 20.2 The Company has not defaulted in repayment of Principal as well as Interest in terms of borrowings outstanding as at Balance sheet Date.

Note 20.3 Borrowings have been measured at Amortised Cost. There are no borrowings measured at FVTPL or designated as FVTPL as at Balance sheet Date.

21 Subordinated Liabilities

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Preference Shares other than those that qualify as Equity			
8% Optionally Convertible Cumulative Preference Shares of Rs.10 each, fully Paid up (At Amortized Cost)(Refer Note 21.1)	-	-	775.34
Total	**-**	**-**	**775.34**

Note 21.1 **Rights, Preferences and restrictions attached to Preference Shares**

All the Preference Share holders would have right for any accumulated or accrued dividend declared on securities held by them. In the event of liquidation, Preference Share holders have preferential right over Equity Share holders to be repaid to the extent of Capital paid up and dividend in arrears of such Shares if any.

Current Year : Nil (As at 31st March 2019 : Nil)(As at 1st April 2018 : 70.00 Lakhs) 8% optionally Convertible cumulative Preference Shares (OCCPS) of Rs. 10 each, fully paid up - Issued to IDBI Bank Ltd.

The Company had issued 90.00 Lakhs 8% OCCPS of Rs. 10 each at par to IDBI Bank Ltd ("IDBI") , of which 20.00 lakhs Preference Shares were redeemed in 2017-18 and balance 70.00 lakhs Preference Shares were redeemed by the Company during the financial year 2018-19.

Ananya Finance for Inclusive Growth Private Limited
Notes forming part of the Financial Statements for the year ended 31st March 2020

22 Share capital **(Rs. In Lakhs)**

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Authorised:			
Class A : 13,50,00,000 (As at 31st March 2019 :13,50,00,000) (As at 1st April 2018: 13,50,00,000) Equity Shares of Rs. 10 each.	13,500.00	13,500.00	13,500.00
Class B : 1,00,00,000 (As at 31st March 2019 : 1,00,00,000) (As at 1st April 2018 : 1,00,00,000) Equity Shares of Rs. 10 each	1,000.00	1,000.00	1,000.00
5,50,00,000 (As at 31st March 2019 : 5,50,00,000) (As at 1st April 2018 : 5,50,00,000) Preference Shares of Rs. 10 each	5,500.00	5,500.00	5,500.00
Total	**20,000.00**	**20,000.00**	**20,000.00**
Issued, subscribed and paid-up:			
6,60,29,214 (As at March 31, 2019: 5,53,73,741, As at April 1, 2018: 1,30,21,040) Equity Shares of Rs. 10 each Class A, fully Paid-up	6,602.92	5,537.37	1,302.10
Total	**6,602.92**	**5,537.37**	**1,302.10**

(Rs. In Lakhs)

22.1

Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:	**As at 31st March 2020**		**As at 31st March 2019**	
Particulars	**Number of Shares**	**Amount (Rs.)**	**Number of Shares**	**Amount (Rs.)**
Equity Shares				
Class A				
At the Commencement of the year	5,53,73,741	5,537.37	1,30,21,040	1,302.10
Preference shares converted into Equity Shares during the year- Gojo & Company Inc			2,21,61,417	2,216.14
Fresh issue of equity shares (Refer Note below)	1,06,55,473	1,065.55	1,56,39,107	1,563.91
Converted from Class B			45,52,177	455.22
At the end of the year	**6,60,29,214**	**6,602.92**	**5,53,73,741**	**5,537.37**
Class B				
At the Commencement of the year	-	-	-	-
Preference shares converted into Equity Shares during the year - Indian Foundation for Inclusive Growth	-	-	18,20,871	182.09
Issue of Bonus Shares	-	-	27,31,306	273.13
Less: Converted into Class A	-	-	45,52,177.00	455.22
At the end of the year	-	-	-	-
Total Equity Shares at the end of the year	**6,60,29,214**	**6,602.92**	**5,53,73,741**	**5,537.37**

During the financial year 2019-20, the Company has issued 1,06,55,473 Class A Equity Shares of the face value of Rs. 10/- at issue price of Rs. 20.38. In financial year 2018-19, the company had issued 1,56,39,107 Class A Equity Shares of the face value of Rs.10/-at issue price of Rs.15.24

22.2 Rights, Preferences and restrictions attached to Equity Shares

1. The Company has two class of Equity Shares having a par value of Rs. 10 per Equity Share. All Equity Shares rank equally with regard to dividends and share in the Company's residual assets. **Class A** Equity Shares have all rights and privileges available to an ordinary Equity Shareholder. **Class B** Equity Shares entitle its holders, over and above all rights and privileges available to an ordinary Equity Shareholder, also to a special right with respect to the Bonus Equity Shares allotted by the Company from time to time.

2. The Equity Shares are entitled to receive dividend as declared from time to time subject to payment of dividend to Preference Shareholders.

3. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of Equity Shares held.

22.3 Particulars of Shareholder holding more than 5% of Equity Shares of Rs.10 each fully paid up:

(Rs. In Lakhs)

	As at 31st March 2020		As at 31st March 2019		As at 01st April 2018	
Name of the Shareholder	**Number of Shares**	**% of holding**	**Number of Shares**	**% of holding**	**Number of Shares**	**% of holding**
Class A						
Gojo & Company Inc.	3,63,16,030	55.00%	3,09,00,919	55.80%	-	-
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	1,05,61,050	15.99%	1,05,61,051	19.07%	60,08,873	46.15%
Womens World Banking Capital Partner, LP (formerly WWB ISIS Fund, LP.)			32,77,569	5.92%	32,77,569	25.17%
Stichting Capital 4 Development	1,57,81,701	23.90%	1,05,41,340	19.04%	36,41,734	27.97%
Total	6,26,58,781	94.90%	5,52,80,879	99.83%	1,29,28,176	99.29%

22.4 Aggregate number of Shares issued other than cash, during the period of 5 years immediately preceding the reporting date

Particulars	**Aggregate No. of Share as at 31st March 2020**	**Aggregate No. of Share as at 31st March 2019**	**Aggregate No. of Share as at 31st March 2018**	**Aggregate No. of Share as at 31st March 2017**
Fully paid up Equity Shares issued as bonus Shares.	1,44,62,605	1,44,62,605	1,17,31,299	90,00,000

Note:-On 18th December 2018, the Company issued 27,31,306 bonus Shares to Class B Equity Shareholders in the ratio of 1.5 Shares for every 1 Share held by the Shareholders.

23 Instruments entirely equity in nature

(Rs. In Lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**	**As at 1st April 2018**
Nil (As at 31st March, 2019: Nil)(As at 1st April, 2018: 18,20,871) 6% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each, fully Paid up -Issued to IFIG	-	-	182.09
Nil (As at 31st March, 2019: Nil)(As at 1st April, 2018: 64,00,000) 6% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each, fully Paid up- Issued to Gojo and Company Inc.	-	-	640.00
Total	**-**	**-**	**822.09**

(Rs. In Lakhs)

23.1	Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:	As at 31st March 2020		As at 31st March 2019	
	Particulars	**Number of Shares**	**Amount (Rs.)**	**Number of Shares**	**Amount (Rs.)**
	6% Compulsorily Convertible Cumulative Preference Shares- Issued to IFIG (i)				
	At the commencement of the year	-	-	18,20,871	182.09
	Less: Conversion during the year to Equity Share Class B	-	-	(18,20,871)	(182.09)
	At the end of the year	**-**	**-**	**-**	**-**
	6% Compulsorily Convertible Cumulative Preference Shares- Issued to Gojo & Company Inc.(ii)				
	At the commencement of the year	-	-	64,00,000	640.00
	Add:-Issued during the year	-	-	2,73,74,000	2,737.40
	Less: Conversion during the year to Equity Share Class A	-	-	(3,37,74,000)	(3,377.40)
	At the end of the year	**-**	**-**	**-**	**-**

23.2 Rights, Preferences and restrictions attached to Preference Shares

All the Preference Share holders would have right for any accumulated or accrued dividend declared on securities held by them. In the event of liquidation, Preference Share holders have preferential right over Equity Share holders to be repaid to the extent of Capital paid up and dividend in arrears of such Shares if any.

(i) Current Year : Nil (As at 31st March 2019 : Nil)(As at 1st April 2018 : 18,20,871) 6% Compulsorily Convertible cumulative Preference Shares (CCPS) of Rs.10 each, fully paid up - Issued to IFIG

The Company had issued 1,00,00,000 6% CCPS of Rs. 10 each at par to Indian Foundation for Inclusive Growth (IFIG) and the same after capital reduction stood at 18,20,871 6% CCPS of Rs. 10 each at the commencement of the year 2018-19. The agreement provides for optional conversion after 3 years from the allotment date in the event the Preference Shareholders give a conversion notice. On 18th December 2018, Indian Foundation for Inclusive Growth Preference Shares were converted into Class B Equity Shares in the ratio of one Equity Shares for each Preference Share held. Subsequently, Bonus Shares were issued to the Class B Equity Shares in the ratio of 1.5 Shares for every one Equity Share held and were converted into Class A Shares.

(ii) Current Year : Nil (As at 31st March 2019 : Nil)(As at 1st April 2018 : 64,00,000) 6% Compulsorily Convertible cumulative Preference Shares (CCPS) of Rs. 10 each, fully paid- Issued to Gojo & Company Inc.

The Company had issued 2,73,74,000 6% CCPS of Rs. 10 each at par to Gojo & Company Inc during the year 2018-19 against the Second Completion Subscription funds invested by Gojo & Company Inc post receipt of RBI Approval on 21.06.2018.

As per the Shareholder Agreement dated 5th February 2018, Gojo & Company Inc had invested additional USD 4 Million (equivalent to Rs. 2737,40,000) and Company had issued and allotted additional 2,73,74,000 preference shares at a price of Rs. 10 per share to Gojo & Company Inc. on preferential basis under section 42 of the Companies Act, 2013. The proceeds received from above had been utilised for redemption of IDBI balance preference shares and to strengthen the Company net worth which will help it grow its operations and business.

On 18th December 2018, Gojo &Company Inc., 3,37,74,000 Preference Shares were converted into Class A Equity Shares in the ratio of 1000 Equity Shares for every 1524 Preference Share held.

24 **Other Equity**

(Rs. In Lakhs)

	Reserves and Surplus			Total
	Statutory Reserves	Securities Premium	Retained Earnings	
Balance as at 1st April,2018	**153.26**	**304.49**	**(279.47)**	**178.28**
Securities Premium Money Received Against Fresh Issue	-	819.49	-	**819.49**
Securities Premium Money Received on Conversion	-	1,161.26	-	**1,161.26**
Amount utilised towards issue of bonus Shares	-	(273.13)	-	**(273.13)**
Share Issue Expense	-	(9.63)	-	**(9.63)**
Transferred from Retained earnings to Statutory Reserves	141.47	-	(141.47)	**-**
Net Profit for the year	-	-	601.95	**601.95**
Other Comprehensive Income/ (loss)	-	-	(0.12)	**(0.12)**
Balance as at 31st March 2019	**294.73**	**2,002.48**	**180.89**	**2,478.10**
Securities Premium Money Received Against Fresh Issue	-	1,106.04	-	**1,106.04**
Share Issue Expense	-	(2.43)	-	**(2.43)**
Transferred from Retained earnings to Statutory Reserves	59.50	-	(59.50)	**-**
Net Profit for the year	-	-	297.51	**297.51**
Other Comprehensive Income/ (loss)	-	-	(6.56)	**(6.56)**
Balance as at 31st March 2020	**354.23**	**3,106.09**	**412.34**	**3,872.66**

Description of the nature and purpose of Other Equity :

Statutory reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the “RBI Act”). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Securities premium

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

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company’s inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Ananya Finance for Inclusive Growth Private Limited
Notes forming part of the Financial Statements for the year ended 31st March 2020

25 Interest Income

(Rs. In Lakhs)

Particulars	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
On Financial Assets measured at Amortized Cost		
Interest on Loans	4,437.06	3,010.89
Interest income from Investments	-	3.11
Interest on deposits with Banks	104.14	85.50
Interest on Unwinding of Security Deposit	0.04	-
Total	**4,541.24**	**3,099.50**

26 Net gain on fair value changes

(Rs. In Lakhs)

Particulars	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
Net Gain on financial instruments at fair value through profit or loss		
On Trading Portfolio		
- Investments	29.41	12.81
	29.41	**12.81**
Fair Value Changes:		
(i) Realised	26.13	9.51
(i) Unrealised	3.28	3.30
Total	**29.41**	**12.81**

27 Net Gain / (Loss) on derecognition of financial instruments under amortised cost category

(Rs. In Lakhs)

Particulars	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
On Financial Assets measured at Amortized Cost		
Interest strip on assignment of loans	-	24.81
Bad debts written off (net)	(329.82)	(11.35)
Total	**(329.82)**	**13.46**

28 Other Income

(Rs. In Lakhs)

Particulars	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
Grant Receipt from IFC	-	25.67
Interest on Income Tax Refund	16.04	-
Miscellaneous Income	13.11	11.04
Total	**29.15**	**36.71**

29 Finance Costs

(Rs. In Lakhs)

Particulars	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
On Financial Liabilities measured at Amortised Cost		
Interest on borrowings other than debt securities	2,090.59	1,696.19
Interest on debt securities	181.41	-
Interest on Other Financial Liabilities (Security Deposit)	230.31	139.26
Interest on subordinated liabilities	-	4.66
Interest expense on Lease Liabilities (Refer Note 37)	1.85	-
Other borrowing cost	20.01	14.86
Total	**2,524.17**	**1,854.97**

Note:- There is no financial liability measured at FVTPL.

30 Impairment on financial instruments

(Rs. In Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Loans (At Amortized Cost) (Refer Note 7.3)	833.01	141.97
Total	**833.01**	**141.97**

31 Employee Benefits Expenses

(Rs. In Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Salaries and wages	311.93	258.64
Contribution to provident and other funds (Refer Note 47)	22.10	16.81
Contribution to Gratuity Fund (Refer Note 47)	11.78	5.07
Share based payments to employees (Refer Note 40)	2.60	15.00
Compensated Absences	23.89	4.45
Staff welfare expenses	5.52	2.87
Total	**377.82**	**302.84**

32 Other expenses

(Rs. In Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Rent, taxes and energy costs	28.86	23.15
Repairs and maintenance	3.24	2.91
CSR Expenditure (Refer Note 34)	10.00	-
Communication Costs	5.26	5.21
Printing and stationery	1.01	0.91
Advertisement and publicity	3.44	1.89
Director’s fees, allowances and expenses	12.45	10.12
Auditor’s fees and expenses (Refer Note 38)	26.27	12.61
Legal and Professional charges	43.00	27.49
Insurance	3.50	3.70
Office Expenses	7.16	4.84
Travelling Expenses (Refer Note below)	39.13	30.15
Net Loss on derecognition of property, plant and equipment	0.25	-
Foreign Exchange Fluctuation	-	0.05
Miscellaneous Expense (Refer Note below)	16.86	10.68
Total	**200.43**	**133.71**

Note Includes below payments done in Foreign Currency

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Travelling Expense	2.22	-
Miscellaneous Expense	0.45	1.06

33 Disclosure as required by Indian Accounting Standard (IND-AS) 33 Earnings per Share **(Rs. In Lakhs)**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Net profit for the year	297.51	601.95
Weighted average no. of shares (In nos.)	5,78,37,874	4,44,04,943
Face value of equity shares	10	10
Earning Per Share (Basic and Diluted)	**0.51**	**1.36**
The Company had compulsorily convertible preference shares outstanding as at April 01, 2018. As per the requirement of IND AS 33 for the purpose of computing EPS, the ordinary shares that will be issued upon the conversion of such preference shares are included in the calculation of basic earnings per share from the date		

34 Corporate Social Responsibility (CSR) Expenditure

During the financial year 2019-2020, the Company has spent Rs. 10 lakhs (P.Y. Rs. Nil) out of the total amount of Rs. 10 lakhs (P.Y. Rs. Nil) required to be spent as per section 135 of The Companies Act, 2013 in respect of Corporate Social Responsibility (CSR).

(Rs. in lakhs)

Nature of CSR Activity	For the year ended 31st March 2020	For the year ended 31st March 2019
Nuturing Women Enterpreneurship	10.00	-

35 Contingent liability

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Accumulated dividend on Preference Shares not provided *	-	-	5.12
Claims against the company not acknowledge as debt - Income Tax **	771.08	712.43	445.00

* The cumulative dividend on Preference Shares of the company has lapsed on conversion of such preference shares to Equity Shares during the year ended March 31, 2019.
** Rs. 92 lakhs (As at 31st March,2019 :Rs. 92 lakhs ; (As at 1st April, 2018 :Rs.92 lakhs) paid under protest for income tax litigations and Rs. 47.84 lakhs (As at 31st March,2019 :Rs.35.72 lakhs ; (As at 1st April, 2018: Rs. 24.89 lakhs) TDS adjusted against demand.

Management is of the view that no liability shall arise on the company for any of the income tax related litigations.

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

36 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.
The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and is considered to be the only reportable business segment. Further, The Company is operating in India which is considered as a single geographical segment."

37 Leases

The Company has taken office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Company has given refundable interest free security deposits in accordance with the agreed terms. All the leases of the company are short term lease (i.e. tenure of less than 1 year) except one lease with a tenure of 10 years and a lockin of 6 years. Maturity Analysis of such lease is as stated below

Maturity Analysis of Lease Liabilities

(Rs. in lakhs)

Particulars	Carrying amount	Upto 3 months	Over 3 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
As at March 31, 2020	170.86	0.85	2.83	13.36	23.85	129.98	170.86
As at March 31, 2019	-	-	-	-	-	-	-
As at April 1, 2018	-	-	-	-	-	-	-

Lease Liability movement (Rs. in lakhs)

Particulars	Lease Liability
As at April 1, 2018	**-**
Addition during the year	-
Lease rent paid for the year	-
As at March 31, 2019	**-**
Addition during the year	171.16
Interest on Lease Liability	1.85
Lease rent paid for the year	(2.15)
As at March 31, 2020	**170.86**

Amount Recognised in Statement of Profit & Loss

(Rs. in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on Lease Liabilities	1.85	-
Amortisation of ROU Assets	1.49	-
Expense related to Short-term Leases	22.98	19.25

Amount Recognised in Statement of Cash Flows

(Rs. in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Under Financing activities (Repayment of lease liability)	2.15	-
Under Operating activities (Short term leases)	22.98	19.25
Total cash outflow for leases	**25.13**	**19.25**

Lease Commitments for short-term leases

The Company has entered into Short term leases for office premises, tenure of which is less than a year. There are no obligations or commitments with reference to such short term leases as at reporting date as such leases are cancellable at the discretion of leasee i.e. the Company.

38 Payment to Auditors (Excluding GST)

(Rs. in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Audit fees	22.50	10.50
Certification services	1.55	0.80
Reimbursement of expenses	0.05	0.27
Total (Refer Note Below)	**24.10**	**11.57**

Company being NBFC can avail only 50% of available credit of GST paid on audit fee

39 Related party disclosures

(a) Names of related party and nature of relationship

Names	Nature of relationship
Gojo & Company	Parent Company
Satya Micro Capital Ltd	Associate of parent company
Stichting Capital 4 Development	Entity having significant influence over the company
Subraya Shankar Bhat -Managing Director upto 31.01.2020	Key Management Personnel ("KMP")
Gaurav Gupta -Managing Director from 01.02.2020	Key Management Personnel ("KMP")

(b) Particulars of related party transactions

(Rs. in lakhs)

Name of the related party	**Nature of transactions**	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Gojo & Company Inc	Issue of Compulsory Convertible Preference Shares	-	2,737.40
	Conversion of Preference Shares into Equity Shares (3,37,74,000 Preference Shares converted into Equity Shares at 1 share for every 1.524 shares held)	-	2,216.14
	Issue of fresh Equity Shares (FY 19-20 : 54,15,112 Equity Shares at Rs.	1,103.60	1,331.90
Stitching Capital 4 Development	Issue of fresh Equity Shares (FY 2019-20 : 52,40,361 Equity Shares at Rs.	1,067.99	1,051.50
Subraya Shankar Bhat	Consultancy Charges	45.96	50.14
Gaurav Gupta	Salary	8.42	-
Satya Micro Capital	Loan given	1,500.00	-
	Loans Principal Collection	254.17	341.67
	Loans Interest Income	30.07	57.05
	Security Deposit Received	75.00	-
	Security Deposit Repaid	25.00	20.00
	Interest Expense on Security Deposit	2.39	2.77

Related parties as defined under para 9 of Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

(Rs. in lakhs)

Name of the related party	**Closing balance as on**	
	31st March 2020	**31st March 2019**
Satya Micro Capital		
Outstanding Principal balance	1,437.50	191.67
Security Deposit balance	75.00	25.00
Interest Accured on Security Deposit	0.41	1.72
Gaurav Gupta		
Deferred Performance Linked Incentives	6.42	-

(c) Details of related party transactions with Key Management Personnel (KMP) are as under :

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 or its employees. The Company considers its Managing Director to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

(Rs. in lakhs)

Particulars	**For the Year ended 31st March 2020**	**For the Year ended 31st March 2019**
Name of the KMP :		
Subraya Shankar Bhat - Managing Director upto 31.01.2020	45.96	50.14
Gaurav Gupta (Refer Note below)	8.42	
Nature of transactions :		
Gross Salary including perquisites	8.15	-
Appreciation on deferred PLI	0.27	-

Amount are considered from 01.02.2020 being date of appointment as Managing Director

40 Stock Appriciation Rights (SAR)

Brief of the Scheme

The Ananya SAR plan is a ‘performance-based’ plan that entitles the current and future employees who meet a certain eligibility criteria to the appreciation in value of Ananya shares over the ‘Exercise price’ over a specified period of time. The selection of the employees and implementation of the plan shall be done by the HR committee with the required approvals from the Board and the Shareholders.

Plan features:-

Vesting date - The last day of the financial year immediately preceding the date on which the Board approves the SAR.
Base Price - The price at which the last equity investment was made in the 2 financial years ending on the vesting date or the Book value on the vesting date, whichever is higher.
Term - 7 years from the date of vesting after which the SAR cannot be exercised
Expiry date - 7 years from the date of vesting
Lock-in period - The period of 3 years from the Vesting date during which time the SAR cannot be exercised

Details of SAR Expense

(Rs. in lakhs)

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Share based payments to employees	2.60	15.00

Movement of Liability / Provision

(Rs. in lakhs)

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Outstanding at the beginning of the Year	15.00	-
Add: Charged to Statement of P&L	2.60	15.00
Less: Liability Paid	(7.31)	-
Outstanding at the end of the Year	**10.29**	**15.00**

41 Fair Value Measurements:

a) Measurement of fair values:

(i) Levels 1, 2 and 3

Level 1 : Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are included in level 1

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on 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.

(ii) There have been no transfers between Level 1 and Level 2 during the years.

b) Accounting classification and fair values

The following table analyses financial instruments measured at fair value at the reporting date along with Accounting classification of the same, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Valuation methodologies of financial instruments measured at fair value

Mutual Funds

Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1

Below are the valuation methodologies and assumptions used to determine fair value for the financial instruments which are not recorded and measured at fair value in the company's financial statements.

Loans

The fair values of instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor.The maturity date for Instruments where credit risk has increased significantly and credit not impaired are assumed to be post six months from Financial year end. The Fair value for Instruments ,which are credit impaired, is assumed as carrying value less provision for expected credit loss.The fair value are calculated for disclosure purpose only.

Borrowings (Other than Debt Securities)

The fair values of fixed interest rate instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the estimated/proxy yields by using current market interest rate being charged for new borrowings through the discounting factor. while fair value of floating rate instruments is deemed to equal to its carrying value.The fair value are calculated for disclosure purpose only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables. For debt securites with maturity of less than one year fair value is considered same as carrying value.

Investments

The fair value of Investments in preference share approximates the carrying value less impairment.

As at March 31, 2020 (Rs. in lakhs)

Particulars	Carrying Value				Fair Value			
	Amortized Cost/ Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	3,611.78	-	-	3,611.78	-	-	-	-
Other Bank Balance*	1,503.87	-	-	1,503.87	-	-	-	-
Loans	25,302.03	-	-	25,302.03	-	-	24,458.68	24,458.68
Investments	-	56.58		56.58	56.58	-	-	56.58
Other Financial assets*	7.08	-	-	7.08	-	-	-	-
Total Financial Assets	**30,424.76**	**56.58**	**-**	**30,481.34**	**56.58**	**-**	**24,458.68**	**24,515.26**
Trade Payables*	28.72	-	-	28.72	-	-	-	-
Lease liability*	170.86	-	-	170.86				
Debt Securities*	1,561.09	-	-	1,561.09	-	-	-	-
Borrowings (Other than Debt Securities)	15,818.67	-	-	15,818.67	-	-	15,816.70	15,816.70
Other financial liabilities*	4,132.67	-	-	4,132.67	-	-	-	-
Total Financial Liabilities	**21,712.01**	**-**	**-**	**21,712.01**	**-**	**-**	**15,816.70**	**15,816.70**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets, Trade payables, lease laibility, debt securities and Other financial liabilities approximates the carrying cost.

As at March 31, 2019 **(Rs. in lakhs)**

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	329.55	-	-	329.55	-	-	-	-
Other Bank Balance*	1,230.27	-	-	1,230.27	-	-	-	-
Loans	24,638.37	-	-	24,638.37	-	-	24,496.21	24,496.21
Investments	-	53.30		53.30	53.30	-	-	53.30
Other Financial assets*	12.66	-	-	12.66	-	-	-	-
Total Financial Assets	**26,210.85**	**53.30**	**-**	**26,264.15**	**53.30**	**-**	**24,496.21**	**24,549.51**
Trade Payables*	18.96	-	-	18.96	-	-	-	-
Borrowings (Other than Debt Securities)	15,995.11	-	-	15,995.11	-	-	15,795.89	15,795.89
Other financial liabilities*	3,342.93	-	-	3,342.93	-	-	-	-
Total Financial Liabilities	**19,357.00**	**-**	**-**	**19,357.00**	**-**	**-**	**15,795.89**	**15,795.89**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets, Trade payables, lease laibility, debt securities and Other financial liabilities approximates the carrying cost.

As at April 1, 2018 **(Rs. in lakhs)**

Particulars	Carrying Value				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents*	354.56	-	-	354.56	-	-	-	-
Other Bank Balance*	1,243.16	-	-	1,243.16	-	-	-	-
Loans	13,727.80	-	-	13,727.80	-	-	13,619.54	13,619.54
Investments*	75.68	61.95		137.63	61.95	-	-	61.95
Other Financial assets*	21.11	-	-	21.11	-	-	-	-
Total Financial Assets	**15,422.31**	**61.95**	**-**	**15,484.26**	**61.95**	**-**	**13,619.54**	**13,681.49**
Trade Payables*	12.52	-	-	12.52	-	-	-	-
Borrowings (Other than Debt Securities)	11,426.38	-	-	11,426.38	-	-	11,367.33	11,367.33
Subordinated Liabilities*	775.34	-	-	775.34	-	-	-	-
Other financial liabilities*	1,892.98	-	-	1,892.98	-	-	-	-
Total Financial Liabilities	**14,107.22**	**-**	**-**	**14,107.22**	**-**	**-**	**11,367.33**	**11,367.33**

* Fair Value of Cash & Cash equivalents , other bank Balance. Other financial assets,Investments at amortised cost, Trade payables, lease laibility, debt securities and Other financial liabilities approximates the carrying cost.

42 Financial Risk Management:

(A) Risk Management

The company has a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. The company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimisation procedures being followed by the company and steps taken by it to mitigate these risks. The Risk Management processes has been established across the company and are continuously reviewed improved and adapted to the changing risk landscape.

The company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that have been designed to be commensurate with its business of lending in the Microfinance, Agrifinance and MSME segments, and endeavours to manage the various risks in the business including Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risks.

(A).1 Credit risk

Credit Risk is the risk of loss that may occur from defaults by Borrowers under loan agreements. The company has a comprehensive framework for monitoring credit quality of its portfolio based on days past due monitoring at period end. Repayment by customers is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Around 85% of the company's exposure is to other financial intermediaries operating in the Microfinance industry, that lend to women from low-income households. The remaining 15% of its exposure is almost equally divided into two segments – (i) Agrifinance, where the company supports smallholder farmer collectives (FPO) and Agri-SMEs working with smallholder farmer collectives and (ii) Early-stage MSMEs that work in the impact space including renewable energy, waste management, affordable healthcare and livelihoods.

Thus, the company is indirectly exposed to borrowers typically having limited sources of income, savings and credit histories and the loans are typically provided free of collateral. The borrowers generally do not have a high level of financial resilience and as a result they can be adversely affected by declining economic conditions and natural calamities.

The company also tries to lower the credit risk by ensuring the portfolio is well-diversified both geographically and client-wise. It has placed various portfolio concentration limits and ensures it adheres to the caps.
The company reviews the credit quality of its loans based on the ageing of the loan at the period end and takes the same into consideration while calculating its ECL allowances.

The company has, based on current available information and based on the policy approved by the Board of Directors, determined the provision for impairment of financial assets. The company has also assessed the possible impact of COVID-19 pandemic on each borrower and significant increase in credit risk based on delayed payments metrics observed along with an estimation of potential stress on probability of defaults and loss given default. Accordingly, the company has made provision for additional impairment loss allowance of Rs.325.12 lakh due to COVID-19 pandemic on the loan portfolio.

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into lending business to varied category of corporates, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(Rs. in lakhs)

Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured using simplified approach/ cost**	**Total as on 31st March 2020**
Cash and cash equivalents	-	-	-	3,611.78	3,611.78
Bank Balance other than (a) above	-	-	-	1,503.87	1,503.87
Loans*	23,957.77	488.74	2,183.82	1.33	26,631.67
Investments	-	-	-	70.19	70.19
Other Financial assets	-	-	-	7.08	7.08

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(Rs. in lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on 31st March 2019
Cash and cash equivalents	-	-	-	329.55	329.55
Bank Balance other than (a) above	-	-	-	1,230.27	1,230.27
Loans*	24,076.03	745.54	307.05	2.67	25,131.29
Investments	-	-	-	70.19	70.19
Other Financial assets	-	-	-	12.66	12.66

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(Rs. in lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total as on 01st April 2018
Cash and cash equivalents	-	-	-	354.56	354.56
Bank Balance other than (a) above	-	-	-	1,243.16	1,243.16
Loans*	12,867.93	927.02	210.38	-	14,005.33
Investments	-	-	-	145.88	145.88
Other Financial assets	-	-	-	21.11	21.11

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial assets measured using simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, Investments, and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(A).2 Collateral held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralized against security deposits, equitable mortgage of property, hypothecation of assets, personal guarantees, corporate guarantees etc

(A).3 Impairment Loss

Reconciliation of Gross Exposure

(Rs. in lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Gross carrying amount balance as at 1 April 2018	**12,867.93**	**927.02**	**210.38**	**14,005.33**
- New loans disbursed during the year	20,339.57	745.54	124.68	21,209.79
- Loans closed/written off during the year	(2,836.46)	(86.43)	(76.65)	(2,999.54)
- Movement in EAD without change in asset staging	(6,450.70)	-	(12.50)	(6,463.20)
- Movement in EAD due to change in asset staging	155.69	(840.59)	61.14	(623.76)
Gross carrying amount balance as at 31 March 2019	**24,076.03**	**745.54**	**307.05**	**25,128.62**
- New loans disbursed during the year	17,815.17	351.25	1,373.49	19,539.91
- Loans closed/written off during the year	(5,560.46)	(167.97)	(290.49)	(6,018.92)
- Movement in EAD without change in asset staging	(10,184.06)	-	(16.56)	(10,200.62)
- Movement in EAD due to change in asset staging	(2,188.91)	(440.08)	810.33	(1,818.66)
Gross carrying amount balance as at 31 March 2020	**23,957.77**	**488.74**	**2,183.82**	**26,630.33**

Reconciliation of ECL Balance

(Rs. in lakhs)

Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
ECL Allowance as at 1 April 2018	**90.06**	**7.24**	**64.93**	**162.23**
- New loans disbursed during the year	156.72	27.08	50.38	234.18
- Loans closed/written off during the year	(53.31)	(3.51)	(28.61)	(85.43)
- Movement in position without change in asset staging	(20.32)	-	(1.53)	(21.85)
- Movement in position due to change in asset staging	(3.70)	(3.73)	22.50	15.07
ECL Allowance as at 31 March 2019	**169.45**	**27.08**	**107.67**	**304.20**
- New loans disbursed during the year	217.82	16.64	528.38	762.84
- Loans closed/written off during the year	(89.62)	(15.06)	(100.98)	(205.66)
- Movement in position without change in asset staging	12.64	-	(6.70)	5.94
- Movement in position due to change in asset staging	(34.03)	(11.04)	314.96	269.89
ECL Allowance as at 31 March 2020	**276.26**	**17.62**	**843.33**	**1,137.21**

(A).4 Write off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is Rs. 329.82 lakhs (P.Y. Rs. 11.35 Lakhs).

(A).5 Modified financial instruments

For financial assets, such as a loan to a customer, when the term and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognisation), the Company had disclosed modification gain/loss based on discounted cash flows.

(Rs. in lakhs)

Particulars	**FY 2019-20**	**FY2018-19**	**FY 2017-18**
Value of modified assets at the time of modification	620.90	72.41	-
Value of modified assets outsatnding at end of the year	586.94	60.41	-
Modification loss	(2.34)	(5.68)	-

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 17, 2020)

(A).6 **Credit risk grading of loans**

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.
The Company has established overall credit limits at the level of individual borrowers and counterparties, and also at the group levels of the company. It manages and controls credit risk by confining the amount of risk it is willing to accept for company counterparties, for geographical concentrations, and by closely monitoring such exposures.

Company has a Credit Risk Policy which is Board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly assessed for the following risk categories:
1. Low Risk
2. Medium Risk
3. High Risk – This category of customers are not actively sourced by the company. Any customer, assessed as High Risk, can be funded by the company basis exceptional comfort and availability of justifying mitigants. The extent and nature of due diligence is the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Processing Note by the credit department and validated by the relevant approving authority. The parameters are as follows:
1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Company's Risk Management practices are guided by its internal credit and exposure policies and standard operating procedures that lays down steps to manage the various risks in the business including Credit risk.

As of 31-Mar-2020, the Credit risk of the company increased owing to the COVID pandemic and the consequential lockdown. The company had extended moratoriums in line with the RBI guidelines and given that most of its borrowers have resumed operations, it expects collections to pick up from the month of Jun'20. As per the company's internal assessment, the impact of COVID is likely to be higher on some of its borrowing clients. However, given that the company is well capitalized , it has the ability to absorb some credit losses.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below.

Credit grading details (Rs. in lakhs)

Period	**Stage 1**	**Stage 2**	**Stage 3**	**Total EAD**
March 31, 2020	23,957.77	488.74	2,183.82	26,630.33
March 31, 2019	24,076.03	745.54	307.05	25,128.62
March 31, 2018	12,867.93	927.02	210.38	14,005.33

(A).7 **Concentration of credit risk**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk

Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2019, the Company had sold some loans measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

(Rs. in lakhs)

Particulars	**FY 2019-20**	**FY 2018-19**	**FY 2017-18**
Financial assets derecognised during the year	-	1,278.75	1,859.06
Gain from derecognition	-	24.81	45.17

(A).8 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments and loans.

Within the various methodologies to analyze and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in major currencies.
- 10% increase / decrease in NAV of all Mutual Funds traded in an active market, which are classified as financial asset measured at FVTPL.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:
The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2020.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities that are exposed to Interest Rate Risk has been provided below:

Exposure to interest rate risk

(Rs. in lakhs)

	As at 31 March 2020	**As at 31 March 2019**	**As at 01 April 2018**
Floating Rate Borrowings			
Financial Liabilities	3,074.48	3,213.24	4,270.69

All loans disbusred by the Company are on fixed rate of interest .

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax **(Rs. in lakhs)**

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended April 1, 2018**
Increase in 50 basis points	(11.10)	(11.60)	(14.26)
Decrease in 50 basis points	11.10	11.60	14.26

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(A).9 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimised cost. The Company has the discretion over disbursement of any undrawn portion of sanctioned loans to its borrower i.e. borrowers don't have an unconditional drawdown right over undrawn portion of the sanctioned loan and hence company is not expecting any liquidity risk in terms of undrawn sanctioned limits.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

(i) Maturities of financial liabilities **(Rs. in lakhs)**

Particulars	Carrying amount	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
As at March 31, 2020									
Financial Liabilities									
Trade Payables	28.72	-	3.61	-	25.12	-	-		
Lease Liability	170.86	0.28	0.28	0.29	0.88	1.95	13.36	23.85	129.98
Debt Securities	1,561.09	-	255.54	-	-	1,305.55		-	
Borrowings (Other than Debt Securities)	15,818.67	676.00	252.00	992.00	2,764.00	4,638.00	6,456.00	40.67	
Other financial liabilities	4,132.67	-	-	423.87	602.95	1,232.66	1,873.20	-	-
Total	**21,712.01**	**676.28**	**511.43**	**1,416.16**	**3,392.95**	**7,178.16**	**8,342.56**	**64.52**	**129.98**
As at March 31, 2019									
Financial Liabilities									
Trade Payables	18.96	1.81	0.62	-	16.53	-	-	-	-
Debt Securities	-	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	15,995.11	724.00	806.00	754.00	2,168.00	4,191.00	7,104.00	248.11	-
Other financial liabilities	3,342.93	41.99	-	15.50	284.59	906.34	2,094.52	-	-
Total	**19,357.00**	**767.80**	**806.62**	**769.50**	**2,469.12**	**5,097.34**	**9,198.52**	**248.11**	**-**
As at April 1, 2018									
Financial Liabilities									
Trade Payables	12.52	-	0.15	-	12.37	-	-	-	
Debt Securities	-	-	-	-	-	-	-	-	
Borrowings (Other than Debt Securities)	11,426.38	529.31	544.79	480.63	1,419.95	2,814.02	5,592.64	45.05	
Subordinated Liabilities	775.34	-	-	-	775.34	-	-	-	
Other financial liabilities	1,892.98	26.82	106.70	49.62	160.37	582.10	967.38	-	
Total	**14,107.22**	**556.13**	**651.64**	**530.25**	**2,368.03**	**3,396.12**	**6,560.02**	**45.05**	**-**

(i) Financing arrangements **0**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(Rs. in lakhs)

Particulars	**As at 31-Mar-20**	**As at 31-Mar-19**	**As at 01-Apr-18**
Bank Overdraft	600.00	450.60	491.41

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breach in financial covenants of one lender Maanaveeya Development and Finance limited having exposure of Rs.1816.54/- lakhs in the company but Company has received relaxation from the said lender and thus there are no implication of liability being called upon or any penalty to be levied. Management expect that Company will be able to meet all contratual obligations from borrowings on timely basis going forward.

(A).10 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is mainly transacting in Indian Rupee (INR), which is the functional currency of the company. Consequently, the Company is not exposed to any foreign exchange risk.

(A).11 Other Price Risk

The Entity is exposed to price risks arising from its investments which are held for trading purposes. The sensitivity analysis have been determined based on the exposure to price risks for Investments in Mutual Funds at the end of the reporting period.

The company's exposure to asset having price risk is as under.

(Rs. in lakhs)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Investments	56.58	53.30	61.95

Impact on Profit / (loss) after tax (Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended April 1, 2018
Increase by 10%	4.08	3.85	4.14
Decrease by 10%	(4.08)	(3.85)	(4.14)

43 Capital management:

Company's strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. It is achieved by maintaining a balance mix of Equity and Debt as may be appropriate. The Company determines the amount of funds required on the basis of operations, capital expenditure and business plans. The Capital structure is monitored on the basis of leverage ratio / debt to equity ratio and maturity profile of overall debt portfolio of the company.

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Company is subjected to maintain leverage ratio as per Reserve Bank of India (RBI) Regulation. As per RBI's direction non deposit taking NBFC shall maintain the leverage ratio of 7. The company has complied with the regulatory requirement as prescribed by RBI details of which are given below.

Though Company is not subject to Capital adequacy requirements of the Reserve Bank of India(RBI) but the company do monitor the same on regular basis. RBI's capital adequacy guidelines requires a company to maintain capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time should not exceed 100 percent of the Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

(Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings	17,379.76	15,995.11	12,201.72
Less: cash and cash equivalents	3,611.78	329.55	354.56
Adjusted net debt	**13,767.98**	**15,665.56**	**11,847.16**
Equity share capital	6,602.92	5,537.37	1,302.10
Instruments entirely equity in nature	-	-	822.09
Other equity	3,872.66	2,478.10	178.28
Total equity	**10,475.58**	**8,015.47**	**2,302.47**
Adjusted net debt to total equity ratio	**1.31**	**1.95**	**5.15**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breach in financial covenants of one lender Maanaveeya Development and Finance limited having exposure of Rs.1816.54/- lakhs in the company but Company has received relaxation from the said lender and thus there are no implication of liability being called upon or any penalty to be levied. Management expect that Company will be able to meet all contratual obligations from borrowings on timely basis going forward.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 , March 31, 2019 and March 31,2018.

44 Maturity analysis of assets and liabilities **(Rs. in lakhs)**

	Particulars	As at 31st March 2020			As at 31st March 2019			As at 1st April 2018		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	ASSETS									
[1]	**Financial Assets**									
(a)	Cash and cash equivalents	3,611.78	-	3,611.78	329.55	-	329.55	354.56	-	354.56
(b)	Bank Balance other than (a) above	805.37	698.50	1,503.87	813.21	417.06	1,230.27	522.79	720.37	1,243.16
(c)	Loans	17,571.12	7,730.91	25,302.03	17,658.59	6,979.78	24,638.37	9,064.96	4,662.84	13,727.80
(d)	Investments	56.58	-	56.58	-	53.30	53.30	137.63	-	137.63
(e)	Other Financial assets	5.91	1.17	7.08	12.66	-	12.66	14.03	7.08	21.11
		22,050.76	**8,430.58**	**30,481.34**	**18,814.01**	**7,450.14**	**26,264.15**	**10,093.97**	**5,390.29**	**15,484.26**
[2]	**Non-financial Assets**									
(a)	Current tax assets (Net)	-	1,017.85	1,017.85	-	788.67	788.67	-	667.18	667.18
(b)	Deferred tax Assets (Net)	-	522.34	522.34	-	357.67	357.67	-	270.87	270.87
(c)	Property, Plant and Equipment	-	14.98	14.98	-	10.87	10.87	-	6.99	6.99
(d)	Capital work-in-progress	-	-	-	-	-	-	-	-	-
(e)	Intangible assets under development	-	26.72	26.72	-	18.26	18.26	-	-	-
(f)	Other Intangible assets	-	2.57	2.57	-	4.52	4.52	-	5.81	5.81
(g)	Right of Use Asset	-	177.26	177.26	-	-	-	-	-	-
(h)	Other non-financial assets	40.92	-	40.92	7.55	-	7.55	15.64	-	15.64
		40.92	**1,761.72**	**1,802.64**	**7.55**	**1,179.99**	**1,187.54**	**15.64**	**950.85**	**966.49**
	Total Assets	**22,091.68**	**10,192.30**	**32,283.98**	**18,821.56**	**8,630.13**	**27,451.69**	**10,109.61**	**6,341.14**	**16,450.75**
	LIABILITIES AND EQUITY									
	LIABILITIES									
[1]	**Financial Liabilities**									
(a)	Payables									
	Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	28.72	-	28.72	18.96	-	18.96	12.52	-	12.52
	(II) 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	-	-	-	-	-	-	-	-	-
(b)	Lease Obligation	3.68	167.18	170.86	-	-	-	-	-	-
(c)	Debt Securities	1,561.09	-	1,561.09	-	-	-	-	-	-
(d)	Borrowings (Other than Debt Securities)	9,322.00	6,496.67	15,818.67	8,643.00	7,352.11	15,995.11	5,788.70	5,637.68	11,426.38
(e)	Subordinated Liabilities	-	-	-	-	-	-	775.34	-	775.34
(f)	Other financial liabilities	2,259.48	1,873.19	4,132.67	1,248.42	2,094.51	3,342.93	925.61	967.37	1,892.98
		13,174.96	**8,537.04**	**21,712.01**	**9,910.38**	**9,446.62**	**19,357.00**	**7,502.17**	**6,605.05**	**14,107.22**
[2]	**Non-Financial Liabilities**									
(a)	Current tax liabilities (Net)	-	-	-	-	-	-	-	-	-
(b)	Provisions	4.27	48.71	52.98	15.59	19.07	34.66	0.47	14.74	15.21
(c)	Deferred tax liabilities (Net)	-	-	-	-	-	-	-	-	-
(d)	Other non-financial liabilities	43.41	-	43.41	44.56	-	44.56	25.85	-	25.85
		47.68	**48.71**	**96.39**	**60.15**	**19.07**	**79.22**	**26.32**	**14.74**	**41.06**
[3]	**EQUITY**									
(a)	Equity Share capital	-	6,602.92	6,602.92	-	5,537.37	5,537.37	-	1,302.10	1,302.10
(b)	Instruments entirely equity in nature	-	-	-	-	-	-	-	822.09	822.09
(c)	Other Equity	-	3,872.66	3,872.66	-	2,478.10	2,478.10	-	178.28	178.28
	Total Equity	**-**	**10,475.58**	**10,475.58**	**-**	**8,015.47**	**8,015.47**	**-**	**2,302.47**	**2,302.47**
	Total Liabilities and Equity	**13,222.64**	**19,061.34**	**32,283.98**	**9,970.53**	**17,481.16**	**27,451.69**	**7,528.49**	**8,922.26**	**16,450.75**

45 Break up of loan portfolio

(Rs. in lakhs)

Loan Portfolio	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
Opening Loan outstanding	25,110.31	14,000.88
Loans disbursed during the Year	29,869.30	27,470.87
DA Pool Purchased (Refer Note below)	460.59	-
A	**55,440.20**	**41,471.75**
Loans assigned during the Year (Refer Note below)	-	1,278.75
Loans recovered during the year on owned portfolio	28,891.39	15,082.70
Loan portfolio restructured into investments	-	-
B	**28,891.39**	**16,361.45**
Loans outstanding at the end of the year (A-B)	**26,548.81**	**25,110.30**
Unamortized Transaction Cost	(110.89)	(170.40)
Loans outstanding	**26,437.91**	**24,939.90**
Assigned Portfolio	82.69	752.81
Asset under Management	**26,520.60**	**25,692.71**

Details of Assignment transactions undertaken by NBFCs: **(Rs. in lakhs)**

	2019-20	**2018-19**
1 No. of accounts*	-	16
2 Aggregate value (net of provisions) of accounts sold	-	1,278.75
3 Aggregate consideration	-	1,278.75
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book value	-	-

* Total value of the Loans sold under direct assignment route is Rs. Nil (P.Y Rs. 1,420.83) Company has retained 10% interest in the Loans sold.

Purchase of Portfolio
Details of Assignment transactions undertaken by NBFCs: **(Rs. in lakhs)**

	2019-20	**2018-19**
1 No. of Transactions	2	-
2 Aggregate value (net of provisions) of accounts Purchased	460.59	-
3 Aggregate consideration	460.59	-
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain / loss over net book value	0.01	-

46 Retirement Benefits

a) Employee benefit plans
The company has a defined benefit gratuity plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility :
The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields :
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk :
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy :

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following tables set out the status of the gratuity plan as required under Ind AS 19.

i) Movement in present values of defined benefit obligation **(Rs. in lakhs)**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Defined benefit obligation at the beginning of the year	-	16.61
Current service cost	11.81	5.31
Interest cost	1.57	1.28
Actuarial losses (gains) arising from change in financial assumptions	11.59	-
Actuarial losses (gains) arising from experience adjustments	(2.95)	(0.17)
Benefits paid	(0.81)	-
Defined benefit obligation at the end of the year	**21.20**	**23.03**

ii) Movement in fair value of plan assets **(Rs. in lakhs)**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Fair value of plan assets at the beginning of the year	0.00	19.65
Expected return on plan assets	1.60	1.52
Actuarial gains/(losses)	(0.45)	(0.33)
Contributions paid	-	0.30
Benefits paid	(0.81)	-
Fair value of plan assets at the end of the year	**0.34**	**21.14**

iii) Amount recognised in Balance Sheet for the last three years:

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Defined benefit obligation	44.24	23.03	16.61
Fair value of plan assets	21.48	21.14	19.65
Deficit in the plan	**22.76**	**1.89**	**(3.04)**
Experience. Adjustment On Plan Liabilities	8.64	(0.17)	(35.03)
Experience Adjustment on Plan Assets	(0.45)	(0.33)	3.38

iv) Expense recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current service cost	11.81	5.31
Interest on obligation	1.57	1.28
Expected return on plan assets	(1.60)	(1.52)
Total included in employee benefits expense	**11.78**	**5.07**

v) Amount recognised in Other Comprehensive Income (OCI) for the year

(Rs. in lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Actual Returns on Plan Assets excluding Interest Income	0.45	0.33
Actuarial Changes Arising from Changes in Financial Assumptions	8.64	(0.17)
Closing amount recognised in OCI	**9.08**	**0.16**

vi) Asset / (liability) recognised in balance sheet

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Present value of obligation	44.24	23.03	16.61
Fair value of plan assets	21.48	21.14	19.65
Liability/(Asset) recognised in balance sheet	**22.76**	**1.89**	**(3.04)**

vii) Principal actuarial assumptions

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Discount Rate	6.80%	7.70%
Expected return on plan assets	6.80%	7.70%
Future salary increase	10.00%	7.00%
Retirement Age	60 Yrs	60 Yrs
Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Withdrawal rate	10% at younger ages and 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale

Projection Risks:

Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk -The present value of the defined benefit plan liability is calculated by reference to the future salariesof plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

viii) Funding Arrangement and Policy

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.

ix) Maturity Profile of Defined Benefit Obligations **(Rs. in lakhs)**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Within the next 12 months (next annual reporting period)	3.00	0.43
Year 2	3.87	0.86
Year 3	3.42	0.83
Year 4	3.03	0.80
Year 5	2.68	0.77
more than 5 and upto 10 years	14.82	9.73

x) Quantitative sensitivity analysis for significant assumption is as below: **(Rs. in lakhs)**

Particulars	As at 31st March 2020	As at 31st March 2019
Increase/decrease on present value of defined benefits obligation		
i) 1% increase in discount rate	40.69	20.32
ii) 1% decrease in discount rate	48.31	26.28
iii) 1% increase in salary escalation rate	48.15	26.27
iv) 1% decrease in salary escalation rate	40.76	20.28
v) 1% increase in withdrawal rate	43.55	23.22
vi) 1% decrease in withdrawal rate	45.02	22.83

xi) Contribution for Next 12 Months **(Rs. in lakhs)**

Particulars	As at 31st March 2020	As at 31st March 2019
Contribution for Next 12 Months	5.00	4.00

xi) Sensitivity Analysis Method

Above sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

xii) Asset information:

(Rs. in lakhs)

Category of Assets	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Insurer managed funds	100.00%	100.00%	100.00%

b) Defined contribution plan **(Rs. in lakhs)**

Amount recognised in Statement of Profit and Loss towards	For the year ended 31st March 2020	For the year ended 31st March 2019
i) Provident fund	21.81	16.44
ii) Employee state insurance	0.29	0.37
Total	**22.10**	**16.81**

47 Loan portfolio classification and provisioning as per Requirement prescribed by Reserve Bank of India

(a) Provision for outstanding loan portfolio **(Rs. in lakhs)**

Asset classification	As at 31st March 2020		As at 31st March 2019	
	Loan Portfolio	**Provision**	**Loan Portfolio**	**Provision**
Standard Assets	26,039.35	97.73	24,837.22	62.07
Sub standard Assets*	590.98	65.98	175.99	21.90
Doubtful Assets	-	-	16.64	15.26
Loss Assets	-	-	98.77	91.76
Total	**26,630.33**	**163.71**	**25,128.62**	**190.99**

* Includes provision for diminution in value of restructured advances of Rs. 7.92 lakhs as mentioned in note C below.

(b) The movement in provision for the year ended 31st March 2020 and 31st March 2019

(Rs. in lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	Standard asset provision	**Non-performing asset provision**	**Total**	**Standard asset provision**	**Non-performing asset provision**	**Total**
Opening balance	62.07	128.92	190.99	34.75	10.15	44.90
Additions	35.66	-	35.66	27.32	118.77	146.09
Reduction	-	(62.94)	(62.94)	-	-	-
Closing balance	**97.73**	**65.98**	**163.71**	**62.07**	**128.92**	**190.99**

The movement in Provision has been shown on net basis.

(c) Provision for diminution in the fair value of restructured advances

During the year, the Company has made a provision (net) amounting to Rs.3.51 lakhs (Previous Year: Rs.4.41 lakhs) for diminution in the fair value of restructured advances in accordance with the Master Direction No. : DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

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48 Disclosure of Restructured Accounts

(Rs. in lakhs)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on 1st April 2018 (opening Figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	88.22	-	-	88.22	-	88.22	-	-	88.22
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	35.69	-	-	35.69	-	35.69	-	-	35.69
3	Upgradations to restructured standard category during the	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured Standard Advances which ceases to attract higher	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Restructured Accounts as on 1st April 2019	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	88.22	-	-	88.22	-	88.22	-	-	88.22
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	35.69	-	-	35.69	-	35.69	-	-	35.69
2	Fresh Restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	159.76	-	-	159.76	-	159.76	-	-	159.76
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	52.85	-	-	52.85	-	52.85	-	-	52.85
3	Upgradations to restructured standard category during the	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
4	Restructured Standard Advances which ceases to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY.	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	88.22	-	-	88.22	-	88.22	-	-	88.22
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	35.69	-	-	35.69	-	35.69	-	-	35.69
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on 31st March of the FY (Closing Figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	3.00	-	-	3.00	-	3.00	-	-	3.00
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	159.76	-	-	159.76	-	159.76	-	-	159.76
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	52.85	-	-	52.85	-	52.85	-	-	52.85

* Excluding the Figures of standard restructured advances which do not attract higher provisioning on risk weight

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49 **Disclosure required as per Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards**

(Rs. in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	23,957.77	276.26	23,681.51	90.05	186.21
	Stage 2	488.75	17.62	471.13	1.84	15.78
	Stage 3	1,592.83	543.50	1,049.33	5.84	537.66
Subtotal		**26,039.35**	**837.38**	**25,201.97**	**97.73**	**739.65**
Non-Performing Assets (NPA)						
Substandard	Stage 3	590.98	299.83	291.15	65.98	233.85
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**590.98**	**299.83**	**291.15**	**65.98**	**233.85**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1		-	-		-
	Stage 2		-	-		-
	Stage 3		-	-		-
Subtotal		-	-	-	-	-
Total	**Stage 1**	23,957.77	276.26	23,681.51	90.05	186.21
	Stage 2	488.75	17.62	471.13	1.84	15.78
	Stage 3	2,183.81	843.33	1,340.48	71.82	771.51
	Total	**26,630.33**	**1,137.21**	**25,493.12**	**163.71**	**973.50**

50 **Disclosure required as per Circular DOR.No.BP.BC.63/21.04.048/2019-20 - COVID19 Regulatory Package - Asset Classification and**

Particulars	Amount (Refer Note Below)
(A) SMA/overdue categories, where the moratorium/deferment was extended	-
(B) Out of (A) above, amount on which asset classification benefits is extended	-
(C) Provision Made on (B) as at 31-03-2020	-
(D) Provisions adjusted during the respective accounting periods against slippages	-
(E) Residual Provision	-

The Company has created additional 5% provision on its 2 of its standard but overdue accounts as on 29th Feb 2020 amounting to approx. Rs. 32.60 lakh as per above circular as they were extended moratorium for the period of 2 months starting April 2020.

51 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

(Rs. in lakhs)

As at 31st March 2020	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings	676.00	507.54	992.00	2,764.00	5,943.55	6,456.00	40.67	-	17,379.76
Asset									
Loans	396.39	555.24	2,698.39	5,411.39	8,509.72	6,740.47	990.44		25,302.03
Investments- MF				56.58			-		56.58

(Rs. in lakhs)

As at 31st March 2019	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowings	724.00	806.00	754.00	2,168.00	4,191.00	7,104.00	248.11	-	15,995.11
Assets									
Loans	1,597.08	1,848.42	1,817.05	4,930.20	7,465.84	6,605.22	374.56	-	24,638.37
Investments- MF						53.30			53.30

Unamortized transaction costs on borrowings and Loan given and Expected Credit loss on loan given has been propotionately considered as per the Balances outstanding in the respective buckets in the above tables.
In computing above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditor.

52 Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019

52.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount (Rs. In Lakhs)	% of Total deposits	% of Total liabilities
1	2,643.85	NA	12%

52.2 Top 20 large deposits

Not Applicable. The Company being a Non-Systemically Important Non-Deposit Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

52.3 Top 10 borrowings

Amount (In Lakhs)	% of Total Borrowings
15,539.29	89.41%

52.4 Funding Concentration based on significant instrument/product

Name of the Instrument/ Product	Amount (Rs. In Lakhs)	% of Total Liabilities
Secured Non Convertible Debentures	1,561.09	8.98%
Term loans	15,818.67	91.02%
Cash Credit Limits	-	-
Total	17,379.76	100.00%

52.5 Stock Ratios

Particulars	As a % of public funds	As a % of Total liabilities	As a % of total assets
Commercial papers	-	-	-
Non- Convertible Debentures	-	7.16%	4.84%
Other Short term liabilities	-	53.47%	36.12%

52.6 Institutional set-up for liquidity risk management

The Liquidity Risk Management of the Company is governed by Risk Management Committee. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by the Company including liquidity risk. Company's Board has guided Asset Liability Management Committee (ALCO) to ensure adherence to the liquidity risk tolerance/limits and prepare liquidity risk management strategy. The role of the ALCO with respect to liquidity risk would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

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53 Disclosure as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Particulars **(Rs. in lakhs)**

		As at March 2020			As at March 2019		
	Liability Side	**Amount out- standing**	**Amount overdue**		**Amount out- standing**	**Amount overdue**	
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**						
a	Debentures : Secured	1,561.09	-	-	-	-	-
	: Unsecured	-	-	-	-	-	-
	(other than falling within the meaning of public deposits*)						
b	Deferred Credits	-	-	-	-	-	-
c	Term Loans	15,818.36	-	-	15,945.71	-	-
d	Inter-corporate loans and borrowing	-	-	-	-	-	-
e	Commercial Paper	-	-	-	-	-	-
f	Public Deposits*	-	-	-	-	-	-
g	Other Loans	-	-	-	-	-	-
	Cash Credit from Bank	-	-	-	49.40	-	-
	*(Refer note 53.1)						
2	**Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):**						
a	In the form of Unsecured Debentures	-	-	-			
b	In the form of Partly Secured debentures i.e.debentures where there is a shortfall in the value of security	-	-	-			
c	Other Public deposits	-	-	-			
	*(Refer note 53.1)						
	Asset Side	**Amount Outstanding**			**Amount Outstanding**		
3	**Break up of Loans and advances including bills receivables[other than those included in (4) below]: excluding interest accrued**						
a	Secured	26,630.33			25,128.62		
b	Unsecured	1.33			2.67		
4	**Break up of Leased Assets and stock on hire and other assests 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. Assests on hire	-	
	b. Repossessed Assests	-	
iii	Other Loans counting towards AFC activities		
	a. Loans where assests have been repossessed	-	
	b. Loan other than (a) Above	-	
5	**Break up of Investments**		
	Current Investments		
1	**Quoted**		
i	Shares		
	a. Equity	-	
	b. Preference	-	
ii	Debentures and Bonds	-	
iii	Units of Mutual Funds	56.58	53.30
iv	Government Securities	-	
v	Others(please specify)	-	
2	**Unquoted**		
i	Shares		
	a. Equity	-	
	b. Preference	-	
ii	Debentures and Bonds	-	
iii	Units of Mutual Funds	-	
iv	Government securities	-	
v	Others(Please specify)	-	
	Long Term Investments		
1	**Quoted**		
i	Shares		
	a. Equity	-	
	b. Preference	-	
ii	Debentures and Bonds	-	
iii	Units of Mutual Funds	-	
iv	Government Securities	-	
v	Others(please specify)	-	

2	**Unquoted**						
i	Shares						
	a. Equity	-					
	b. Preference	70.19			70.19		
ii	Debentures and Bonds	-					
iii	Units of Mutual Funds	-					
iv	Government securities	-					
v	Others(Please specify)	-					
6	**Borrowers group wise classification of assets financed as in (3) and (4) above**						
	(Refer note 53.2)						
	Category	**Amount net of Provisions (Refer Note 53.4)**			**Amount net of Provisions (Refer Note 53.4)**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1	**Related Parties****						
	a. Subsidiaries	-	-	-			
	b. Companies in the same group	-	-	-			
	c. Other Related parties	1,433.91	-	1,433.91	191.19		191.19
2	Other than related parties	25,031.38	1.33	25,032.71	24,743.77	2.67	24,743.77
	Total	**26,465.29**	**1.33**	**26,466.62**	**24,934.96**	**2.67**	**24,934.96**
7	**Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**						
	(Refer note 53.3)						
	Category	**Market Value/Break up or FAIR Value or NAV**	**Book Value(Net of Provisions)**		**Market Value/Break up or FAIR Value or NAV**	**Book Value(Net of Provisions)**	
1	**Related parties****						
	a. Subsidiaries	-	-				
	b. Companies in the same group	-	-				
	c. Other Related parties	-	-				
2	**Other than related parties**						
	Total						
	**As per Accounting Standard of ICAI(Refer Note 53.3)	56.58	50.00		53.30	50.00	
		56.58	**50.00**			**50.00**	
8	**Other Information**						
	Particulars						
i	Gross Non-Performing Assests						
	a. Related Parties	-					
	b. Other than related parties	590.98			291.40		

ii	Net Non performing Assests		
	a. Related parties	-	
	b. Other than related parties (Refer Note 53.4)	525.00	162.48
iii	Assets acquired in satisfaction of Debt		
Notes:			
53.1	As defined in point xix of paragraph 3 of chapter 2 of these Directions.		
53.2	Provisioning norms shall be appliable as prescribed in these Directions.		
53.3	All Accounting standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.However market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investment shall be disclosed irrespective of whether they are classified as long term or current in (5) above		
53.4	The Provision for NPA is considered as per the Prudential Norms issued by Reserve Bank of India		

54 Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's presentation.

For and on behalf of the Board of Directors

-sd-	-sd-
Brij Mohan	**Gaurav Gupta**
Chairman	Managing Director
(DIN 00667210)	*(DIN 08663203)*
-sd-	-sd-
Rekha Singhal	**Lavina Parikh**
Chief Financial Officer	Company Secretary

Place: Ahmedabad
Date: 30th June 2020