



AMBIT FINVEST PRIVATE LIMITED

ANNUAL REPORT 2019 - 2020

CHAIRMAN'S LETTER

Dear Stakeholders,

As I sit to write this letter to you today, from my home office, and reflect on the state of affairs at Ambit Finvest, I can say that, especially in the context of the carnage around us, your company is in a very good space.

At one level, I have to admit that we have missed achieving several of the goals we had set out for ourselves this year. Indeed, the environment that we encountered, even prior to COVID -19, was quite turbulent.

Early on in the year, we realised that debt capital was not available to support our Structured Finance business, and this is reflected in the shrinking of that book from Rs. 416 crores to Rs. 306 crores in the course of the year.

On the other hand, our SME business continued to grow handsomely till March 2020, when of course COVID -19 took over. Despite COVID -19, we ended the year growing that book by 44.1% from Rs. 351 crores to Rs. 509 crores. We also grew our branch network from 12 to 20, and our employee headcount from 206 to 265. Our customer count has grown from 1,903 to 3,459.

We have had a big miss on our profitability target -- because of our inability to grow the Structured Finance book, because of branch cost build - up ahead of actual disbursement volumes, and because of elevated credit costs. We have adopted IndAS accounting for the first time this year, which combined with the COVID impact, has resulted in credit costs increasing sharply. The good news is that we are carrying forward provisions, which are 210% of our actual NPAs. Had we continued with I-GAAP accounting, our profits would have been higher by Rs. 3 Crores.

If COVID – 19 was an 'Act of God' that has had a major negative impact on our business, the entry of Mr. Adar Poonawalla into our Company as a shareholder, coming as he did in March this year, is no less an 'Act of God'. Yes, we had planned to raise capital to support our growth plans, but surely the timing of this transaction is reflective of divine intervention!

Earlier in the year, we had also issued our first Market Linked Debentures, as a conscious strategy to diversify our liability franchise. We were delighted with the strong response to our maiden issue, and will plan to develop this franchise further.

As I look at Ambit Finvest today, I see a relatively small, but highly nimble organisation, very well capitalised and sitting on large cash reserves. In the coming year, we will no doubt have an elevated credit cost, even as we work with our customers to help them get back on their feet. Our financial position gives us the unique opportunity to evaluate an inorganic growth strategy in a marketplace that we believe is ripe for consolidation.

I am confident that we will be able to capture the opportunities that will emerge once we all get back from our COVID-induced lockdown. Till then, please take care of yourselves and your families.

With my best wishes,



Sanjay Sakhuja
Executive Chairman



Ambit **Finvest** Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 India T:+ 91 22 3982 1819

www.ambit.co CIN: U65999MH2006PTC163257.



SANJAY SAKHUJA

Executive Chairman and Whole Time Director

Sanjay Sakhuja leads the Structured Finance, SME Finance and Principal Investment businesses at Ambit. He joined Ambit as Managing Director in the Mergers and Acquisitions practice in August 2003, and spearheaded the business from 2009 to 2013.

Prior to joining Ambit, Sanjay worked with Lazard, Arthur Andersen, Indal and Citibank. At Ambit, he has worked across verticals, including Banking, Financial Services, Insurance, Auto, FMCG and Industrials, and has advised numerous local and global clients on Mergers and Acquisitions, Divestitures and Fund-raising transactions.

Sanjay is a qualified Chartered Accountant and has also completed an Advanced Management Program from the Wharton Business School. He holds a B.A. (Hons) in Economics from St. Stephens College, Delhi.



SANJAY AGARWAL

CEO and Whole Time Director

Sanjay Agarwal leads the SME Finance business at Ambit.

Sanjay Agarwal leads the SME Finance business at Ambit. Prior to joining Ambit, Sanjay set up Finmax and sold the SME business to Ambit Finvest Private Limited. Sanjay has more than two decades of rich experience in the SME lending space, having previously worked with Yes Bank as Senior President & Business Head (Banking) for almost a decade and Standard Chartered Bank as Head of Risk (SMEs). He also worked with Centurion Bank of Punjab and SBI Commercial & International Bank Ltd. He was conferred with "Professional Achiever's (Financial Sector) Award" in 2010 for his exceptional achievements as a professional by Institute of Chartered Accountant of India (ICAI) and Certificate of Recognition for enhancing brand image of ICAI in 2015.

Sanjay is a Chartered Accountant (Rank holder) and Cost Accountant from The Institute of Cost and Works Accountants of India and has a Bachelors degree in Commerce from Mohanlal Sukhadia University.



VIKRANT NARANG

Deputy CEO and Whole Time Director

Vikrant leads the Structured Finance businesses at Ambit. Vikrant has experience of nearly two decades in financial services industry across corporate finance, debt and equity capital markets and in structured capital raising solutions. Prior to joining Ambit, he was a senior member of the KKR (NBFC) business where he originated and underwrote numerous lending transactions. Previously, he was a Director at Barclays Capital (Investment Banking) where he was responsible for client coverage across large Indian Groups, mid-market clients and Financial Sponsors. Vikrant also worked in Investment Banking division at ABN AMRO Bank and PwC. Vikrant has managed relationships across industries, and diligence and managed portfolios for several years while being part of KKR, Barclays and ABN AMRO. Extensive specialized experience across structured credit, acquisition financing, syndicated loans and corporate finance advisory in onshore and offshore markets.

Vikrant holds a Bachelor in Arts (BA) with honors in Economics from SRCC College, Delhi University. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India.



SANJAY DHOKA

COO & CFO and Whole Time Director

Sanjay Dhoka is COO & CFO and is responsible for overall Operations, Finance and Treasury functions. He has over two decades of cross-functional experience and has been with Ambit since 2010. He has worked on a wide spectrum of businesses ranging from NBFCs to Stock broking, and also across the Manufacturing and Mining industries.

Prior to joining Ambit, Sanjay worked with Karvy Financial Services, Anand Rathi Group, Aditya Birla Group and SOCGEN-Crosby Securities.

Sanjay has played an instrumental role in setting up the NBFC arm of Ambit and is also part of the board of the business. He is a qualified Chartered Accountant and holds a Bachelors of Commerce degree from the University of Ajmer, Rajasthan.



K M JAYARAO

Independent Director and Chairman of Risk Management Committee and IT Strategy Committee

Mr. K M Jayarao is a retired Senior General Manager of ICICI Bank Ltd. He worked with the Bank for over 35 years and has vast experience in credit underwriting, Risk management, Corporate Debt Restructuring and Stressed asset management.

He was involved in the appraisal and monitoring of large and medium sized projects as a part of Project Finance Group of ICICI Bank Limited. He has been the Relationship Manger with the Corporate Banking Group and handled several large corporate relationships for more than 10 years. He headed the Special Asset Management Group and the Strategic Solutions Group, which focused on handling stressed asset portfolio of the Bank, creating innovative solutions to extract value from the stressed asset portfolio.

He was the nominee of the Bank on the Corporate Debt restructuring (CDR) Empowered Group and was appointed as a Nominee Director of the Bank on several corporates and other assisted companies. He was the nominee of the Bank on the Board of Asset Reconstruction Company of India Limited (ARCIL) as well between June 2009 and June 2017. During his tenure on the Board of ARCIL he was also a member of the Audit Committee, Remuneration Committee, Trustee Committee and Capital raising Committee.

Post his retirement, He joined Ambit Flowers Asset Reconstruction Company Private Limited (a joint venture with JC Flowers and Ambit) as the Executive Vice Chairman. He then resigned from the ARC in February 2019.

K.M. Jayarao holds a Bachelor's degree in Mechanical Engineering and attended the management programs conducted by University of Michigan School of Executive Education Centre and JP Morgan.



SHALINI KAMATH

Independent Director and Chairperson of Nomination and Remuneration Committee and Corporate Social Responsibility Committee

Shalini Kamath is an Independent Director on the Board of Abbott India Limited, Borosil Glassworks Limited, Graphite India Limited. She is also on the Advisory Board of TRRAIN (Trust for Retailers and Retail Associates of India). She has been the Chairperson for FICCI - Women on Corporate Boards Mentorship program.

She has almost 15 years of experience in Human Resources Department and has worked with organisations like Chevron Texaco India, Star India, KPMG India and Ambit Holdings. In addition, her role in managing the Corporate Communications function at Ambit Holdings has given her the experience in building a strong Corporate Brand, both externally and internally.

She is a MBA graduate from Edinburgh Business School, UK and was trained at Harvard Business School in Change and Transformation. She has received various accolades in her career like: Iconic Woman Creating a Better World for All by Women Economic Forum and Women Entrepreneurship

Award in the field of Management by Bharat Nirman in 2017 and Women Super Achiever Award from India Human Capital in 2011.

She is a sought after speaker, evangelist and a voice against Domestic Violence and firmly believes in continuous renewal to remain relevant in today's time. She has co-authored - *Breakthrough: Secrets of growth, happiness and bounce backs from women around the world.*



AMEET PARIKH

Independent Director and Chairman of Audit Committee

Mr. Ammeet Parikh is the Managing Partner of Morphis Business Advisory, a successor to Tranzmute Capital & Management, a company he co-founded in 2011. Ammeet is a Chartered Accountant and a Law graduate and has over 33 years of professional services experience.

After qualifying as a CA in 1984, Ammeet started his career with Arthur Andersen during its startup phase in India. He held leadership positions at Arthur Andersons and Ernst & Young.

Ameet founded Axis Risk Consulting, an independent and focused Risk Consulting organization, which was acquired by Genpact (NYSE: G), a US\$ 2.5 Billion company. Ammeet continued to serve as Axis's Managing Director until 2010 and expanded the practice to Genpact's global clients across several countries.

Ameet has served companies principally, in the Health and Life Sciences, Manufacturing, Technology Services, Business Process Outsourcing and Advertising industries.



SUNIL GULATI

Senior Advisor

Mr. Sunil Gulati is an external advisor to Ambit Fininvest.

He has three decades of global experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy.

He is the Chairman of Merisis Advisors and an Independent Director on the Boards of many reputed financial institutes which includes eminent names like PNB Metlife India Insurance; SBI Mutual Fund Trustee Co; Fincare Small Finance Bank; Varthana Finance etc. He is also a member of SEBI's Advisory Committee on Mutual Funds and is a Charter Member of TiE, Mumbai and their Fintech Special Interest Group. He is also a Senior Advisor to Adani Capital, MoneyTap, WEH Ventures and Kaizenvest.

He has been a key member of the management teams at RBL Bank Ltd, Yes Bank and ING Group at the stage of their rapid growth and transformation and establishment as mainstream players in the Indian Banking industry. His last role was as the Chief Risk Officer of RBL Bank Ltd.

Sunil holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad and a Bachelor in Technology (BTech) from Indian Institute of Technology (IIT), Delhi.

CORPORATE INFORMATION

STATUTORY AUDITOR

M/s. S R Batliboi & Co, LLP

SECRETARIAL AUDITOR

M/s D.M. Zaveri & Co

INTERNAL AUDITOR

M/s Aneja Associates

BANKERS

AU Small Finance Bank

Bank of Baroda

DCB Bank Limited

HDFC Bank Limited

Indusind Bank Limited

Kotak Mahindra Bank Limited

State Bank of India

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited

IL&FS Financial Centre, Plot C-22,

G Block, 7th Floor, Mumbai, 400 051

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited

247 Park, C 101, 1 st Floor, LBS Marg,

Vikhroli (W), Mumbai - 400 083

REGISTERED OFFICE

Ambit Finvest Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Tel: +91 22 6860 1819

Fax: +91 22 6860 3020

Website: finvest.ambit.co

Company Secretary and Compliance Officer

Ms. Amrita Pillai

Corporate Identification Number: U65999MH2006PTC163257

DIRECTORS' REPORT

To
The Members,
AMBIT FINVEST PRIVATE LIMITED

Your Directors have pleasure in presenting their 14th Annual Report of your Company together with the Annual Audited Financial Statements for the financial year ended 31st March 2020.

FINANCIAL HIGHLIGHTS / PERFORMANCE

The summary of the financial highlights for the financial year ended March 31, 2020 and the previous financial year ended March 31, 2019 is given below:

Particulars	Current Year 2019-20 (Amt in Crores)	Previous Year 2018-19 (Amt in Crores)
Revenue from Operations	127.95	82.19
Other Income	1.83	4.41
Total Revenue	129.78	86.60
Less: Expenses	108.13	59.78
Profit Before Tax	21.65	26.81
Less: Tax Expense	-	-
- Current Tax	-	-
For the current year	7.00	4.10
Short/(excess) provision in respect of earlier years	0.11	(0.26)
- Deferred Tax	(1.42)	3.24
Profit for the year	15.96	19.73
Total other comprehensive income	(0.05)	(0.21)
Total comprehensive income for the year	15.91	19.53

As at 31st March 2020, the loan book size was Rs. 815 crores compared to Rs. 767 crores as at 31st March 2019. The Gross Revenue has increased by around 49.86% at Rs. 129.78 crores for the year ended 31st March 2020 compared to Rs. 86.60 crores for the year ended 31st March 2019. The net profit after tax has reduced by 19.11% at Rs. 15.96 crores for the financial year ended March 31, 2020 as against Rs. 19.73 crores for the previous financial year.

The previous year figures are restated as per IndAS provisions.

LISTING OF NON-CONVERTIBLE DEBENTURES OF THE COMPANY

The Company has issued and listed its first Principal Protected Market Linked Non-Convertible Debentures (MLD) on Bombay Stock Exchange on March 6, 2020. The Company had launched the said MLDs for Rs. 25 Crores with a green shoe option for another Rs. 25 Crores. While the Company was expecting to raise ~ Rs. 30 Crores, the issue was oversubscribed and MLDs were raised Rs. 42.65 Crores.

The Company, in collaboration with the Global Private Client team of Ambit Group made the above issuance of Market Linked Debentures successful.

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FUND RAISING

The Company had further raised equity capital amounting to ~ Rs. 289 crores from Mr. Adar Poonawalla (through its Affiliates) for a 24.9% stake. The Poonawalla Group is based in Pune city in Maharashtra and belonged to the Top 10 richest families in India. The Management of the Company are pleased to welcome Mr. Adar Poonawalla as a shareholder (through its affiliates) of the Company and are enthused by the confidence they have placed on the Company.

FIRST TIME ADOPTION OF INDAS

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013 ('Act'), the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2019, with comparative financials for the earlier period beginning April 1, 2018. The effective date for Company's Ind AS opening balance sheet is April 1, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is annexed herewith as Annexure II.

SHARE CAPITAL

During the year under review, the following allotments were made on a preferential basis:

- 355,000 partly paid up equity shares of Rs. 10/- each at a premium of Rs. 296 per share, of which Re. 1 per share towards part-payment of Face Value and Rs. 5 per share towards part-payment of premium, were issued and allotted to the identified persons on preferential basis.
- 54,39,705 equity shares having face value of Rs. 10 each on both fully and partly-paid up basis, at a price of Rs. 531.69 per equity share including a premium of Rs. 521.69/- per equity share, were issued and allotted to the identified persons belonging to Poonawalla Group, in the following manner:

Sr. No	Name of Allottee	No. of fully paid up equity shares of the face value of Rs. 10/- each	No. of partly paid up equity shares (face value of Rs. 10/- each, of which Re. 1 paid up)	Percentage
1	Rising Sun Holdings Private Limited	32,21,405	10,38,605	19.5%
2	Jeevadravya Bio-Pharma Private Limited	11,79,695	-	5.4%
Total		4,401,100	1,038,605	24.90%

Rising Sun Holding Private Limited and Jeevadravya Bio-Pharma Private Limited executed an Investment Agreement with the Company for subscribing to the above mentioned equity shares of the Company.

Consequent to the allotments made as above, the paid-up equity share capital of the Company has increased to Rs. 180,922,105 (Rupees Eighteen Crores Nine Lakhs Twenty Two Thousand One Hundred and Five only), comprising of 17,675,100 fully paid equity shares of face value of Rs. 10/- each and 4,171,105 partly paid equity shares of face value of Rs. 10/-, Re.1 paid up as on March 31, 2020, from Rs. 13,55,17,500 (Rupees Thirteen Crores Fifty Five Lakhs Seventeen Thousand Five

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Hundred only) comprising of 1,32,74,00 fully paid equity shares of Rs.10/- each and 27,77,500 partly paid equity shares having face value of Rs. 10 each, Re 1 paid up as on March 31, 2019.

The present Authorized share capital of the Company is Rs. 25, 00, 00,000 (Rupees Twenty Five Crores only) consisting of 2, 50, 00,000 equity shares of Rs. 10 each.

BORROWINGS

During FY 2019-20, the Company met its funding requirements through debts from Financial Institutions and Banks and issuance of Non-Convertible Debentures to the tune of Rs.42.65 crores. The aggregate debt outstanding as on 31st March, 2020 was Rs. 427.52 crores. The Company has been regular in servicing all its debt obligations.

During the year, the Company issued and allotted 4,265 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected, Market Linked Non-convertible Debentures having face value of Rs. 100,000 each, aggregating to Rs. 42,65,00,000 on February 18, 2020 by way of private placement and were listed on Bombay Stock exchange.

DIRECTORS AND KMP

• Change in Designation

During the period under review, Mr. Ameet Parikh (DIN: 00007036), Mr. KM Jayarao (DIN: 01077289) and Ms. Shalini Kamath (DIN: 06993314) were re-designated as Director (Non-Executive, Independent) w.e.f August 16, 2019.

• Resignation

Mr. Sunil Gulati (DIN: 00016990) who was appointed as an Additional (Non-Executive) Director of the Company w.e.f May 27, 2019 after the **receipt of RBI's approval** resigned from the Board w.e.f September 20, 2019.

During the period under review, Mr. Uday Thatte resigned as a Whole Time Company Secretary of the Company w.e.f October 25, 2019.

The Board of Directors appointed Ms. Amrita Pillai as the Whole Time Company Secretary of Company w.e.f. November 27, 2019.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence as required under the Companies Act, 2013.

It is the opinion of the Board that the Independent Directors possess relevant expertise and experience.

FIT AND PROPER CRITERIA

All the directors of the Company have completed the 'fit and proper' requirements stipulated as by the Reserve Bank of India ("RBI").



COMMITTEES

As at March 31, 2020, the Company has the following Committees

Sr. No.	Type of Committee
1.	Audit Committee
2.	Nomination and Remuneration Committee
3.	Corporate Social Responsibility Committee
4.	Risk Management Committee
5.	IT Strategy Committee
6.	IT Steering Committee
7.	Asset Liability Management Committee
8.	Loan Sanction Committee
9.	Allotment and Transfer Committee
10.	Operations Committee
11.	Operational Risk Management Committee

Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and IT Strategy Committee are chaired by the Independent Directors.

BOARD AND COMMITTEE MEETINGS

During the year under review, 4 (four) Board Meetings were convened and held on May 16, 2019, September 11, 2019, November 27, 2019 and March 2, 2020 respectively.

The attendance of the Directors at the Board Meetings is as under:

Sr. No	Name of Director	No. of Board meetings attended
1.	Mr. Sanjay Sakhuja	4/4
2.	Mr. Ameet Parikh	3/4
3.	Mr. KM Jayarao	4/4
4.	Ms. Shalini Kamath	4/4
5.	Mr. Sanjay Agarwal	4/4
6.	Mr. Sanjay Dhoka	4/4
7.	Mr. Vikrant Narang	4/4
8.	Mr. Sunil Gulati*	1/1

*Appointed w.e.f May 27, 2019 and Resigned w.e.f September 20, 2019.

During the year under review, 3 (three) Audit Committee Meetings were convened and held on May 16, 2019, September 11, 2019 and November 27, 2019 respectively.

The attendance of the Members at the Audit Committee Meetings are as under:

Sr. No	Name of Member	No. of meetings attended
1.	Mr. Sanjay Sakhuja	3/3
2.	Mr. Sunil Gulati*	1/1
3.	Mr. Ameet Parikh	3/3
4.	Mr. KM Jayarao	3/3

*Appointed w.e.f May 27, 2019 and Resigned w.e.f September 20, 2019.

During the year under review, 2 (two) Nomination and Remuneration Committee Meetings were convened and held on May 16, 2019 and March 4, 2020 respectively.

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The attendance of the Members at the Nomination and Remuneration Committee Meetings are as under:

Sr. No	Name of Member	No. of Meeting attended
1.	Mr. Sanjay Sakhuja	2/2
2.	Ms. Shalini Kamath	2/2
3.	Mr. Ameet Parikh	1/2

During the year under review, 1 (one) CSR Committee Meeting was convened and held on September 11 2019.

Attendance of the Members at the CSR Committee Meeting:

Sr. No	Name of Member	No. of Meeting attended
1.	Mr. Sanjay Sakhuja	1/1
2.	Mr. Sanjay Dhoka	1/1
3.	Mr. Vikrant Narang	1/1
4.	Ms. Shalini Kamath	1/1

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them your Directors state that:

- in the preparation of the Annual Accounts for the financial year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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.

COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

AUDITORS' REPORT

At the Annual General Meeting (AGM) of the Company held on August 16, 2019, M/s S R Batliboi and Co LLP (Firm Registration Number 301003E/E300005), Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years to hold office from the conclusion of the said AGM until the conclusion of the AGM of the Company for the financial year 2023-24.

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M/s D.M. Zaveri & Co, has been appointed as the Secretarial Auditor of the Company for the year under review.

The Statutory Auditors' Report on the financial statements and the Secretarial Audit report for the financial year ended 31 March 2020 does not contain any qualification, reservation, or adverse remark or disclaimer. Auditors Report and the notes on Financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Board during the financial year 2019-20.

Pursuant to the requirements of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report as received from M/s D.M. Zaveri & Co., is appended as Annexure IV to this Report.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report.

FRAUDS REPORTED BY AUDITORS u/s 143 OF THE COMPANIES ACT, 2013

No such case has been reported by the Auditors in their report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has its own process driven framework for internal financial controls. The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist.

The Company has appointed a reputed firm of Chartered Accountants to carry out internal audit on a regular basis that includes monitoring and evaluation of the efficacy and adequacy of internal financial controls, accounting procedures and policies and statutory compliances of the Company. The reports of the internal auditors are presented to the Audit Committee/Board which oversees the implementation of any corrective actions required.

CREDIT RATING

CARE Ratings reaffirmed their rating for the Long term and Short term debt programme of the Company. The Company has been assigned the rating of A+(CE) for its Long Term bank facilities for Rs 750 crores and A1+(CE) for its Commercial Paper issuance for Rs 100 crores.

CARE Rating has additionally assigned the rating of A+ (CE) to Principal Protected Market Linked Debenture issuance for Rs. 100 crore by the Company. CE (Credit Enhancement) represents that the borrowings are backed by the Corporate Guarantee of Ambit Private Limited, holding company. CARE Rating has assigned an unsupported rating of A (Stable) to the Company.

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company. During the year under review, there was no company which has become a Subsidiary/ Joint Venture/ Associate Company of the Company. The Company is a subsidiary of Ambit Private Limited which is into various funds based and non-fund based activities through group entities.

NOMINATION AND REMUNERATION POLICY

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The Company has adopted the Nomination and Remuneration Policy for Directors and Employees which looks into the criteria for determining the remuneration for Directors and employees of the Company.

The details of Remuneration in accordance with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure VI.

A copy of the Policy is published on the website of the Company.

PARTICULARS OF EMPLOYEE STOCK OPTION SCHEME

The Board of Directors at its meeting held on December 10, 2018 approved an Employee Stock Option Scheme called as the 'Ambit Finvest Employee Stock Option Scheme 2018' ("Scheme") and the shareholders of the Company approved the said Scheme on December 31, 2018 at the Extra Ordinary General Meeting.

The Scheme became effective from December 31, 2018.

The details of the Scheme are attached to this Report as Annexure V and also disclosed in the accompanying financial statements.

DEPOSITS

The Company, being a non-deposit taking Non-Banking Financial Company, has not accepted nor invited any deposits from the public during the year under review within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India. Since the Company has not accepted nor invited any deposits, there are no amounts that remained unpaid or unclaimed as at the end of the year under review.

RISK MANAGEMENT

The Company has adopted its own Risk Management policy that represent the basic standards of risk assessment to be followed by the Company. The Board is responsible for managing risk at an overall level to do this. The Board has delegated authority for overall risk management to the Risk Management Committee (RMC) to ensure focused oversight and committed board level capacity for this task. The Risk Management Committee is chaired by the Independent Director with other members of the Committee being Non-Executive.

The Company has also been following the group level risk management framework put in place by its holding company for itself and its subsidiaries. Further, it has established procedures to periodically place before its Investment and Risk Management Committee, the risk management and assessment measures.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the Company during the financial year under review were on an arm's length basis and in ordinary course of business. Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

The details of transactions with Related Parties as per the requirements of Listing Regulations are provided in the Note 36 of the accompanying financial statements.

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PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by an NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans have not been disclosed in this Report. The details of the Investments of the Company are given in the Notes to the accompanying Financial Statements.

DIVIDEND/RESERVES

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and, therefore, do not recommend any dividend for the financial year ended March 31, 2020. As per the requirement of the Reserve Bank of India Guidelines, the Company has transferred an amount of Rs. 31,924,040 to the Special Reserve.

COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable on the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year till the date of this report.

VIGIL MECHANISM

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, their genuine concerns and grievances about the behavior of the employees. The Board of Directors of the Company have adopted a Whistle Blower Policy which is in compliance with Section 177(10) of Companies Act, 2013.

The Ambit Group has established a vigilance mechanism for itself and its subsidiaries to provide appropriate avenues to the employees and Directors to bring to the attention of the Management, their genuine concerns and grievances. Our Prevention of Insider Trading policy of the Ambit Group also has a "Informant Mechanism" formulated with an intention to curb the practice of insider trading and initiate action against any insider trading activities and ensure integrity of the securities markets.

During the year under review, no cases under this mechanism were reported to the Company.

A copy of the Policy is published on the website of the Company.

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

- (a) The Company is committed to a high standard of energy conservation and provision of a safe and healthy work place. Adequate measures have been taken to reduce energy consumption by using energy-efficient equipment, electrical systems and fittings.
- (b) As the Company does not have any manufacturing activity or products, there are no particulars to report on 'Technology absorption'.
- (c) There are no foreign exchange expenditure and earnings for the year under review.

Ambit **Invest** Private Limited

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(d) The Company has not incurred any research and development expenditure during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted CSR Committee in accordance with Section 135 of the Companies Act, 2013 and the Committee is chaired by an Independent Director. The Company has framed CSR Policy for itself.

The CSR activities of the Company are channelized through Ambit Oditi Foundation (Oditi) and/or such other implementing agency. Oditi is the registered Charitable Trust. Ambit personnel, Ambit group companies and other third parties contribute to the corpus of Oditi.

Ambit Oditi Foundation is a not-for-profit trust. It is committed towards creating life skill sets among the rural and urban poor, i.e. people who are essentially school dropouts or who could not pursue formal education. Ambit Oditi Foundation also helps assist support staff and their children and families with education as well as medical expenses and training for their spouses, thereby positively impacting their monthly household income.

The details of CSR activities undertaken by the Company are described in the prescribed format and are appended as Annexure I to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure III**.

As per the Companies Act, the extract of Annual Return will be placed on the website of the Company (<https://invest.ambit.co/>) post the ensuing Annual General Meeting of the Company.



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

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee is responsible for redressal of complaints related to sexual harassment.

During the financial year 2019-20, no cases/complaints in the nature of sexual harassment were reported.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere gratitude to the government and regulatory authorities and the bankers of the Company for the continued support and co-operation provided by them.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders/clients and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AMBIT FINVEST PRIVATE LIMITED**



Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370



Sanjay Dhoka
Whole Time Director and COO & CFO
DIN: 00450023



Place: Mumbai
Date: June 24, 2020

ANNEXURE – I

ANNUAL REPORT ON CSR ACTIVITIES

S.No.	Particulars	Details about CSR
1.	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	<p>The Company has framed a CSR Policy for itself in compliance with the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.</p> <p>During the year under review, the Company's CSR activities were routed through Ambit Oditi Foundation, the registered Charitable Trust</p> <p>The CSR Policy is available on the following web link:</p> <p>https://finvest.ambit.co/</p> <p>During the year under review, your Company undertook CSR activities in the area of Nutrition and Education.</p>
2.	Composition of the CSR Committee	<p>Ms. Shalini Kamath Mr. Sanjay Dhoka Mr. Sanjay Sakhuja Mr. Vikrant Narang</p>
3.	Average net profit of the company for last three financial years	Rs. 196,598,187
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 3,931,964
5.	Details of CSR spent during the financial year	
	(1) Total amount to be spent for the F.Y	Rs. 3,932,000
	(2) Amount unspent, if any	Nil
	(3) The manner in which the amount spent during the financial year	The manner in which the spent is detailed below

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



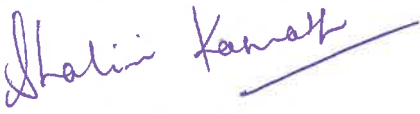

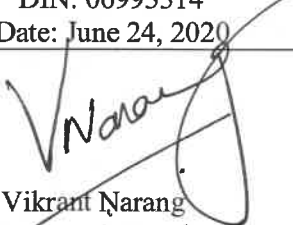

1	Nutrition	Nutrition	Palghar, Maharashtra	900,000	900,000	900,000	Through Implementing agency
2	Medical Aid	Medical Aid	Mumbai, Maharashtra	500,000	500,000	500,000	Through Implementing agency
3	Education	Education	New Delhi	2,000,000	2,000,000	2,000,000	Through Implementing agency
4	Education	Education	Mumbai, Maharashtra	532,000	532,000	532,000	Through Implementing agency
				3,932,000	3,932,000	3,932,000	

^Ambit Oditi Foundation

RESPONSIBILITY STATEMENT

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

 Shalini Kamath <i>Director & Member - CSR Committee</i> DIN: 06993314 Date: June 24, 2020	 Sanjay Sakhua <i>Whole Time Director & Member - CSR Committee</i> DIN: 00004370 Date: June 24, 2020
 Vikram Narang <i>Whole Time Director & Member - CSR Committee</i> DIN: 07842547 Date: June 24, 2020	 Sanjay Dhoka <i>Whole Time Director & Member - CSR Committee</i> DIN: 00450023 Date: June 24, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF AMBIT FINVEST PRIVATE LIMITED



Sanjay Sakhua
Whole Time Director and Executive Chairman
 DIN: 00004370



Sanjay Dhoka
Whole Time Director and COO & CFO
 DIN: 00450023



Place: Mumbai
Date: June 24, 2020

ANNEXURE II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

1. Macro economic developments:

The Indian economy was slowing down even before the Pandemic (in March 2020) struck, with the YoY GDP growth dwindling quarter on quarter from 5.2% in Q1 FY20 to 4.4% in Q2 FY20 and 4.1% in Q3 FY20 (Revised growth estimates by Govt.). Pandemic induced disruption in the supply chain and nationwide lockdown caused the GDP growth to fall further to 3.1% in Q4 FY20, thereby dragging the overall GDP growth rate to 4.2% for FY20 (vs 6.1% in FY19) – the weakest performance since global financial crisis. The global factors like contraction in global trade / demand leading to a sharp contraction in exports and domestic factors like fall in private consumption (Private Final Consumption Expenditure slowed to 5.3% in FY20 vs 7.2% in FY19) and investment (Gross Fixed Capital Formation contracted by 2.8% in FY20) underlie the decline in GDP growth rate.

The fall in consumption had underpinned severe credit contraction and a fall in rural demand (caused by low wage inflation and rising unemployment rate) while the contraction in investment was largely caused by fall in manufacturing and construction activities driven by weak business sentiments and falling demand. The severe credit contraction due to a) liquidity crisis in NBFC sector (triggered by default on loans by a prominent NBFC player in Sep 2018) and b) Banks grappling with asset quality issues sits at the heart of the issue of slowing GDP growth. Although the government has attempted a host of long-term reform measures, including corporate tax reduction and support for farmers' income, it has not brought much respite to the dwindling GDP growth rate in the short-term.

The Rupee though depreciated by 1.4% in FY20, remained largely resilient compared to its peers, as indicated by the Real Effective Exchange Rate (REER- Measures Indian currency against a basket of 36 other currencies) appreciated by 2.8% in FY20.

The onset of pandemic in March 2020 dealt a heavy blow to the already slowing Indian Economy. The pandemic and the associated measures (Lock-down, Travel curb etc.) have caused severe supply shocks in the form of supply chain disruption, a significant curb in production and tourism and demand shocks triggered by loss of income/employment, lower discretionary spends and deterioration of sentiments. Further mass migration of labour, as a result of the pandemic is also expected to create massive shortage of labour for the manufacturing and construction industry as the economy starts to recover from the lock-down situation.

The RBI responded to the pandemic induced crisis through monetary support like cutting policy rates, allowing moratorium on loans and liquidity injection measures like introducing TLTRO (Targeted Long Term Repo Operations) and extending refinancing facilities to nodal agencies like NABARD, SIDBI and NHB. The Government also has extended fiscal support through slew of relief packages targeted towards social welfare and MSMEs and economic stimulus package for various industries.

Low inflation supported by low Crude oil price and the expected good monsoon is likely to provide some respite from the challenging economic environment. Further India is likely to be one of the beneficiaries of the global drive to reduce supply dependency on China.



India's strong fundamentals, prudent macroeconomic policy framework continues to focus on reforms and a massive domestic market make it one of the few most resilient economies in the world.

2. Key developments in Credit Market and NBFC sector:

The credit market witnessed severe liquidity contraction in FY20. The tightening of the credit flow triggered by the default of the prominent NBFC in Sep 2018, coupled with weak business environment worsened the liquidity position of many large corporate firms leading to multiple defaults across a range of prominent names in various industries. This led to banks further turning cautious thereby leading to tightening of credit flow.

The overall credit growth slowed down significantly to 6.6% in FY20 from 12.6% in FY19. De-growth was witnessed across Banks, NBFCs and corporate bonds. The weak economic environment coupled with higher risk aversion from Banks is likely to further slowdown the credit off-take this year.

With the credit market expected to further tighten, support from banks will be crucial. The well capitalized NBFCs with low leverage and significant growth capital at disposal, like your Company, will be in a better position to tackle the pandemic induced economic crisis and are expected to gain market share over weak players. Further, the hosts of measures announced by the RBI and Government for MSMEs as are likely to lessen the blow of the crisis in the MSME lending space.

State of Company Affairs:

1. Overview:

Ambit Finvest Pvt. Ltd. (AFPL) is a systemically important, non-deposit accepting NBFC registered with RBI, operating in Small and Medium Enterprise (SME) lending and Structured Finance (SF) space.

Our overall loan book as on FYE20 stood at around Rs. 815 crores (Around Rs.767 crore as on FYE19) with SME book at around Rs. 509 crores (Rs. 351 crores as on FYE19) and SF book at around Rs. 306 crores (Rs. 416 crore as on FYE19). On account of liquidity related headwinds in wholesale lending space, the management took a conscious decision to de-grow the SF book. On the other hand, the acquisition of SME business last year proved to be extremely fruitful. It not only added granularity to our portfolio, but it also helped us tap the credit market better which lead to meaningful growth in our SME book. The SME business added 1,556 new customers during FY20, thereby increasing the customer base from 1,903 as on FYE19 to 3,459 as on FYE20. Along with strong growth, our asset quality remained robust in an extremely challenging business environment, as evinced by the Net NPA figure which stood at 0.98%. The product mix for our SME business currently stands as follows:

Product	Percentage composition in portfolio mix
Secured Business Loan	72%
Unsecured Business Loan	28%

On the liability side, diversification of sources of funds was a key theme across the NBFC space. In pursuit of the same, we have not only managed to diversify our banking relationships but also been able to tap the capital markets successfully by embarking upon our debut issuance of Market Linked Debentures (MLDs) which has witnessed a splendid response from the market. The MLD which was launched for Rs. 25 crores with an additional green shoe option which was over-subscribed and led us to raise funds to the tune of Rs. 42.65 crores. The remarkable success of our

debut MLD issuance speaks volumes of the confidence placed by the investors in our business model, management team and strong corporate governance.

We welcome Mr. Adar Poonawalla, one of the most reputed families of India as a large shareholder in our Company with a 24.9% stake (through his family office) by investing Rs. 289.2 crores. This investment was made in March 2020.

AFPL's Long Term and Short Term debt programme are rated by CARE Ratings as A+/A1+ (CE) (Reaffirmed with a stable outlook). CE (Credit Enhancement) represents that the borrowings are backed by the Corporate Guarantee of Ambit Private Limited (Holding Company). CARE Rating has assigned an unsupported rating of A (Stable) to the Company.

Equipped with a strong balance sheet and substantial growth capital, our Company is better positioned to wither the challenging economic environment and take meaningful strides in our growth journey.

2. Financial Performance- Key Highlights:

2.1 Loan Book:

The overall loan book grew by 6.3% from Rs. 767 crores as on FYE19 to Rs. 815 crores as on FYE20. The following table summarizes the movement of loan book across Structured Finance (SF) and Small and Medium Enterprises (SME) segment.

Loan Book (Rs. crores)	FYE19	FYE20	Growth
SME	351	509	44.1%
SF	416	306	-26.2%
Total	767	815	6.3%

2.2 Asset Quality:

The quality of our assets remained fairly robust in an extremely challenging economic environment. Our Gross NPA increased from 0.59% as on FYE19 to 1.59% as on FYE20 whereas our net NPA increased from 0.25% as on FYE19 to 0.98% as on FYE20.

2.3 Revenue and Profitability:

The revenue grew by 49.86% from Rs. 86.60 crores in FY19 to Rs.129.78 crores in FY20. However, the PAT reduced from Rs. 19.73 crores to Rs. 15.96 crores, which is attributable to subdued performance in last quarter, expansion of branches and higher provisioning on account of transition to IND AS and COVID-19 impact.

2.4 Liquidity and Gearing profile:

The Company has remained well capitalized due to periodic infusion of capital. With the fresh round of equity infusion, the overall gearing of the Company stood at 0.69x as on FYE20, as against 1.07x as on FYE19.

Similarly, the Capital Adequacy Ratio (CAR) stood at 68.8% as on FYE20 vis-à-vis 46.5% as on FYE19. The cash and cash equivalent / liquid investments as on 31st March 2020 stood at Rs 229.4 crores vis-à-vis that of Rs. 22.7 crores as on 31st March 2019 . A strong liquidity and gearing profile puts us on a strong footing as compared to many of our peers.



3. SWOT Analysis:

Strengths:

- Strong Governance – Board of Directors comprising eminent professionals across broad array of disciplines
- Strong Management team with superior understanding of mid-market segment and a strong network
- Strong internal controls systems and processes
- Backed by strong promoters and investors
- Quick response time along with strong risk mitigation framework
- Ability to leverage on the capabilities/expertise of various business units of Ambit Group

Weaknesses:

- Concentration risk due to Structured Finance portfolio (although backed by strong asset quality parameters and currently on de-growth mode to improve granularity of the overall loan book)
- Low seasoning of the SME portfolio (although backed by strong asset quality parameters)

Opportunities:

- Well capitalized balance sheet with substantial growth capital
- Strong gearing profile, good asset quality parameters, and a strong credit rating – favourably positioned to tap credit markets
- Favourable Government policies directed towards MSME sector – favourable lending ecosystem

Threats:

- Severe credit contraction on account of deteriorating economic environment
- Uncertainty associated with the depth of the Pandemic led economic crisis which may impact credit quality

4. Operations:

Our SME business significantly expanded its geographic foot prints by doubling its branches. In FY20 increased our branch count to 20 and established presence in geographies like Pune, Ludhiana, Rajkot, Bayad, Kalyan, Kheda, Borsad, Vijayawada, Gandhidham, Udaipur and Hyderabad. Accordingly our employee strength increased from 206 as on FYE19 to 265 as on FYE20.

5. Digital Initiatives:

Last year, we undertook a number of projects aimed at improving our operational efficiency and productivity as part of our digital transformation journey.

The largest project undertaken was migration from conventional Loan Origination System (LOS) to a new age LOS with automated data capture, connectivity with central databases for instant verification of critical data and rule engine / scorecard based decision making. We are happy to announce that the project has been completed and is likely to go live soon after completion of User Acceptance Test. It would not only make our underwriting process entirely paperless and digital for a part of unsecured business, thereby minimizing human intervention, but would also



significantly improve our response time. In addition, instant verification of critical data points would make our underwriting process significantly more robust.

Other key digital initiatives accomplished in FY20 include:

- Deployment of geo-tagging feature with auto-MIS for efficient management of sales team.
- Implementation of collection module providing real time Borrower information and system generated MIS for increasing collection efficiency.
- Business Intelligence assisted MIS system - providing better access to intelligent information
- System generated reports for regulatory reporting
- Paperless execution of Loan Agreement and automated CKYC upload in central registry – better operational efficiency

This year our key focus area will be the implementation of CRM (Customer Relationship Management) module and integrating it with our client on-boarding channels, Loan Origination System and Loan Management System. Apart from this, the other digital initiative will be aimed at further strengthening our credit underwriting and collection system and improving our operational efficiency.

6. Roadmap for the current Financial Year:

While we brace for a challenging economic environment, we would adopt a cautious approach towards lending. However, our strong balance sheet and liquidity profile puts us in an advantageous position as compared to many of our peers, enabling us to take meaningful strides in our growth journey.

Going forward, we will continue to focus on the growth of the SME business by both organic and inorganic means. Although we would majorly focus on capitalizing on the Government support for the MSME businesses (For e.g. extending credit under the Emergency Credit Line Guarantee Scheme, which is fully guaranteed by Govt.), and we will also expand our footprint into the Vehicle Finance and Equipment Finance segment with the target of scaling up the segment in the overall portfolio mix by the end of this financial year.

Another focus area this year will be forging tie-ups with other NBFCs and Fintech firms for joint underwriting of new businesses under co-lending and Banking Correspondence (BC) arrangement.

On the Digital initiatives front, we will continue our digital transformation journey as a strong focus area as detailed in the earlier section.

Key risks and controls:

The Company is engaged in lending business and is exposed to the following key risks

1. Credit Risk:

This risk is associated with the recovery of capital from counterparty. The Company has a robust credit risk framework in place which includes sectoral guardrails, strong policy and compliance framework, a comprehensive due-diligence and risk assessment process, prudent approval process, robust monitoring process and strong governance to mitigate the risk.

2. Market Risk:

This risk is associated with adverse market movements. The Company has a robust monitoring process to track key market parameters to contain interest rate risk, concentration risk and risk associated with asset liability mismatch through internal risk models, which is reviewed by the relevant committee from time to time to take appropriate actions.

3. Operational Risk:

This risk is associated with inadequate processes and internal controls. The Company has robust processes and a strong compliance framework in place to mitigate the risk. Our audit and compliance team periodically monitor the adequacy of processes, ensure adherence to the same and strengthen the internal controls.

4. Liquidity Risk:

The Company has adopted a cautious approach towards liquidity management. We maintain adequate liquidity to meet any unforeseen event. In addition, we adhere to strict internal guidelines to appropriately manage Asset Liability Mismatch (ALM) and remain compliant with the regulatory requirements.

Adequacy of internal financial controls

The Company has its own process driven framework for internal financial controls. The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has appointed a reputed firm of Chartered Accountants to carry out internal audit on a regular basis that includes monitoring and evaluation of the efficacy and adequacy of internal financial controls, accounting procedures and policies and statutory compliances of the Company. The reports of the internal auditors are presented to the Audit Committee/Board which oversees the implementation of any corrective actions required.

Human Resources

The Company has built a culture that is the key enabler for progress of our people and enrich their experience of working with us. We have a well-defined HR Structure and processes that focus on the following three aspects:

- **Talent Management:**

On boarding top talent and building a pipeline of potential candidates for key roles is done effectively from time to time. There is continuous engagement with business team and branches to understand current and future talent requirements and challenges. In the last financial year our employee strength increased from 206 to 265. In addition to this, in order to encourage partnership approach we have allotted ESOPs and partly paid up shares to the key senior employees of the organization.

- **Goal Setting and KPI:**

We have a robust goal setting process aimed at aligning Individual, Team and Business goals. Mid-year conversations with a feed-forward approach are conducted and course corrections are implemented wherever required. FY 20 was the first year of KPI based evaluation

- **Capability Building:**

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Learning interventions focused at specific business needs have been developed and institutionalized for key roles.

- **Employee Engagement:**

Focus on getting the young workforce together to create a friendly and collaborative workforce through initiatives like cricket, poker and other sports tournaments.

The Company's holding company engaged Willis Towers Watson to run an engagement survey across the group. A sustained high engagement score confirmed that the rigor in our people practices in the last few years was indeed leading us to the desired direction.

Disruption caused by Covid-19 situation was multifold. Formation of Ambit Group Employee Health and Safety Council (EHS) in December 2019 and further investment in their training was instrumental in timely response in terms of framing dynamic rules and guidelines for employee safety and business continuity. EHS's preparedness ensured that the employees seamlessly transitioned to work from home and appreciated the proactive approach towards employee safety.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF
AMBIT FINVEST PRIVATE LIMITED**



Sanjay Sakhua
Whole Time Director and Executive Chairman
DIN: 00004370



Sanjay Dhoka
Whole Time Director and COO & CFO
DIN: 00450023



Place: Mumbai
Date: June 24, 2020

ANNEXURE - III

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2020

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

FORM NO. MGT – 9

I. Registration and other details

CIN	U65999MH2006PTC163257
Registration Date	24.07.2006
Name of the Company	Ambit Finvest Private Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400013
Whether listed company	Debt Listed – Bombay Stock Exchange
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 247 Park, C 101, 1 st floor, LBS Marg, Vikhroli (W), Mumbai 400083.

II. All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Other financial service activities, except insurance and pension funding activities, n.e.c. (Lending)	64990	96.76%

III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Ambit Private Limited Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	U65923MH1997PTC109992	Holding Company	56.53	2(46)

Ambit **Finvest** Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 India T: + 91 22 3982 1819

www.ambit.co CIN: U65999MH2006PTC163257.



IV. SHARE HOLDING PATTERN (Equity share capital breakup as % of total Equity)
i) Category-wise Shareholding:

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	
(1) Indian									
Individuals/ HUF	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	-	12,259,000	12,259,000	76.37	-	12,259,000 90,000 [#]	12,259,000 90,000 [#]	56.53	19.84
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other*	-	-	-	-	-	-	-	-	-
SubTotal (A)(1)	-	12,259,000	12,259,000	76.37	-	12,349,000	12,349,000	56.53	19.84
(2) Foreign									
NRIs- Individuals	-	-	-	-	-	-	-	-	-
Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
SubTotal (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	12,259,000	12,259,000	76.37	-	12,349,000	12,349,000	56.53	19.84
B. Public Shareholding									
1. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-

Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
SubTotal (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.		655,000	655,000	4.08	5,056,100		6,094,705	27.90	23.82
					1,038,605 [#]				
b) Individuals	-								
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh		240,000 [#]	240,000 [#]	1.50		200,000 [#]	200,000 [#]	0.92	0.58
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lakh		360,000 2,537,500	360,000 2,537,500	18.05		360,000 2,842,500 [#]	360,000 2,842,500 [#]	14.66	3.39
c) Others (Specify)	-								
i) NRI (Non-Rep)	-								
i) NRI (Rep)	-								
ii) Trust	-								
Sub Total(B)(2)	-	3,792,500	3,792,500	23.63	6,094,705	3,402,500	9,497,205	43.47	19.84
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	3,792,500	3,792,500	23.63	6,094,705	3,402,500	9,497,205	43.47	19.84
C. Shares held by Custodian for GDRs & ADRs	-								

Am bit **Finvest** Private Limited

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Grand Total (A+B+C)	-	16,051,500	16,051,500	100	6,094,705	15,751,500	21,846,205	100
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#partly paid up equity shares

ii) Shareholding pattern of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
Ambit Private Limited (along with its Nominee)	12,259,000	76.37	-	12,349,000 [#]	56.53	-	19.84

#includes partly paid up equity shares

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

Sl. No.	Shareholder's Name	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
1	Ambit Private Limited				
	At the beginning of the year (01-04-19)	12,259,000	76.37	12,259,000	76.37
	Add:				
	(a) Transfer from Employees and others on June 28, 2019			70,000 [#]	
	(b) Issue of shares on preferential allotment basis on 19.09.2019			50,000 [#]	
	(c) Transfer from Employees and others on Sept 23, 2019			47,500 [#]	
	(d) Transfer from Employees and others on February 22, 2020			65,000 [#]	
	Less:				
	(a) Transfer to Employees and others on February 22, 2020			(142,500) [#]	
	At the end of the year (31-03-20)			12,349,000 [#]	56.53

#partly paid up equity shares



iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	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
1. Rising Sun Holdings Private Limited					
	At the beginning of the year	-	-		
	Add: allotted on 05.03.2020	-	-	4,260,010	
	At the end of the year			4,260,010	19.50
2. Jeevadravya Bio-Pharma Private Limited					
	At the beginning of the year	-	-	-	-
	Add: allotted on 05.03.2020	-	-	1,179,695	
	At the end of the year	-	-	1,179,695	5.40
3. Nine International Securities Private Limited					
	At the beginning of the year	655,000	4.08	655,000	4.08
	Less: transfer to RW Media Private Limited on January 31, 2020	-	-	(235,000)	1.08
	At the end of the year	-	-	420,000	1.92
4. RW Media Private Limited					
	At the beginning of the year	-	-	-	-
	Add: transfer from Nine International Securities Private Limited on January 31, 2020			235,000	
	At the end of the year		-	235,000	1.08
5. Mr. Sunil Gulati					
	At the beginning of the year	50,000	0.31		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year		-	50,000	0.23
6. Mr. Siddhartha Rastogi					
	At the beginning of the year	50,000	0.31		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	50,000	0.23
7. Mr. Nitin Bhasin					
	At the beginning of the year	50,000	0.31		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				

	At the end of the year		-	50,000	0.23
8. Mr. Vikas Khattar					
	At the beginning of the year	50,000	0.31	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	50,000	0.23
9. Mr. Dhiraj Agarwal					
	At the beginning of the year	50,000	0.31		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year		-	50,000	0.23
10. Mr. Gautam Gupte					
	At the beginning of the year	50,000	0.31		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year		-	50,000	0.23

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and KMP	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
1.	Mr. Sanjay Sakhuja	600,000 [^]	3.74	600,000 [^]	2.75
2.	Mr. Sanjay Agarwal	360,000 400,000 [^]	2.24 2.49	360,000 400,000 [^]	3.48
3.	Mr. Vikrant Narang	350,000 [^]	2.18	350,000 [^]	1.60
4.	Mr. Sanjay Dhoka	175,000 [^]	1.09	175,000 [^]	0.80
5.	Mr. KM Jayarao	50,000 [^]	0.31	50,000 [^]	0.23
6.	Ms. Shalini Kamath	-	-	50,000 [^]	0.23

[^]includes partly paid up equity shares

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Indebtedness at the beginning of the financial year				
1. Principal Amount	400,48,56,415	-	-	400,48,56,415
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	61,37,108	53,260	-	61,90,368
Total (1+2+3)	401,09,93,523	53,260	-	401,10,46,783
Change in Indebtedness during the financial year				

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Addition	247,65,00,000	50,00,00,000	-	297,65,00,000
Reduction	(2,712,026,009)	0	-	(2,712,026,009)
Net Change	(235,526,009)	50,00,00,000	-	26,44,73,991
Indebtedness at the end of the financial year				
1. Principal Amount	374,87,47,858	50,00,00,000	-	424,87,47,858
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	88,59,367	1,76,16,438	-	2,64,75,805
Total (1+2+3)	375,76,07,225	51,76,16,438	-	427,52,23,663

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total
		Sanjay Dhoka	Sanjay Sakhuja	Vikrant Narang	Sanjay Agarwal Executive Officer	
1	Gross Salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,029,405	9,679,576	12,163,104	11,908,609	42,708,69
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	10,800	-	-	7,596	19,396
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ameet Parikh	Mr. KM Jayarao	Ms. Shalini Kamath	Mr. Sunil Gulati	
1	Independent Directors					
	a. Fee for attending board / committee meetings	325,000	350,000	325,000	-	1,000,000
	b. Commission	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-
	Total (1)	325,000	350,000	325,000	-	-
2	Other Non-Executive Directors					
	a. Fee for attending board / committee meetings	-	-	-	75,000 [@]	75,000 [@]
	b. Commission	-	-	-	-	-
	c. Others, please specify (Bonus)	-	-	-	956,989	956,989
	Total-(2)				1,031,989	
	Total-B (1+2)					
	Total Managerial Remuneration	325,000	350,000	325,000	1,031,989	2,031,989
	Overall Ceiling as per the Act					

@ Appointed on May 27, 2019 and resigned on September 20, 2019

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ms. Amrita Pillai (Company Secretary)*		
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	201,846	-	201,846
	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	-	-	-
2	Stock Option			
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify- (Bonus)	-	-	-

**Appointed w.e.f November 27, 2019*



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370



Sanjay Dhoka
Whole Time Director and COO & CFO
DIN: 00450023



Place: Mumbai
Date: June 24, 2020

D. M. ZAVERI & Co.

Company Secretaries

DM Dharmesh M. Zaveri
B Com., F.C.S.

145, 1st Floor, Kesar Residency, Above Bagwati Restaurant, Sector 3, Charkop, Kandivali (West), Mumbai – 400 067.
Tel.: 022-28679660, 022-49712722 (M). 98203 20503, E-mail.: dmz@dmzaveri.com, Website: www.dmzaveri.com

Secretarial Audit Report

Form No. MR-3

For the Financial year ended 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,
Ambit Finvest Private Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ambit Finvest Private Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(To the extent applicable)
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (To the extent applicable);

D. M. ZAVERI & Co.

Company Secretaries

DS Dharmesh M. Zaveri
B Com., F.C.S.

145, 1st Floor, Kesar Residency, Above Bagwati Restaurant, Sector 3, Charkop, Kandivali (West), Mumbai – 400 067.

Tel.: 022-28679660, 022-49712722 **(M).** 98203 20503, **E-mail.:** dmz@dmzaveri.com, **Website:** www.dmzaveri.com

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI') :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not relevant / applicable to the Company)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (to the extent applicable to the Company)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not relevant / applicable to the Company)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not relevant / applicable to the Company)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (to the extent applicable to the Company)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable to the Company)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not relevant / applicable to the Company)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (to the extent applicable to the Company)
- (vi) The following laws are specifically applicable to the Company in addition to laws mentioned above
- (i) Reserve Bank of India Act, 1934 to the extent applicability of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (iii) The Listing Agreement entered into by the Company with BSE Limited in respect of its Debt Securities in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

D. M. ZAVERI & Co.

Company Secretaries

DM Dharmesh M. Zaveri
B Com., F.C.S.

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

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

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance or in compliance with the Act, 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 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.

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

I further report that, during the period under review, the company has

1. Pursuant to the special resolution passed at the 13th Annual General Meeting of the Company held on 16th August 2019, consent of the members of the company was obtained for the following;
 - a) Issue and allot upto 3,95,000 equity shares of the Company having a face value of ₹10/- each at a price of ₹306/- (including a premium of ₹296/-), on a partly paid basis of which 355,000 equity shares having face value of ₹10/- each at a price of ₹306/- (including a premium of ₹296/-) of which ₹6/- per share partly paid on application (₹1/- towards face value and ₹5/- towards premium), was allotted by allotment and transfer committee on 19th September 2019;
2. Pursuant to the special resolution passed at the Extra Ordinary General Meeting of the Company held on 7th January 2020, consent of the members of the company was obtained for issue of Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures upto aggregate amount of INR 200 crores on a private placement basis and

D. M. ZAVERI & Co.

Company Secretaries

DS Dharmesh M. Zaveri
B Com., F.C.S.

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Tel.: 022-28679660, 022-49712722 (M). 98203 20503, **E-mail.:** dmz@dmzaveri.com, **Website:** www.dmzaveri.com

of which 4,265 Debentures having face value of ₹1,00,000/- each amounting to ₹42,65,00,000/- was allotted by operations committee on February 18, 2020 and the said debentures was listed with BSE Limited on 6th March 2020;

3. Pursuant to the special resolution passed at the Extra-ordinary General Meeting of the Company held on 3rd March 2020, consent of the members of the company was obtained for the following:
 - b) Issue and allot upto 44,01,100 equity shares of the Company having a face value of ₹10/- each at a price of ₹531.69 (including a premium of ₹521.69) on fully paid up basis and the same was allotted by allotment and transfer committee on 5th March 2020;
 - c) Issue and allot upto 10,38,605 equity shares of the Company having a face value of ₹10/- each at a price of ₹531.69 (including a premium of Rs. 521.69), on a partly paid basis and the same allotted by allotment and transfer committee on 5th March 2020 of which ₹6/- per share partly paid on application (₹1/- towards face value and ₹5/- towards premium);

For D. M. Zaveri & Co
Company Secretaries

Sd/-

Dharmesh Zaveri
(Proprietor)

FCS No.: 5418
CP No.: 4363

ICSI Unique Code: S2001MH046100
Peer Review Cer. No.: 294/2015

Place: Mumbai
Date: 24th June 2020

ICSI UDIN: F005418B000374710

ANNEXURE V

DISCLOSURES ON EMPLOYEE STOCK OPTION SCHEME FOR THE YEAR ENDED MARCH 31, 2020

Name of scheme: Ambit Finvest Employee Stock Option Scheme 2018

Nature of Disclosures	Particulars																																								
Options Granted	155,000																																								
Options vested	Nil																																								
Options exercised	Nil																																								
The total no of shares arising as a result of exercise of option	Not applicable																																								
Options lapsed	20,000																																								
Exercise price	Rs.306																																								
Variation of terms of Option	NA																																								
Money realized by exercise of Options	Not applicable																																								
Total no of Options in force	135,000																																								
Employee wise details of options granted:																																									
KMP	Nil																																								
any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year	<table border="1"> <thead> <tr> <th colspan="2">FY 2019-20:</th> </tr> <tr> <th>Name of employee</th> <th>Options granted</th> </tr> </thead> <tbody> <tr> <td>Sanjay Trivedi*</td> <td>10,000</td> </tr> <tr> <td>Sameer Shimaria</td> <td>25,000</td> </tr> <tr> <td>Balachendil P.</td> <td>10,000</td> </tr> <tr> <td>Deepak Shah</td> <td>10,000</td> </tr> <tr> <td>Manoj Singh</td> <td>10,000</td> </tr> <tr> <td>Shiv Shankar Chatterjee</td> <td>10,000</td> </tr> <tr> <td>Hemant Patel</td> <td>10,000</td> </tr> <tr> <td>*lapsed during FY 1920</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <th colspan="2">FY 2018-19:</th> </tr> <tr> <td>Vikram Manwani</td> <td>10,000</td> </tr> <tr> <td>Sharad Garg</td> <td>15,000</td> </tr> <tr> <td>Saurabh Paul</td> <td>15,000</td> </tr> <tr> <td>Sanjay Trivedi*</td> <td>10,000</td> </tr> <tr> <td>Saurabh Arora</td> <td>5,000</td> </tr> <tr> <td>Balachendil P.</td> <td>5,000</td> </tr> <tr> <td>Deepak Shah</td> <td>10,000</td> </tr> <tr> <td>*lapsed during FY 1920</td> <td></td> </tr> </tbody> </table>	FY 2019-20:		Name of employee	Options granted	Sanjay Trivedi*	10,000	Sameer Shimaria	25,000	Balachendil P.	10,000	Deepak Shah	10,000	Manoj Singh	10,000	Shiv Shankar Chatterjee	10,000	Hemant Patel	10,000	*lapsed during FY 1920				FY 2018-19:		Vikram Manwani	10,000	Sharad Garg	15,000	Saurabh Paul	15,000	Sanjay Trivedi*	10,000	Saurabh Arora	5,000	Balachendil P.	5,000	Deepak Shah	10,000	*lapsed during FY 1920	
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Deepak Shah	10,000																																								
*lapsed during FY 1920																																									
identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant	Not applicable																																								

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370



Sanjay Dhoka
Whole Time Director and COO & CFO
DIN: 00450023



Place: Mumbai
Date: June 24, 2020

ANNEXURE VI

Disclosure in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Particulars	Remarks
1.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	<ul style="list-style-type: none"> Sanjay Sakhuja – 20.61 Sanjay Dhoka – 19.25 Sanjay Agarwal – 25.38 Vikrant Narang – 25.90
2.	Percentage increase/decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<ul style="list-style-type: none"> Sanjay Sakhuja – (59.09)% Sanjay Dhoka – (15.52)% Sanjay Agarwal – (0.90)% Vikrant Narang – (3.16)% Amrita Pillai – NA (since joined in March 2019)
3.	Percentage increase in the median remuneration of employees in the financial year	• 3.71%
4.	The number of permanent employees on the rolls of company	265
5.	Median Remuneration of employees of the Company	469,600
6.	Percentage Increase in the median remuneration of employees during the financial year	3.71%
7.	Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average Percentage increase in salaries of:</p> <ul style="list-style-type: none"> Employees other than the managerial personnel – 6.64% Managerial personnel – (19.67)%
8.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors and Employees adopted by the Company
9.	Names of the top ten employees in terms of remuneration drawn and the name of every employee, who- <ul style="list-style-type: none"> if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company 	<ol style="list-style-type: none"> Sanjay Agarwal Vikrant Narang

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370

Place: Mumbai

Date: June 24, 2020



Sanjay Dhoka
Whole Time Director and COO & CFO
DIN: 00450023



Ambit **Finvest** Private Limited

Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 India T: +91 22 3982 1819

www.ambit.co CIN: U65999MH2006PTC163257.

INDEPENDENT AUDITOR'S REPORT

To the Members of Ambit Finvest Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Ambit Finvest Private Limited ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 50 these standalone Ind AS financial statements, which describes the current and anticipated impact of the Novel Coronavirus (COVID-19) Pandemic on the Company's business, results of operations, and financial position as a consequence of the Company's estimates of impairment of loans to customers, and that such estimates are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



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Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial assets (expected credit losses) <i>(as described in Note 6 of the standalone Ind AS financial statements)</i>	
<p>Ind AS 109 requires the Company to provide for impairment of its loans (designated at amortised cost) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none">• Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);• Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;• Determining effect of less frequent past events on future probability of default;• Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. <p>Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.</p> <p>In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers.</p> <p>As at March 31, 2020, the Company has made a provision for impairment loss aggregating Rs. 2,729 lakhs against the loans outstanding. Due to the significance of the judgments involved in the estimation of ECL on such financial assets as per Ind AS 109, it has been considered as a key audit matter.</p>	<ul style="list-style-type: none">• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.• Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.• Tested samples for staging of loans based on their past-due status to check compliance with requirements of Ind AS 109.• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.• Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic).• Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.• Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.



Key audit matters	How our audit addressed the key audit matter
<p>(b) Transition to Ind AS accounting framework <i>(as described in Note 45 of the Ind AS financial statements)</i></p>	
<p>In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS.</p> <p>The transition has involved significant changes in the Company's financial reporting processes, including generation of reliable and supportable financial information. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexities involved in implementing Ind AS discussed above, we have focused on this area in our audit.</p>	<ul style="list-style-type: none"> • Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in light of the requirements of the new framework. • Understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the disclosures included in the Ind AS financial statements, in respect of the previous periods presented, with the requirements of Ind AS 101.
<p>(c) IT systems and controls</p>	
<p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>In assessing the reliability of electronic data processing, we included specialized IT auditors in our audit team. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Tested the information systems and the applications that is available in the Company in two phases: (i) IT General Controls and (ii) Application level embedded controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Change Management (iii) Other related ITGCs; - to understand the design and the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessed changes that have impact on financial reporting; • Tested controls on the IT Application controls and IT dependent manual controls



Key audit matters	How our audit addressed the key audit matter
	<p>in the system that were considered as key internal controls over financial reporting.</p> <ul style="list-style-type: none"> • Where deficiencies were noted, we tested the design and operating effectiveness compensating controls and, where necessary, extended the scope of our substantive audit procedures. • Wherever applicable, we also assessed through direct sample tests, the information produced from these systems which were relied upon for our audit.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 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.



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Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2019 and March 31, 2018 dated May 16, 2019 and June 7, 2018 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

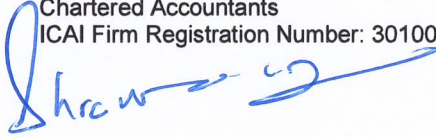
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
 - (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 standalone Ind AS financial statements – Refer Note 30(A) to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGO5126



Place: Mumbai
Date: June 24, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Ambit Finvest Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess, goods and service tax and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delays in few cases. Provisions of sales-tax, duty of excise, value added tax and duty of customs are not applicable to the Company.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, cess, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

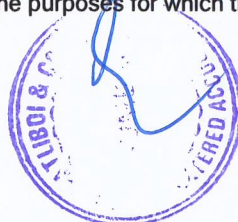


Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Professional Tax - Gujarat	Professional Tax	60,280	Sep-2018 to Sept-2019	15 th of next month	Not yet paid
Professional Tax – Madhya Pradesh	Professional Tax	37,706	Sep-2018 to Sept-2019	10 th of next month	Not yet paid
Professional Tax – Punjab	Professional Tax	11,600	Apr-2019 to Sept-2019	Next month	16 th June 2020

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in 000)	Assessment year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	543	2015-16	Income Tax Appellate Tribunal

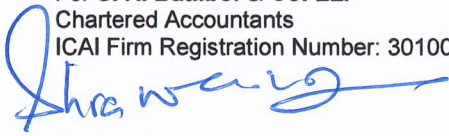
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.



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- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**
Partner
Membership Number: 102102
UDIN: 20102102AAAAGO5126

Place: Mumbai
Date: June 24, 2020



Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
CAI Firm Registration Number: 301003E/E300005


per **Shrawan Jalan**
Partner
Membership Number: 102102
UDIN: 20102102AAAAGO5126



Place: Mumbai
Date: June 24, 2020



AMBIT FINVEST PVT. LTD.

Standalone Financial Statements

for the year ended 31st March 2020



**AUDITED FINANCIAL STATEMENTS
FINANCIAL YEAR : 2019-20**

AMBIT FINVEST PRIVATE LIMITED
Balance sheet as at 31st March, 2020

(Amounts in ₹ lakhs)

	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Financial Assets				
(a) Cash and cash equivalents	4	14,444.59	119.97	195.31
(b) Bank balance other than cash and cash equivalents	5	200.00	200.00	200.00
(c) Loans	6	78,730.47	75,119.07	40,609.55
(d) Investments	7	8,063.04	1,950.86	353.15
(e) Other financial assets	8	838.60	107.87	0.18
		102,276.70	77,497.77	41,358.19
Non-financial Assets				
(a) Current tax assets (net)	9	527.08	506.46	54.54
(b) Deferred tax assets (net)	43	413.27	269.23	584.77
(c) Property, Plant and Equipment	10	1,426.81	61.19	6.41
(d) Goodwill	11	2,436.68	2,436.68	-
(e) Other Intangible assets	12	83.66	91.06	0.14
(f) Other non-financial assets	13	264.77	59.86	44.51
		5,182.27	3,424.48	690.37
TOTAL ASSETS		107,428.97	80,922.25	42,048.56
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Trade payables	14			
(i) total outstanding dues of micro enterprises and small enterprises		5.45	4.98	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		385.53	482.83	532.13
(b) Debt securities	15	4,203.60	-	1,484.86
(c) Borrowings (other than debt securities)	16	38,548.64	40,110.46	17,044.60
(d) Lease liabilities		1,005.34	-	-
(e) Other financial liabilities	17	1,054.34	1,034.94	103.75
		45,152.90	41,633.21	19,165.34
Non-financial Liabilities				
(a) Current tax liabilities (net)		-	-	18.65
(b) Provisions	18	132.19	77.10	28.51
(c) Other non-financial liabilities	19	164.10	1,795.07	41.40
		296.29	1,872.17	88.56
TOTAL LIABILITIES		45,449.19	43,505.38	19,253.90
EQUITY				
(a) Equity share capital	20	1,809.22	1,355.18	904.40
(b) Other equity	21	60,170.56	36,061.69	21,890.26
TOTAL EQUITY		61,979.78	37,416.87	22,794.66
TOTAL LIABILITIES AND EQUITY		107,428.97	80,922.25	42,048.56

See accompanying notes forming part of the financial statements

1 - 51

In terms of our report attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai,



On behalf of the Board of Directors

Sanjay Sakhuja
Whole Time Director and
Executive Chairman

Amrita Pillai
Company Secretary
Mumbai,

Sanjay Dhoka
Whole Time Director,
CFO and COO



AMBIT FINVEST PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	Notes	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from operations			
Interest income	22	12,707.47	8,154.07
Net gain on fair valuation of mutual funds		-	0.86
Other operating revenue	23	87.70	64.31
Total revenue from operations		12,795.17	8,219.24
Other income	24	183.09	440.88
Total income		12,978.26	8,660.12
Expenses			
Finance costs	25	5,004.32	2,616.39
Impairment of financial assets	26	1,729.46	1,068.63
Employee benefits expense	27	2,519.58	1,495.03
Depreciation, amortization and impairment	28	345.78	29.14
Other expenses	29	1,214.11	769.00
		10,813.25	5,978.19
Profit before tax		2,165.01	2,681.93
Tax Expense:			
- Current tax			
for the current year		700.20	409.55
Short/(excess) provision in respect of earlier years		10.92	(25.63)
		711.12	383.92
- Deferred tax (credit)/charge	43	(142.31)	323.98
		568.81	707.90
Profit for the year		1,596.20	1,974.03
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	36	(6.89)	(28.96)
Income tax on above	43	1.73	8.43
Total other comprehensive income		(5.16)	(20.53)
Total comprehensive income for the year		1,591.04	1,953.50
Earnings per equity share			
(Nominal value of equity share ₹10 per share)	34		
- Basic (₹)		11.48	16.88
- Diluted (₹)		11.48	16.88
See accompanying notes forming part of the financial statements	1 - 51		

In terms of our report attached
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai,



On behalf of the Board of Directors

Sanjay Sakhuja
Sanjay Sakhuja
Whole Time Director and
Executive Chairman

Amrita Pillai
Amrita Pillai
Company Secretary
Mumbai,

Sanjay Dhoka
Sanjay Dhoka
Whole Time Director,
CFO and COO



AMBIT FINVEST PRIVATE LIMITED
Cash flow statement for the year ended 31st March, 2020
(Amounts in ₹ lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,165.01	2,681.93
Adjustments for:		
Depreciation, amortization and impairment	145.68	29.14
Impairment on financial instruments	1,729.46	1,068.63
Interest on deposits with banks	(94.59)	(51.33)
Interest income on debentures	(17.33)	-
Net gain on fair valuation of mutual funds	-	(0.86)
Employee stock option compensation cost	29.76	1.54
Loss on write off of fixed assets	-	7.50
Unwinding of discount on security deposit	(7.27)	(1.32)
Profit from redemption of investments in mutual funds	(67.24)	(401.83)
	1,718.47	651.47
Operating profit before working capital changes	3,883.48	3,333.40
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Loans	(5,340.86)	(15,079.71)
Other financial assets	(670.81)	111.41
Other non-financial assets	(202.85)	(14.45)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(147.03)	(44.32)
Other financial liabilities	19.61	55.03
Other non-financial liabilities	(1,630.98)	1,753.70
Provision for employee benefits	48.20	0.49
	(7,924.72)	(13,217.85)
Cash used in operations	(4,041.23)	(9,884.45)
Direct tax paid (net)	(731.74)	(854.49)
Net cash used in operating activities (A)	(4,772.97)	(10,738.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(453.24)	(12.47)
Purchase of other intangible assets	(59.43)	(28.29)
Purchase of investments	(200,795.70)	(95,527.64)
Proceeds from sale of investments	194,768.10	94,332.61
Payment for acquisition of retail lending division	-	(14,654.01)
Deposits placed with banks and financial institution other than considered in cash and cash equivalents	-	(5,800.00)
Maturity proceeds of deposits with banks other than considered in cash and cash equivalents	-	5,800.00
Interest received on deposits with banks and financial institution	53.96	48.26
Net cash used in investing activities (B)	(6,486.31)	(15,841.54)



AMBIT FINVEST PRIVATE LIMITED

Cash flow statement for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	23,483.82	12,702.45
Payment of share issue expenses	(541.70)	(35.29)
Proceeds from borrowings (other than debt securities)	25,558.44	31,060.43
Repayment of borrowings (other than debt securities)	(27,120.26)	(15,737.59)
Proceeds from debt securities	4,203.60	-
Repayment of debt securities	-	(1,484.86)
Net cash generated from financing activities (C)	25,583.90	26,505.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14,324.62	(75.34)
Cash and cash equivalents at the commencement of the year	119.97	195.31
Cash and cash equivalents at the end of the year	14,444.59	119.97
Net increase/(decrease) in cash and cash equivalents	14,324.62	(75.34)
Cash and cash equivalents as per the balance sheet* [see note 4]	14,444.59	119.97
*comprises:		
Cash on hand	2.24	0.66
Balances with banks		
- In current accounts	642.35	119.31
- In deposit account with original maturity upto three months	13,800.00	-
	14,444.59	119.97
See accompanying notes forming part of the financial statements	1 - 51	

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan

Partner

Membership Number: 102102

Mumbai,



On behalf of the Board of Directors

Sanjay Sakhuj

Sanjay Sakhuj
Whole Time Director and
Executive Chairman

Sanjay Dhoka

Sanjay Dhoka
Whole Time Director,
CFO and COO

Amrita Pillai

Amrita Pillai
Company Secretary
Mumbai,



AMBIT FINVEST PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31st March, 2020
Equity Share Capital
(Amounts in ₹ lakhs)

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
Balance at the beginning of the year	1,355.18	904.40
Changes in equity share capital during the year (see note 20)	454.04	450.78
Balance at the end of the year	1,809.22	1,355.18

Other equity
(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Statutory Reserve	Securities premium	Share options outstanding account	Retained Earnings	
Balance as at 31st March, 2019	1,538.51	28,739.86	1.54	5,781.78	36,061.69
Profit for the year	-	-	-	1,596.20	1,596.20
Other comprehensive income for the year net of income tax *	-	-	-	(5.16)	(5.16)
Total comprehensive income for the year	-	-	-	1,591.04	1,591.04
Transfer from retained earnings to statutory reserve	319.24	-	-	(319.24)	-
Received on issue of fully paid up equity shares	-	22,960.10	-	-	22,960.10
Received on issue of partly paid up equity shares	-	69.68	-	-	69.68
Share issue expenses	-	(541.71)	-	-	(541.71)
Compensation cost	-	-	29.76	-	29.76
Balance as at 31st March, 2020	1,857.75	51,227.93	31.30	7,053.58	60,170.56
Balance as at 1st April, 2018	1,143.70	16,523.47	-	4,223.09	21,890.26
Profit for the year	-	-	-	1,974.03	1,974.03
Other comprehensive income for the year net of income tax	-	-	-	(20.53)	(20.53)
Total comprehensive income for the year	-	-	-	1,953.50	1,953.50
Transfer from retained earnings to statutory reserve	394.81	-	-	(394.81)	-
Received on issue of fully paid up equity shares	-	12,112.80	-	-	12,112.80
Received on issue of partly paid up equity shares	-	138.88	-	-	138.88
Share issue expenses	-	(35.29)	-	-	(35.29)
Compensation cost	-	-	1.54	-	1.54
Balance as at 31st March, 2019	1,538.51	28,739.86	1.54	5,781.78	36,061.69

* Represents remeasurements of the defined benefit plans

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan

Partner

Membership Number: 102102

Mumbai,



On behalf of the Board of Directors

Sanjay Sakhuja

Sanjay Sakhuja
Whole Time Director and
Executive Chairman

Sanjay Dhoka

Sanjay Dhoka
Whole Time Director
CFO and COO

Amrita Pillai

Amrita Pillai
Company Secretary
Mumbai,



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

1. Background

Ambit Finvest Private Limited ("the Company") is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). The Company is Systemically Important Non-deposit accepting NBFC as defined under Section 45-IA of the Reserve Bank of India Act, 1934 with effect from 1st September, 2018. The Company was incorporated in India as a private company on 24th July, 2006 under the Companies Act, 2013. The Company is principally engaged in lending activities. The Company's registered office is at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

2. Basis of preparation

2.01 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company has adopted Ind AS from 1st April, 2019 with effective transition date of 1st April, 2018 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1st April, 2018 and the comparative previous year has been restated/reclassified.

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2018 being the date of transition to Ind AS.

2.02 Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs with two decimals, except when otherwise stated.

2.03 Use of estimates and judgments

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgment, estimates and assumptions are required in particular for:

- i. Determination of estimated useful lives of property, plant, equipment [see note 3.03 (iv)]
- ii. Determination of estimated useful lives of intangible assets [see note 3.05 (iv)]
- iii. Recognition and Measurement of defined benefit obligations [see note 3.08(b)]
- iv. Fair value of financial instruments [see note 3.06(B)]
- v. Business model assessment [see note 3.06(C)]
- vi. Impairment of financial assets [see note 3.06(E)]
- vii. Evaluation of lease, lease term and discount rate [see note 3.10]
- viii. Provisions, Contingent liabilities and Contingent Assets [see note 3.12]
- ix. Provision for tax expenses [see note 3.13]
- x. Estimation of uncertainties relating to the global health pandemic from COVID-19 [see note 3.17]



3. Significant accounting policies

3.01 Revenue recognition

i. Interest income

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

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

ii. Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

iii. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

iv. Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

3.02 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.03 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises of purchase price and any attributable cost such as duties, non-refundable taxes, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2018, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Significant accounting policies (contd.)

3.03 iv. Depreciation

The Company provides depreciation on straight line method based on the useful lives prescribed in Schedule II of the Companies Act, 2013, except in respect of mobile handsets (included in office equipment) where useful life has been considered to be 2 years based on the Company's replacement policy for such handsets given to employees. Depreciation on leasehold improvements is provided over the primary period of lease of premises.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

v. De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.04 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.05 Other intangible assets

Intangible assets are initially recognised at its cost and subsequently carried at the cost less accumulated amortisation and impairment, if any and are amortised equally over the period of 3 years commencing from the year in which the expenditure is incurred. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The estimated useful lives, residual values and amortisation method are reviewed at the end of the reporting period with the effect of any changes in the estimation accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition is recognized in the statement of profit and loss.



3. Significant accounting policies (contd.)

3.06 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

A. Initial measurement and recognition of Financial assets and financial liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, 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 statement of profit and loss.

B. Fair value of financial instruments

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ii. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 inputs are unobservable inputs for the asset or liability.

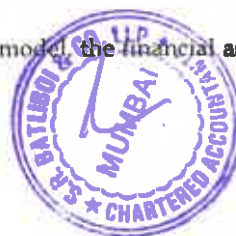
C. Financial assets

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised;
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.



3. Significant accounting policies (contd.)

3.06 C. Financial assets (contd.)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic funding risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met-

- i. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss.

(b) Financial asset at fair value through Other Comprehensive Income (FVOCI)

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognised through statement of profit and loss. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

(c) Financial asset at fair value through profit and loss (FVTPL)

Any financial instrument which does not meet the criteria for categorisation as at amortized cost or as FVOCI, is classified to be measured at FVTPL. Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss .

Financial asset held for trading

A financial asset is classified as held for trading if:

- is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or
- on initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

D. Financial liabilities

All financial liabilities are subsequently measured at amortised cost. A financial liability is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit & loss.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Significant accounting policies (contd.)

3.06 E. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost such as loan given.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

F. Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.



3. Significant accounting policies (contd.)

3.06 G. Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income or other gain or loss as appropriate.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

H. Write off

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

3.07 Business combination

The Company has used acquisition method of accounting for business combinations. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair values. Acquisition-related costs are recognised in statement of profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Significant accounting policies (contd.)

3.08 Employee benefits

(a) Short term benefits

Short term employee benefits are charged to statement of profit and loss at the undiscounted amount in the year in which the related service is rendered.

(b) Long term benefit plans

Defined contribution plan – Provident and family pension fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Regional Provident Fund Commissioner. Provident and family pension fund are classified as defined contribution plans as the Company has no further obligations beyond making the contribution. The contribution towards the plan is charged to statement of profit and loss in the year it is incurred.

Defined benefit plan – Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of continuous service or part thereof in excess of six months on the basis of last drawn eligible salary. Vesting occurs upon completion of five years of service. The Company accounts for gratuity benefits payable in future, based on an independent actuarial valuation carried out as at the year end. Actuarial gain/loss is recognised in the other comprehensive income.

Other long term benefit plan – Compensated absences:

The Company provides for encashment of leave or leave with pay to eligible employees as per the Company's policies. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gain/loss is recognised in the Statement of Profit and Loss.

3.09 Foreign currency transactions

These financial statements are presented in Indian rupees which is also the functional currency of the Company. Transactions in currencies other than Indian rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies, are re-translated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.



3. Significant accounting policies (contd.)

3.10 Leases - Company as lessee

Upto 31st March, 2019

Leases where the lessor transfers substantially all the risks and rewards incidental to ownership of the leased assets are classified as finance leases. Leases other than finance leases are classified as operating leases. At the inception of a finance lease, the lessee recognises the lease as an asset and a liability at lower of the fair value and the present value of minimum lease payments. Finance lease payments are apportioned between the finance charge at a constant periodic rate of interest and the reduction of the outstanding liability. Operating lease payments are recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS 17.

With effect from 1 April, 2019

The Company has adopted Ind AS 116 "Leases" using the retrospective modified method - option B, applied to lease contracts as on the transition date. In accordance with this transition method, the comparatives have not been adjusted. The following is revised significant accounting policy related to leases.

Company as lessee

Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of fixed lease payments (less any lease incentives), variable lease payments, penalties, etc. The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The right-of-use assets are presented under property, plant and equipment.



3. Significant accounting policies (contd.)

3.10 Leases - Company as lessee (contd.)

The Company applies Ind AS 36 Impairment of Assets to determine whether a right-of-use asset is impaired. Variable rents are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line " Other expenses" in the statement of profit or loss.

Practical expedients used-

The Company has considered the below practical expedients under Ind AS 116:

- (a) to apply Ind AS 116 to contracts that were previously identified as leases under Ind AS 17 on the date of initial application without any reassessment;
- (b) apply a single discount rate to a portfolio of leases with reasonably similar characteristics and in similar environment;
- (c) relied on its assessment whether leases are onerous applying Indian Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37) immediately before the date of initial application as an alternate to performing an impairment review;
- (d) excluded initial direct costs from measurement of right-to-use asset at the date of initial application;
- (e) elected not to apply the requirements of the standard to leases for which the lease term end within twelve months of the date of initial application and accounted for those as short term leases;
- (f) used hindsight in determining the lease term if the contract contains options to extend or terminate the lease;

3.11 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/external factors. If any of such indicator exists, impairment loss is provided in the statement of profit or loss to the extent the carrying amount of assets exceeds their estimated recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

3.12 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Significant accounting policies (contd.)

3.13 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority and the taxation laws permit the entity to make or receive a single net payment.

Minimum Alternative Tax Credit

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

3.14 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

3. Significant accounting policies (contd.)

3.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.16 Employee Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Stock Options Outstanding Reserve.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
4. CASH AND CASH EQUIVALENTS			
Cash on hand	2.24	0.66	0.18
Balance with banks			
- In current accounts	642.35	119.31	195.13
In deposit accounts with original maturity less than three months	13,800.00	-	-
	14,444.59	119.97	195.31
5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS			
Deposits with a bank [see footnote]	200.00	200.00	200.00
	200.00	200.00	200.00
Note: Deposits with a bank is under lien for the overdraft facility			
6. LOANS			
(at amortised cost)			
Loans [see footnote 2]	80,306.66	75,687.02	41,931.03
Interest accrued on loans	1,152.65	1,004.61	516.27
	81,459.31	76,691.63	42,447.30
Less: Impairment loss allowance	2,728.84	1,572.56	1,837.75
	78,730.47	75,119.07	40,609.55
(A) Out of above			
(i) Secured [see footnotes]	66,578.95	61,953.15	38,782.33
Less: Impairment loss allowance	1,681.20	909.23	1,759.03
Total (i)	64,897.75	61,043.92	37,023.30
(ii) Unsecured	14,880.36	14,738.49	3,664.97
Less: Impairment loss allowance	1,047.64	663.34	78.72
Total (ii)	13,832.72	14,075.15	3,586.25
Total (i+ii)	78,730.47	75,119.07	40,609.55
(B) Out of above			
(i) Loans in India			
Public sector	-	-	-
Others	81,459.31	76,691.63	42,447.30
Total (i)	81,459.31	76,691.63	42,447.30
(ii) Loans outside India			
Others	-	-	-
Total (ii)	-	-	-
Total (i+ii)	81,459.31	76,691.63	42,447.30
Less: Impairment loss allowance	2,728.84	1,572.56	1,837.75
	78,730.47	75,119.07	40,609.55



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

6. LOANS (contd.)

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Notes:			
1. Loans are secured by pledge/lien on the shares / securities, hypothecation of current/fixed assets, mortgage of immovable properties, guarantees, receivables.	66,578.95	61,953.1524	38,782.33
2. Includes loans in the form of non-convertible debentures aggregating	150.00	-	1,351.81

3.	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount- Opening balance	75,868.28	368.89	454.47	76,691.64
+ Net assets originated	38,331.27	629.13	86.51	39,046.91
- Assets derecognised or repaid (excluding write-offs)	(33,097.69)	(478.18)	(1.39)	(33,577.26)
- Transfers to Stage 1	2.20	(2.20)	-	-
- Transfers to Stage 2	(3,396.45)	3,396.45	-	-
- Transfers to Stage 3	(865.58)	(98.67)	964.25	-
- Amounts written off	(256.38)	(90.06)	(355.54)	(701.98)
Gross carrying amount - Closing balance	76,585.65	3,725.36	1,148.30	81,459.31

Reconciliation of ECL balance is given below

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount- Opening balance	1,134.19	171.35	267.03	1,572.57
+ Net assets originated	582.87	67.43	33.38	683.68
- Assets derecognised or repaid (excluding write-offs)	835.44	(35.13)	(0.16)	800.15
- Transfers to Stage 1	0.59	(0.59)	-	-
- Transfers to Stage 2	(643.51)	643.51	-	-
- Transfers to Stage 3	(384.41)	(44.08)	428.49	-
- Amounts Written off	(22.39)	(73.64)	(231.51)	(327.54)
ECL allowance - Closing balance	1,502.78	728.85	497.23	2,728.86
Recoveries of amounts written off				128.79
Movement in provision for Expected Credit Loss during the year (after adjusting write offs and recoveries stated above)				1,729.46



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Units	Amount	Units	Amount	Units	Amount
7. INVESTMENTS						
(in India)						
(A) At amortised cost						
(i) Investments in preference shares (unquoted)						
Optionally Convertible Cumulative Participating Redeemable preference shares of face value of ₹ 10 each fully paid up in BMI Wholesale Trading Private Limited	-	-	-	-	3,520,000	353.15
(ii) Investment in non-convertible debentures						
Units of 8.50% redeemable non convertible debentures of Housing Development Finance Corporation Limited of face value of ₹ 10,000,000 each with maturity date 31st August, 2020	20	2,011.67	-	-	-	-
Units of 11.73% (1.50%p.a. upto 15th September, 2018) redeemable non convertible debentures of Housing Development Finance Corporation Limited of face value of ₹ 10,000,000 each with maturity date 16th September, 2020	25	2,552.82	-	-	-	-
Units of 8.65% redeemable non convertible debentures of Housing Development Finance Corporation Limited of face value of ₹ 10,000,000 each with maturity date 18th September, 2020	5	503.59	-	-	-	-
Units of 8.51% redeemable non convertible debentures of Housing Development Finance Corporation Limited of face value of ₹ 1,000,000 with maturity date 15th July, 2020	50	502.55	-	-	-	-
Units of 6.98% redeemable non convertible debentures of National Bank for Agriculture and Rural Development of face value of ₹ 1,000,000 in with maturity date 30th September, 2020	250	2,492.41	-	-	-	-
(B) At fair value through profit or loss						
Investment in mutual funds (unquoted)						
Units of ICICI Prudential Overnight Fund Direct Plan-Growth of face value of ₹ 100 each fully paid up	-	-	439,795	450.09	-	-
Units of HDFC Overnight Fund Direct Plan-Growth of face value of ₹ 1,000 each fully paid up	-	-	53,174	1,500.77	-	-
		8,063.04		1,950.86		353.15



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
8. OTHER FINANCIAL ASSETS			
(at amortised cost)			
Deposit with a financial institution	228.13	-	-
Interest accrued on deposits with banks/a financial institution	43.78	3.15	0.08
Interest accrued on debentures	432.94	-	-
Security deposits	106.46	69.15	0.10
Other receivables	27.29	35.57	-
	838.60	107.87	0.18
9. CURRENT TAX ASSETS (net)			
Advance tax net of provision for tax	527.08	506.46	54.54
	527.08	506.46	54.54



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

10. PROPERTY PLANT AND EQUIPMENT

Particulars	Furniture and fixtures	Office equipment	Computers and equipment	Improvements to leasehold premises	Right of use asset*	Total
Gross carrying amount						
Deemed cost as at 1st April, 2018	2.67	1.88	1.86	-	-	6.41
Acquired through business combination [see note 40]	19.61	10.50	35.54	-	-	65.65
Additions	0.68	1.36	9.74	-	-	11.78
Disposals	(0.86)	(3.56)	(2.62)	-	-	(7.04)
Closing gross carrying amount as at 31st March, 2019	22.10	10.18	44.52	-	-	76.80
Additions	38.49	60.35	47.27	305.09	1,193.37	1,644.57
Disposals	-	(0.33)	-	-	-	(0.33)
Closing gross carrying amount as at 31st March, 2020	60.59	70.20	91.79	305.09	1,193.37	1,721.04
Accumulated depreciation						
As at 1st April, 2018	-	-	-	-	-	-
Depreciation charge for the year	1.61	2.40	12.42	-	-	16.43
On deletions	(0.04)	(0.42)	(0.36)	-	-	(0.82)
Closing accumulated depreciation as at 31st March, 2019	1.57	1.98	12.06	-	-	15.61
Depreciation charge for the year	4.63	10.84	26.14	37.05	200.10	278.76
On deletions	-	(0.14)	-	-	-	(0.14)
Closing accumulated depreciation as at 31st March, 2020	6.20	12.68	38.20	37.05	200.10	294.23
Net carrying amount as at 31st March, 2020	54.39	57.52	53.59	268.04	993.27	1,426.81
Net carrying amount as at 31st March, 2019	20.53	8.21	32.46	-	-	61.19
Net carrying amount as at 1st April, 2018	2.67	1.88	1.86	-	-	6.41

*see note 38

11. GOODWILL

(Amounts in ₹ lakhs)

Particulars	Amount
Deemed cost as at 1st April, 2018	-
Additional amount recognised from business combination [see note 40]	2,436.68
Less: Accumulated impairment loss	-
Closing gross carrying amount as at 31st March, 2019	2,436.68
Less: Accumulated impairment loss	-
Closing gross carrying amount as at 31st March, 2020	2,436.68

12. OTHER INTANGIBLE ASSETS

(Amounts in ₹ lakhs)

Particulars	Amount
Computer Software	
Gross carrying amount	
Deemed cost as at 1st April, 2018	0.14
Acquired through business combination [see note 40]	76.61
Additions	28.29
Disposals	(1.47)
Closing gross carrying amount as at 31st March, 2019	103.57
Additions	59.43
Disposals	-
Closing gross carrying amount as at 31st March, 2020	163.00
Accumulated Amortisation	
As at 1st April, 2018	-
Amortisation charge for the year	12.71
On deletions	(0.20)
Closing accumulated depreciation as at 31st March, 2019	12.51
Amortisation charge for the year	66.83
On deletions	-
Closing accumulated depreciation as at 31st March, 2020	79.34
Net carrying amount as at 31st March, 2020	83.66
Net carrying amount as at 31st March, 2019	91.06
Net carrying amount as at 1st April, 2018	0.14



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
13. OTHER NON-FINANCIAL ASSETS			
Prepaid expenses	72.76	24.79	2.41
Advance to suppliers for capital goods	2.96	0.90	-
Advance against expenses	0.47	18.38	0.17
GST/Service tax credit	188.58	-	28.75
Advance lease rent	-	15.79	-
Other advances	-	-	13.18
	264.77	59.86	44.51
14. PAYABLES (at amortised cost)			
Trade payables [see note 37]	340.98	487.80	532.13
	340.98	487.80	532.13
15. DEBT SECURITIES (at amortised cost, in India)			
Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 1st June, 2022	4,203.60	-	-
8.15% Commercial paper with maturity date 18th May, 2018 (unsecured)	-	-	1,484.86
	4,203.60	-	1,484.86
16. BORROWINGS (OTHER THAN DEBT SECURITIES) (at amortised cost, in India)			
(a) Term loans			
(i) from banks [see note 16A]	26,507.44	29,933.49	10,371.08
(ii) from other parties [see note 16B]	6,790.82	4,850.22	-
(b) Loans from related parties [see note 35]	-	-	4,627.00
(c) Inter corporate deposit	5,000.00	-	-
(d) Bank overdraft	40.61	5,264.85	2,035.83
(e) Interest payable on loans to related parties	-	0.53	10.69
(f) Interest accrued but not due on borrowings	209.77	61.37	-
Total	38,548.64	40,110.46	17,044.60
Out of above			
(i) Secured	33,372.48	40,109.93	12,406.91
(ii) Unsecured	5,176.16	0.53	4,637.69
Total	38,548.64	40,110.46	17,044.60



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

16. Borrowings (Contd.)

A. From Banks

(Amounts in ₹ lakhs)

a. Terms of repayment and other terms in respect of long term loans are as under:-

Sr. No.	Amount as at 31st March, 2020				Amount as at 31st March, 2019				Amount as at 1st April, 2018				No. of Installments	Terms of repayment and other relevant terms	From	To		
	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total					Amount of Installments	Frequency
1	625.00	1,250.00	-	1,875.00	625.00	1,250.00	625.00	2,500.00	-	-	-	-	16	156.25	Quarterly	30-Apr-19	31-Jan-20	
2	-	-	-	-	-	-	-	-	-	-	-	-	16	125.00	Quarterly	31-May-20	29-Feb-24	
3	-	-	-	-	687.50	62.50	-	750.00	687.50	812.50	-	1,500.00	24	62.50	Monthly	01-May-18	01-Apr-20	
4	1,098.91	818.18	-	1,917.09	1,098.91	1,909.09	-	3,008.00	-	-	-	-	11	272.73	Quarterly	03-Jun-19	05-Dec-21	
5	-	-	-	-	891.80	-	-	891.80	888.00	892.00	-	1,780.00	16	222.00	Quarterly	30-Dec-18	25-Feb-20	
6	-	-	-	-	-	-	-	-	25.00	-	-	25.00	10	25.00	Quarterly	01-Feb-16	01-May-18	
7	-	-	-	-	-	-	-	-	200.00	-	-	200.00	10	100.00	Quarterly	10-Jan-16	10-Sep-18	
8	1,000.00	280.00	-	1,280.00	1,000.00	1,250.00	-	2,250.00	-	-	-	-	10	250.00	Quarterly	31-Jan-19	05-Apr-21	
9	621.25	-	-	621.25	635.00	621.25	-	1,256.25	838.00	1,436.25	-	2,291.25	11	208.75	Quarterly	18-Mar-18	18-Dec-20	
10	830.00	-	-	830.00	836.00	830.00	-	1,666.00	885.00	1,665.00	-	2,500.00	11	208.75	Quarterly	28-May-18	28-Feb-21	
11	1,000.00	2,000.00	1,000.00	4,000.00	1,000.00	2,000.00	2,000.00	5,000.00	-	-	-	-	20	250.00	Quarterly	28-Jun-19	29-Mar-24	
12	-	-	-	-	-	-	-	-	435.00	-	-	435.00	24	42.80	Monthly	01-Mar-17	01-Feb-19	
13	409.09	-	-	409.09	545.45	409.09	-	954.55	545.45	545.55	-	1,500.00	11	136.36	Quarterly	28-Apr-18	28-Oct-20	
14	3,166.67	1,947.22	-	5,113.89	3,166.67	5,013.89	-	8,180.56	-	-	-	-	36	225.09	Monthly	18-Nov-18	15-Oct-21	
15	1,800.00	3,000.00	2,250.00	6,750.00	-	-	-	-	-	-	-	-	20	337.50	Quarterly	31-Dec-19	30-Sep-24	
16	900.00	1,363.64	-	2,272.73	-	-	-	-	-	-	-	-	11	272.73	Quarterly	24-Mar-20	24-Sep-22	
17	666.67	833.33	-	1,500.00	-	-	-	-	-	-	-	-	12	166.67	Quarterly	15-Jul-19	15-Apr-22	
18	166.67	208.33	-	375.00	-	-	-	-	-	-	-	-	12	31.25	Quarterly	27-Sep-19	25-Jun-22	
19	-	-	-	-	500.00	1,000.00	-	1,500.00	-	-	-	-	45	41.67	Monthly	01-Sep-18	01-Mar-22	
	11,948.56	11,570.70	3,250.00	24,804.65	11,177.59	15,345.82	3,625.00	30,148.41	4,440.95	3,780.50	-	10,421.25						
Less:																		
EBI on borrowings				(294.61)				(714.66)				(60.17)						
				24,509.44				29,433.49				10,361.08						

b. Details of security given for secured loans (for item no 1 to 19):-

- i. *Pari-passu* hypothecation on the eligible book debts/receivables to be received from existing and prospective customers of the Company.
- ii. *Pari-passu* charge by hypothecation on the other book debts and receivables and other current assets of the company, existing and future, excluding receivables exclusively charged to banks.
- iii. Corporate guarantee by Ambit Private Limited, the holding company.

c. Details of security given for secured loans (for item no 19):-

- i. Exclusive charge over the specified loan assets/book debts and any other asset, property or rights that the borrower acquires using the proceeds of the facility and such other assets of the borrower such that the security cover is met.
- ii. Corporate guarantee by Ambit Private Limited, the holding company.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

16. Borrowings (Contd.)

B. From other parties

(Amounts in ₹ lakhs)

a. Terms of repayment and other terms in respect of long term loans are as under:-

Sr. No.	Amount as at 31st March, 2020				Amount as at 31st March, 2019				Amount as at 1st April, 2018				Terms of repayment and other relevant terms					
	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total	No. of Installments	Amount of Installments	Frequency	From	To	
1	261.98	97.13	-	499.01	322.32	456.69	-	781.21	-	-	-	-	86	27.78	Monthly	01-Jul-18	30-Jan-21	
2	179.22	84.43	-	243.67	199.12	265.93	-	402.52	-	-	-	-	56	13.69	Monthly	26-Aug-18	26-Jul-21	
3	-	-	-	-	164.05	83.51	-	244.86	-	-	-	-	24	15.67	Monthly	01-Sep-18	05-Aug-20	
4	-	-	-	-	303.10	315.13	-	488.26	-	-	-	-	29	33.51	Monthly	01-Sep-18	29-Jun-21	
5	-	-	-	-	162.00	218.42	-	380.42	-	-	-	-	33	14.65	Monthly	01-Sep-18	21-May-21	
6	-	-	-	-	182.17	216.98	-	399.14	-	-	-	-	33	15.65	Monthly	01-Sep-18	21-May-21	
7	-	-	-	-	160.91	230.67	-	391.78	-	-	-	-	54	15.65	Monthly	01-Sep-18	30-Sep-21	
8	-	-	-	-	667.52	979.23	-	1,416.76	-	-	-	-	35	66.62	Monthly	01-Sep-18	02-Aug-21	
9	229.17	500.80	83.33	812.80	-	-	-	-	-	-	-	-	96	10.62	Monthly	01-Aug-19	01-Jul-23	
10	229.17	500.80	83.33	812.80	-	-	-	-	-	-	-	-	96	10.62	Monthly	01-Aug-19	01-Jul-23	
11	171.86	375.00	62.50	609.36	-	-	-	-	-	-	-	-	96	7.81	Monthly	01-Aug-19	01-Jul-23	
12	171.86	375.00	62.50	609.36	-	-	-	-	-	-	-	-	96	7.81	Monthly	01-Aug-19	01-Jul-23	
13	280.00	437.50	-	687.50	-	-	-	-	-	-	-	-	72	10.42	Monthly	24-Jan-20	25-Dec-22	
14	280.00	437.50	-	687.50	-	-	-	-	-	-	-	-	72	10.42	Monthly	24-Jan-20	25-Dec-22	
15	300.00	1,000.00	374.66	1,474.66	-	-	-	-	-	-	-	-	16	128.00	Monthly	28-Feb-20	01-Dec-23	
	2,943.30	3,786.30	446.82	6,796.30	2,106.59	2,741.63	-	4,891.22	-	-	-	-						
Less:																		
EBR on borrowings				(5.48)														
				4,790.83				4,891.22										

b. Details of security given for secured loans (for item no 1 to 14):-

- i. Exclusive charge over the specified loan assets/book debts and any other asset, property or rights that the borrower acquires using the proceeds of the facility and such other assets of the borrower such that the security cover is met.
- ii. Corporate guarantee by Ambit Private Limited, the holding Company (except item no 1 and 2).

c. Details of security given for secured loans (for item no 15):-

- i. Pari-passu hypothecation on the eligible book debts/receivables to be received from existing and prospective customers of the Company.
- ii. Pari-passu charge by hypothecation on the other book debts and receivables and other current assets of the company, existing and future, excluding receivables exclusively charged to banks.
- iii. Corporate guarantee by Ambit Private Limited, the holding Company.

C. Details of security given for short term borrowings from banks -

- i. Pari-passu hypothecation on the eligible book debts/receivables to be received from existing and prospective customers of the Company.
- ii. Pari-passu charge by hypothecation on the other book debts and receivables and other current assets of the company, existing and future, excluding receivables exclusively charged to banks.
- iii. Corporate guarantee by Ambit Private Limited, the holding Company.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
17. OTHER FINANCIAL LIABILITIES (at amortised cost)			
Margin money collected from clients/distributors	323.92	170.67	-
Credit balance in client accounts	4.95	6.37	-
Processing fees payable	-	-	41.30
Payable towards acquisition of business [see note 40]	663.87	775.20	-
Payable to related parties for reimbursement of expenses	59.43	81.79	62.45
Others	2.17	0.91	-
	1,054.34	1,034.94	103.75
18. PROVISIONS			
Provision for employee benefits [see note 36]			
Gratuity	89.79	62.12	20.76
Compensated absences	42.40	14.98	7.75
	132.19	77.10	28.51
19. OTHER NON-FINANCIAL LIABILITIES			
Statutory dues	134.56	57.78	16.48
Book overdraft	-	1,703.41	-
Income received in advance	29.54	33.88	24.92
	164.10	1,795.07	41.40



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No.	Amount	No.	Amount	No.	Amount
20. SHARE CAPITAL						
Authorised :						
Equity shares of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00	10,000,000	1,000.00
Issued, subscribed and fully paid-up:						
Equity shares of ₹ 10 each, fully paid up	17,675,100	1,767.51	13,274,000	1,327.40	9,044,000	904.40
Issued, subscribed but not fully paid-up:						
Equity shares of ₹ 10 each ₹ 1, per share paid up	4,171,105	41.71	2,777,500	27.78	-	-
		1,809.22		1,355.18		904.40

20.01 Reconciliation of outstanding equity shares

(Amounts in ₹ lakhs)

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No.	Amount	No.	Amount	No.	Amount
Fully paid up:						
As at the beginning of the year	13,274,000	1,327.40	9,044,000	904.40	7,644,000	764.40
Add: Shares issued during the year	4,401,100	440.11	4,230,000	423.00	1,400,000	140.00
As at the end of the year	17,675,100	1,767.51	13,274,000	1,327.40	9,044,000	904.40
Not fully paid-up:						
As at the beginning of the year	2,777,500	27.78	-	-	-	-
Add: Shares issued during the year	1,393,605	13.93	2,777,500	27.78	-	-
As at the end of the year	4,171,105	41.71	2,777,500	27.78	-	-
Total	21,846,205	1,809.22	16,051,500	1,355.18	9,044,000	904.40

20.02 Details of shares held by each shareholder holding more than 5% shares

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No.	%	No.	%	No.	%
Ambit Private Limited, the holding Company	12,349,000	56.53%*	12,259,000	76.37%*	9,044,000	100.00%
Rising Sun Holdings Private Limited	4,260,010	19.50%*	-	-	-	-
Jeevadravva Bio-Pharma Private Limited	1,179,695	5.40%*	-	-	-	-

*calculated based on total number of shares issued

20.03 The Company has one class of shares, namely equity shares, having a par value of ₹ 10 per share, which rank pari passu in all respects including voting rights and entitlement of dividend. The dividend proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts.

20.04 During the year, the Company has issued 1,393,605 (Previous year: 2,777,500) equity shares having a par value of ₹ 10 per share at premium of ₹ 521.69 (Previous year: ₹ 306) per share, out of which ₹ 6 per share has been called up and received as of 31st March, 2020. [₹ 1 per share towards share capital and ₹ 5 per share towards securities premium]. These shares rank pari passu in all respects including voting rights and entitlement of dividend only to the extent of the paid-up value.

20.05 For details of equity shares reserved for issue under Employee Stock Option Schemes, see note 39.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
21. OTHER EQUITY			
(i) Statutory reserve [see footnote (i) below]	1,857.74	1,538.50	1,143.70
(ii) Securities premium [see footnote (ii) below]	51,227.94	28,739.86	16,523.47
(iii) Share options outstanding account [see note 39 and see footnote (iii) below]	31.30	1.54	-
(iv) Retained earnings [see footnote (iv) below]	7,053.58	5,781.78	4,223.09
	60,170.56	36,061.69	21,890.26

Notes:**(i) Statutory Reserve**

Statutory reserve represents reserve created pursuant to the Reserve Bank of India (Amendment) Ordinance, 1997, as prescribed by section 45-IC of the Reserve Bank of India Act, 1934. The amount to be transferred to the special reserve is equivalent to 20% of the profit for the year.

(ii) Securities premium

Securities premium is represents the premium collected on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Share options outstanding account

Share options outstanding account represents share options granted by the Company to its employees under Ambit Finvest Employee Stock Option Scheme 2018. [see note 39].

(iv) Retained earnings

It represents the amount of accumulated profits and losses of the Company over the years that can be distributed by the Company as dividends to its equity shareholders and is determined based on the financial statements of the Company and also considering the requirements of the Companies Act.

(v) For detailed movement in the balance of Reserve and Surplus, refer Statement of changes in equity.

AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
22. INTEREST INCOME		
(on financial assets measured at amortised cost)		
Interest on loans	12,557.37	7,951.92
Interest on inter corporate deposits	38.18	150.82
Interest on deposits with banks and financial institution	94.59	51.33
Interest income on debentures	17.33	-
	12,707.47	8,154.07
23. OTHER OPERATING INCOME		
(on financial assets measured at amortised cost)		
Premium on redemption of preference shares	-	48.85
Prepayment charges	87.70	15.46
	87.70	64.31
24. OTHER INCOME		
Unwinding of discount on security deposits	7.27	1.32
Profit from redemption of investments in mutual funds	67.24	401.83
Interest on income tax refund	-	2.87
Service charge	90.00	30.00
Miscellaneous income	18.58	4.86
	183.09	440.88
25. FINANCE COSTS		
(on financial liabilities measured at amortised cost)		
Interest on borrowings	4,865.52	2,612.15
Interest on market linked debentures	58.39	-
Interest on lease liabilities	77.25	-
Loan processing fees	3.16	4.24
	5,004.32	2,616.39
26. IMPAIRMENT OF FINANCIAL ASSETS		
Loans	1,729.46	1,068.63
	1,729.46	1,068.63
27. EMPLOYEE BENEFITS EXPENSE [see note 33]		
Salaries and other allowances	2,322.56	1,406.34
Employer's contribution to provident and other funds	119.65	55.01
Gratuity expense [see note 36(b)(III)]	20.79	14.25
Staff welfare expenses	56.58	19.43
	2,519.58	1,495.03



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
28. DEPRECIATION AND AMORTISATION EXPENSE		
On property, plant and equipment	78.84	16.42
On other intangible assets	66.83	12.72
On right of use asset [see note 38]	200.10	-
	345.77	29.14
29. OTHER EXPENSES [see note 33]		
Rent [see note 38]	152.43	155.22
Repairs: Leasehold premises	0.13	0.51
Computers and equipment	2.20	1.29
Others	7.03	4.32
Insurance	18.57	3.42
Rates and taxes	50.34	33.12
Professional and legal charges	349.67	230.41
Credit appraisal charges	140.12	39.66
Payments to auditors [see note 31]	19.80	9.56
Electricity charges	30.12	13.89
Conveyance and travelling	92.36	47.33
Service charges	44.87	33.13
Office expenses	86.19	30.10
Communication expenses	17.99	5.57
Recruitment fees	27.78	33.87
Directors' sitting fees and commission	19.96	7.09
Membership and subscription	20.16	28.78
Printing and stationery	23.79	12.34
Computer software expenses	28.35	27.80
Advertisement	0.38	-
Brokerage	10.81	-
Business promotion expenses	5.63	4.38
Postage and telegram	10.43	4.80
Bank charges	11.51	0.75
Donation	1.41	1.04
Expenditure on corporate social responsibility [see note 32]	39.32	31.95
Loss on write off of fixed assets	-	7.50
Miscellaneous expenses	2.76	1.17
	1,214.11	769.00



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
30. Contingent Liabilities and commitments:			
(A) Claims against the company not acknowledged as debts			
Income tax matters in respect of earlier years under dispute			
Note:			
Future cash outflows in respect of the above are determinable only on receipt of judgments/decisions pending at relevant authority.	5.43	5.21	5.21
(B) Capital commitments			
Towards property, plant and equipment	16.44	-	-

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
31. Payments to auditors (excludes indirect taxes)		
Audit fees	16.00	6.25
Tax audit	-	1.60
Other services	3.75	1.71
Reimbursement of out of pocket expenses	0.05	-

32. Expenditure on Corporate Social Responsibility (CSR)

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Gross amount required to be spent by the Company during the year	39.32	31.93
(b) Amount spent during the year on:		
(i) Construction or acquisition of any asset	-	-
(ii) On Purposes other than (i) above		
Paid to Ambit Oditi Foundation for the objects including education, medical help etc.	39.32	31.95
	39.32	31.95
(c) Balance amount yet to be paid	-	-



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

33. The Company has expense sharing and other arrangements with its holding company and fellow subsidiary companies. Arising from the foregoing, the amounts shown in the Statement of Profit and Loss are after inclusion of the following expenses:

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee benefits expense		
- Salary and other allowances	176.58	161.43
- Employer's contribution to provident fund	9.20	8.57
- Gratuity expense	5.04	6.68
- Staff Welfare	18.54	12.64
Rent	82.33	81.84
Repairs	4.27	4.24
Insurance	5.27	3.42
Rates and taxes	1.97	0.97
Professional and legal charges	52.13	54.60
Electricity charges	9.10	8.42
Conveyance and travelling	17.76	12.28
Office expenses	14.17	10.53
Service charges	50.24	33.13
Communication expenses	4.53	3.14
Recruitment fees	0.69	1.51
Directors' sitting fees and commission	8.17	4.42
Membership and subscription	5.53	3.37
Printing and stationery	1.87	1.77
Computer software expenses	2.68	2.08
Business promotion expenses	3.62	1.96
Postage and telegram	0.09	0.15
Bank charges	0.01	0.04
Miscellaneous expenses	1.42	0.10



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

34. Values used in calculating Earnings per share (EPS):

	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Numerator: Profit for the year (in ₹ lakhs)	1,596.20	1,974
(ii) Denominator: Weighted average number of equity shares for basic and diluted earnings per share [see footnote-1]	13,902,997	11,694,451
(iii) Nominal value of equity shares (₹)	10.00	10.00
(iv) Earnings per share (₹)		
- Basic	11.48	16.88
- Diluted	11.48	16.88

Notes:

1. The partly paid up equity shares are entitled to participate in dividends and accordingly are not considered to be dilutive potential equity shares. Further, the share options granted during the year are exercisable at fair value of the equity shares during the reporting period and hence are not considered as dilutive.
2. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of EPS.

35. Related parties disclosures**(i) Name of related parties and description of relationship****(a) An individual owning, indirectly, an interest in the voting power that gives him control**

- Ashok Wadhwa

(b) Holding Company

- Ambit Private Limited

(c) Key Management Personnel

- Sanjay Sakhuja, Whole time Director (w.e.f 1st December, 2018) and Executive Chairman
- Vikrant Narang, Whole time Director (w.e.f. 11th July, 2017)
- Sanjay Agarwal, Whole time Director (w.e.f. 22nd November, 2018)
- Sanjay Dhoka, Whole-time Director and Chief Operating Officer
- Rahul Gupta, Director till 30th November, 2018
- Sunil Gulati (w.e.f. 27th May, 2019 to 20th September, 2019)
- Ameet Parikh (w.e.f. 18th February, 2019)
- Shalini Kamath (w.e.f. 10th December, 2018)
- Mrutyunjayarao Kasturi (w.e.f. 18th February, 2019)

(d) Fellow Subsidiary Company (with whom there are transactions)

- Ambit Capital Private Limited
- Ambit Wealth Management Private Limited (formerly known as Ambit Broking & Advisory Private Limited)



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

35. Related parties disclosures

(ii) Transactions carried out with the related parties in (i) above, in ordinary course of business:

(Amounts in ₹ lakhs)

Nature of transactions	Referred in i(b)	Referred in i(c)	Referred in i(d)	Total
Income				
Interest on loan				
- Ambit Private Limited	2.80 (12.51)	- (-)	- (-)	2.80 (12.51)
Expenses				
Demat charges				
- Ambit Capital Private Limited	- (-)	- (-)	- (0.02)	- (0.02)
Brokerage (forms part of cost of purchase/sale of investments)				
- Ambit Capital Private Limited	- (-)	- (-)	- (10.10)	- (10.10)
Professional fees				
- Ambit Wealth Management Private Limited	- (-)	- (-)	91.70 (-)	91.70 (-)
- Ambit Capital Private Limited	- (-)	- (-)	433.74 (-)	433.74 (-)
- Sunil Gulati	- (-)	9.57 (-)	- (-)	9.57 (-)
Directors' sitting fees				
- Ameet Parikh	- (-)	3.25 (0.75)	- (-)	3.25 (0.75)
- Shalini Kamath	- (-)	3.25 (1.25)	- (-)	3.25 (1.25)
- Mrutyunjayrao Kasturi	- (-)	3.50 (0.50)	- (-)	3.50 (0.50)
- Sunil Gulati	- (-)	0.75 (-)	- (-)	0.75 (-)
Expenses [see note 33]				
- Recovered by Ambit Private Limited	465.75 (408.59)	- (-)	- (-)	465.75 (408.59)
- Recovered by Ambit Capital Private Limited	- (-)	- (-)	9.48 (8.70)	9.48 (8.70)
Interest on loan				
- Ambit Private Limited	9.57 (15.99)	- (-)	- (-)	9.57 (15.99)
Expenditure incurred by related party on behalf of the Company				
- Ambit Private Limited	0.47 (0.26)	- (-)	- (-)	0.47 (0.26)
Remuneration				
- Sanjay Sakhuja	- (-)	96.80 (78.87)	- (-)	96.80 (78.87)
- Vikrant Narang	- (-)	121.63 (125.60)	- (-)	121.63 (125.60)
- Sanjay Agarwal	- (-)	119.16 (70.50)	- (-)	119.16 (70.50)
- Sanjay Dhoka	- (-)	90.40 (107.01)	- (-)	90.40 (107.01)



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

35. Related parties disclosures (contd.)

(ii) Transactions carried out with the related parties in (i) above, in ordinary course of business (contd.):

(Amounts in ₹ lakhs)

Nature of transactions	Referred in i(b)	Referred in i(c)	Referred in i(d)	Total
Issue of equity shares				
- Ambit Private Limited	3.00	-	-	3.00
	(9,429.90)	(-)	(-)	(9,429.90)
- Sanjay Sakhuja	-	-	-	-
	(-)	(36.00)	(-)	(36.00)
- Vikrant Narag	-	-	-	-
	(-)	(21.00)	(-)	(21.00)
- Sanjay Agarwal	-	-	-	-
	(-)	(1,125.60)	(-)	(1,125.60)
- Sanjay Dhoka	-	-	-	-
	(-)	(10.50)	(-)	(10.50)
- Shalini Kamath	-	3.00	-	3.00
	(-)	(-)	(-)	(-)
Loan given				
- Ambit Private Limited	2,155.00	-	-	2,155.00
	(9,150.00)	(-)	(-)	(9,150.00)
Loan recovered				
- Ambit Private Limited	2,155.00	-	-	2,155.00
	(9,150.00)	(-)	(-)	(9,150.00)
Loan taken				
- Ambit Private Limited	6,185.00	-	-	6,185.00
	(4,045.00)	(-)	(-)	(4,045.00)
Loan repaid				
- Ambit Private Limited	6,185.00	-	-	6,185.00
	(8,672.00)	(-)	(-)	(8,672.00)
Outstanding at year end				
Payable				
- Ambit Private Limited	55.50	-	-	55.50
	(81.25)	(-)	(-)	(81.25)
	71.99	-	-	71.99
- Ambit Capital Private Limited	-	-	3.93	3.93
	(-)	(-)	(1.07)	(1.07)
	-	-	1.16	1.16
- Rahul Gupta	-	-	-	-
	(-)	(-)	(-)	(-)
	-	200.00	-	200.00
- Sanjay Sakhuja	-	-	-	-
	(-)	(-)	(-)	(-)
	-	165.00	-	165.00
- Sanjay Dhoka	-	1.95	-	1.95
	(-)	(30.53)	(-)	(30.53)
	-	40.65	-	40.65
- Vikrant Narang	-	1.36	-	1.36
	(-)	(1.44)	(-)	(1.44)
	-	81.55	-	81.55
- Sanjay Agarwal	-	1.20	-	1.20
	(-)	(-)	(-)	(-)
	-	-	-	-
Loan taken				
- Ambit Private Limited	-	-	-	-
	(-)	(-)	(-)	(-)
	4,627.00	-	-	4,627.00
Guarantees and Collaterals Outstanding Corporate				
guarantees given by				
- Ambit Private Limited	37,205.27	-	-	37,205.27
	(40,098.51)	-	-	(40,098.51)
	13,964.00	-	-	13,964.00

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year

(ii) Figures in italics are the corresponding figures as of 1st April, 2018.



36. Employee Benefits:

(a) Defined Contribution Plan

Contribution to defined contribution plan, recognised in the Statement of Profit and Loss under 'Employee benefits expense', in note 27 for the year are as under:

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employer's Contribution to Provident Fund	116.47	52.59
Employer's Contribution to Pension Funds	2.70	2.42
Employer's Contribution to ESIC and Labour welfare fund	0.47	-

Note: The above includes expenses reimbursed to holding company [see note 33]

(b) Defined Benefit Plan - Gratuity (Unfunded)

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
I Reconciliation of defined benefit obligation		
Present value of defined benefit obligation as at the beginning of the year	62.12	20.76
Acquired during the year [see note 40]	-	8.38
Current service cost	15.95	4.24
Interest cost	4.84	1.63
Benefits paid	-	(1.85)
Actuarial losses on obligations - due to change in financial assumptions	8.18	0.21
Actuarial (gain)/losses on obligations - due to experience	(1.29)	28.75
Present value of defined benefit obligation as at the end of the year	89.80	62.12
II Net liability recognised in the Balance Sheet		
Present value of defined benefit obligation recognised in the Balance Sheet (liability)	89.80	62.12
III Component of employer's expenses		
Current service cost	15.95	4.24
Interest cost	4.84	1.63
Total expenses recognised in the Statement of Profit and Loss under note 27 'Employee benefits expense'.	20.79	5.87
Actuarial losses on obligations - due to change in financial assumptions	8.18	0.21
Actuarial (gain)/losses on obligations - due to experience	(1.29)	28.75
Total expenses recognised in the Other Comprehensive Income (OCI)	6.89	28.96
IV Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate	6.84%	7.79%
Salary escalation	7.00%	7.00%
V:	(a) The estimates of rate of escalation in salaries considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.	
	(b) The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.	



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

36. Employee Benefits (contd).

(b) Defined Benefit Plan - Gratuity (Unfunded) [contd.]

(VI) Sensitivity analysis

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Increase/(decrease) on present value of defined benefit obligation at the end of the year:		
1% increase in rate of discounting	(8.57)	(4.87)
1% decrease in rate of discounting	10.21	5.73
1% increase in rate of salary increase	10.09	5.71
1% decrease in rate of salary increase	(8.63)	(4.94)
1% increase in rate of employee turnover	(1.27)	(0.30)
1% decrease in rate of employee turnover	1.32	0.27

The above sensitivity analyses is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected contribution to post employment benefit plan for the year ending 31st March, 2021 is ₹ 20.52 lakhs.

(VII) Maturity analysis of the benefit payments: from the employer

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Projected benefits payable in future years from the date of reporting:		
1st following year	20.52	20.43
2nd following year	0.66	0.47
3rd following year	0.87	0.58
4th following year	1.07	0.73
5th following year	1.27	0.87
Sum of years 6 to 10	8.68	5.68

(c) Other long term benefit-compensated absences:

(Amounts in ₹ lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Amount recognised/(reversed) in respect of compensated absences in the Statement of Profit and Loss under 'Salaries and other allowances' [see note 27].	36.24	(0.96)

(d) The information given in (b) and (c) above are as certified by the actuary.

(e) Risks associated with defined benefit plans

Gratuity is a defined benefit plan and company is exposed to the following risks:

- (i) **Interest rate risk:**
A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.
- (ii) **Salary risk:**
The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- (iii) **Asset Liability Matching (ALM) risk:**
The plan faces the ALM risk as to the matching cash flow. The company has to manage pay-out based on pay as you go basis from own funds.
- (iv) **Mortality risk:**
Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

37. Disclosure required under section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

- (a) Principal amount outstanding is ₹ 5.45 lakhs (31st March, 2019: ₹ 4.98 lakhs and 1st April, 2018: ₹ Nil).
No amount of interest was due and remaining unpaid to Micro, Small and Medium suppliers as at the end of the year;
- (b) No amount of interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, and no amount was paid to any Micro, Small and Medium suppliers beyond the appointed day during the year;
- (c) No amount of interest was due and payable during the year towards delay in making payment under the Micro, Small and Medium Enterprises Development Act, 2006;
- (d) No amount of interest was accrued and remaining unpaid at the end of the year.

The above information in respect of the Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

38. Operating leases:

The Company has operating leases for premises. These lease arrangements range for a period between 2 to 6 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for future period on mutually agreed terms and also include escalation clauses.

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Maturity analysis of future minimum lease payments-		
(i) For a period not later than one year	301.87	59.61
(ii) For a period later than one year and not later than five years	928.53	11.03
(iii) For a period later than five years	8.04	-
Total	1,238.44	70.64

Upto 31st March, 2019, operating lease payments are recognised as an expense in the Statement of Profit and Loss in accordance with Ind AS 17. With effect from 1st April, 2019, The Company has adopted Ind AS 116 "Leases" using the retrospective modified method-Option B, applied to lease contracts as on the transition date. In accordance with this transition method, the comparatives have not been adjusted.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The right-of-use assets are presented under property, plant and equipment [see note 10].

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. The effective interest rate for lease liabilities considered is 11%.

The maturity analysis of lease liabilities are disclosed in note 41.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

39. Share based payments - Employee Stock Option Scheme:

During the previous financial year 2018-2019, the Company has adopted Ambit Finvest Employee Stock Option Scheme 2018 ("ESOP Scheme") for grant of stock options to the eligible employees as approved by the Board of Directors and Shareholders. The scheme will continue till the time of expiry/exercise of all the granted stock options.

The ESOP Scheme was approved by the Board of Directors of the Company at its meeting held on 10th December, 2018 and by the shareholders of the Company at the Extra Ordinary General meeting held on 31st December, 2018. Terms of ESOP Scheme are as indicated below.

Pursuant to the ESOP Scheme, the Company has granted stock options to the eligible employees of the Company under equity settlement scheme against each underlying share of the Company of ₹ 10 each.

The vesting and exercise particulars of the stock options granted are as follows:

Vesting period for options granted	As part of the vesting criteria, options would accrue on time-basis and/or performance-linked conditions, as determined by the Compensation Committee. All options granted and accrued, would vest as under:		
	Particulars	For the Options that are Granted on or before 28th February, 2019	For the Options that are Granted after 28th February, 2019
	First Vesting and the quantum	Accrued options not exceeding 33.33% of granted options on 31st March, 2021.	Accrued options not exceeding 33.33% of granted options on the third anniversary of the date of the issue of Letter of Grant.
	Second Vesting and the quantum	Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting.	Accrued options not exceeding 33.33% of granted options on the fourth anniversary of the date of the issue of Letter of Grant.
	Third Vesting and the quantum	Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting.	Accrued options not exceeding 33.34% of granted options on the fifth anniversary of the date of the issue of Letter of Grant.
Exercise period	Within 3 years from each vesting date		

The Company has followed the fair value based method of accounting in accordance with Ind AS 102 'Share based payments' for stock options granted.

All options granted under the ESOP Scheme have been valued using an Option Pricing Model (Black Scholes Model). The main inputs to the model, the fair value of stock options, total charge and the compensation expense recognised are as under:

Fair Value of each Equity Shares as per independent valuation	₹ 306 (for options granted during the financial year ended 31st March, 2019) ₹ 306 (for options granted during the financial year ended 31st March, 2020)
Lapse (Forfeiture) Rate (estimated)	10% per annum
Volatility	As the shares of the Company are unlisted, the volatility is considered as 0%
Risk Free Rate	8% per annum
Average Exercise period	1.5 years
Time to Maturity (no. of days)	Vesting period + Average exercise period for each graded vesting
Weighted average fair value of options granted	₹ 102
Total charge over vesting period	₹ 10,707,249
Charge for the year aggregating [included in Salary and other allowances under Employee Benefits Expenses under note 27]	₹ 2,976,198
Total charge up to the end of the year for ESOP Scheme aggregating	₹ 3,129,890



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

39. Share based payments - Employee Stock Option Scheme: (contd).

(b) The particulars of number of options granted, lapsed, exercised, outstanding, exercisable at the year end and weighted average exercise price are as follows:

(Amounts in ₹ lakhs)

Particulars	For the year ended 31st March, 2020			For the year ended 31st March, 2019		
	No. of options	Weighted average exercise price ₹	Weighted average remaining contractual life (years)	No. of options	Weighted average exercise price ₹	Weighted average remaining contractual life (years)
Outstanding as at the beginning of the year	70,000	306.00	3.00	-	-	-
Granted during the year	85,000	306.00		70,000	306.00	
Lapsed during the year	20,000	306.00		-	-	
Exercised during the year	-	-		-	-	
Outstanding at the end of the year	135,000	306.00	2.53	70,000	306.00	3.00
Exercisable at the end of the year	-	-	-	-	-	-

40. The Company has entered into a Business Transfer Agreement (BTA) dated 30th August, 2018 for purchase of SME lending business of Pinmax Credit & Finance Private Limited as a going concern by way of slump sale.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

As per the requirements of Ind AS 103, the Company has arrived at fair values for each of the component as under-

(Amounts in ₹ lakhs)

	Amount
Market value of Invested Capital	15,477.31
Property, plant and equipment	142.26
Loans	20,580.75
Interest accrued on loans	214.72
Total Assets	20,937.73
Borrowings	7,743.02
Contingent provision against standard assets	82.31
Provision for gratuity	8.38
Provision for compensated absences	10.75
Margin money collected from clients/distributors	52.64
Total Liabilities	7,897.10
Net Assets	13,040.63
Residual Goodwill	2,436.68



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

41. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amounts 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									
Financial Assets									
(a) Cash and cash equivalents	14,444.59	-	14,444.59	119.97	-	119.97	195.51	-	195.51
(b) Bank balance other than cash and cash equivalents	200.00	-	200.00	200.00	-	200.00	200.00	-	200.00
(c) Loans	22,745.51	55,984.96	78,730.47	17,159.28	57,979.79	75,119.07	15,527.05	25,062.50	40,589.55
(d) Investments	8,063.04	-	8,063.04	1,950.86	-	1,950.86	-	353.15	353.15
(e) Other financial assets	509.53	329.07	838.60	38.71	69.15	107.87	0.08	0.10	0.18
Non-financial Assets									
(a) Current tax assets (net)	502.47	24.62	527.09	506.46	-	506.46	54.54	-	54.54
(b) Deferred tax assets (net)	-	413.27	413.27	-	269.23	269.23	-	584.77	584.77
(c) Property, Plant and Equipment	-	1,426.81	1,426.81	-	61.19	61.19	-	6.41	6.41
(d) Goodwill	-	2,436.68	2,436.68	-	2,436.68	2,436.68	-	-	-
(e) Other Intangible assets	-	83.66	83.66	-	91.06	91.06	-	0.14	0.14
(g) Other non-financial assets	253.66	9.09	262.76	59.84	-	59.84	44.51	-	44.51
TOTAL ASSETS	46,720.81	60,708.15	107,428.97	20,015.12	60,907.10	80,922.22	16,021.48	26,027.07	42,048.55
LIABILITIES									
Financial Liabilities									
(a) Trade Payables									
(i) total outstanding dues of micro enterprises and small enterprises	5.45	-	5.45	4.98	-	4.98	-	-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	335.53	-	335.53	482.83	-	482.83	532.13	-	532.13
(b) Debt securities	-	4,203.60	4,203.60	-	-	-	1,494.86	-	1,494.86
(c) Borrowings (other than debt securities)	14,238.14	24,310.51	38,548.64	18,497.21	21,613.25	40,110.46	11,285.51	5,799.29	17,084.80
(d) Lease liabilities	208.97	796.37	1,005.34	-	-	-	-	-	-
(e) Other financial liabilities	1,054.34	-	1,054.34	1,054.94	-	1,054.94	103.75	-	103.75
Non-financial Liabilities									
(a) Current tax liabilities (net)	-	-	-	-	-	-	18.68	-	18.68
(b) Provisions	33.66	96.51	130.17	7.49	69.61	77.10	2.76	25.74	28.51
(c) Other non-financial liabilities	164.10	-	164.10	1,795.07	-	1,795.07	41.40	-	41.40
TOTAL LIABILITIES	16,040.19	29,408.99	45,449.19	21,622.51	21,682.86	43,305.57	13,468.85	5,788.03	19,253.89
NET TOTAL ASSETS	30,680.62	31,299.16	61,979.78	(1,607.39)	39,224.24	37,616.66	2,552.63	20,242.03	22,794.66



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

42. Reconciliation of effective tax rate

(Amounts in ₹ lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	2,165.01	2,681.93
Company's domestic tax rate	25.17%	29.12%
Tax charge using Company's Statutory rate	544.89	780.98
Tax effect of:		
Expenses disallowed for tax purpose	6.07	9.17
Amounts not to be considered / considered separately for tax purpose	6.93	(17.08)
Income subject to tax at lower rates	-	(39.54)
Short/(excess) provision in respect of earlier years	10.92	(25.63)
Total Income tax expense	568.81	707.90

Note:

The Company has elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company recognised provision for income tax and re-measured its deferred tax assets basis the rate provided in the said section.

43. The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred tax assets / (liabilities):			
HIR on lease rent expense	(54.54)	-	-
Impairment on financial instruments - loans	686.79	433.96	530.01
Remeasurement of the defined benefit plans	36.73	21.41	10.62
Property, plant and equipment and intangible asset	(261.08)	(185.30)	(0.60)
Recognition of investment at amortised cost	0.19	-	(0.33)
Recognition of borrowings at amortised cost	(105.83)	(62.51)	(14.47)
Recognition of loans given at amortised cost	43.37	61.92	59.54
Interest expense on leased assets	19.44	-	-
Depreciation on leased assets	48.20	-	-
Measurement of financial asset at fair value through profit or loss	-	(0.25)	-
Net deferred tax asset	413.27	269.23	584.77



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

44. Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	Net balance 1st April, 2019	Recognised in profit or loss	Recognised in OCI	Net balance 31st March, 2020
Deferred tax asset / (liabilities):				
EIR on lease rent expense	-	(54.54)	-	(54.54)
Impairment on financial instruments - loans	433.96	252.83	-	686.79
Remeasurement of the defined benefit plans	21.41	13.59	1.73	36.73
Property, plant and equipment and intangible asset	(185.30)	(75.78)	-	(261.08)
Recognition of investments at amortised cost	-	0.19	-	0.19
Recognition of borrowings at amortised cost	(62.51)	(43.32)	-	(105.83)
Recognition of loans given at amortised cost	61.92	(18.55)	-	43.37
Interest expense on leased assets	-	19.44	-	19.44
Depreciation on leased assets	-	48.20	-	48.20
Measurement of financial asset at fair value through profit or loss	(0.25)	0.25	-	-
Net deferred tax asset	269.23	142.31	1.73	413.27

Movement in deferred tax balances for the year ended 31st March, 2019

(Amounts in ₹ lakhs)

	Net balance 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31st March, 2019
Deferred tax asset:				
Impairment on financial instruments - loans	530.01	(96.05)	-	433.96
Remeasurement of the defined benefit plans	10.62	2.36	8.43	21.41
Property, plant and equipment and intangible asset	(0.60)	(184.70)	-	(185.30)
Recognition of investments at amortised cost	(0.33)	0.33	-	-
Recognition of borrowings at amortised cost	(14.47)	(48.04)	-	(62.51)
Recognition of loans given at amortised cost	59.54	2.38	-	61.92
Measurement of financial asset at fair value through profit or loss	-	(0.25)	-	(0.25)
Net deferred tax asset/(liabilities)	584.77	(323.98)	8.43	269.23



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

45. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has prepared its Ind AS compliant financial statements for year ended on 31st March, 2020, the comparative period ended on 31st March, 2019 and an opening Ind AS Balance Sheet as at 1st April, 2018 (the date of transition), as described in the note 3 on significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2018 and the financial statements as at and for the year ended 31st March, 2019.

For periods ended up to the year ended 31st March, 2019, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

(A) Mandatory exceptions and optional exemptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

(I) Mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

On assessment of the estimates made under the Previous GAAP, the Company has concluded that there is no necessity to revise the estimates under Ind AS as there is no objective evidence of an error in those estimates.

(ii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(iii) 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. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly the Company has determined the classification of financial assets based on the facts and circumstances existing at the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except when the same is impracticable.

(iv) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or fair value through other comprehensive income based on the facts and circumstances that existed as of the transition date.

(v) Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for the transactions occurring on after 1st April, 2018 (the transition date).

(II) Optional exemptions availed

(i) Deemed cost of property, plant and equipment and intangible Assets

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS measured as per the previous GAAP and used as its deemed cost at the date of transition.

(ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be material. The Company has elected to apply this exemption for such contracts/arrangements. However, with effect from 1st April, 2019, the Company has adopted Ind AS 116 "Leases" using the retrospective modified method-Option B, applied to lease contracts as on the transition date.

(iii) Fair value measurement of financial assets or financial liabilities at initial recognition

The Company has elected to measure the financial assets or financial liabilities at fair value on initial recognition prospectively to transactions entered into on or after the date of transition to Ind AS.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

45. First-time adoption of Ind AS (contd.)

(Amounts in ₹ lakhs)

(I) Reconciliation of total equity as at 1st April, 2018 and 31st March, 2019 summarised in below table:

Particulars	Notes	As at 31st March, 2019	As at 1st April, 2018
Total equity (shareholders' funds) under previous GAAP		37,948.35	23,138.23
Ind AS Adjustments:			
Discounting of security deposit	(i)	(0.23)	-
Recognition of investments at amortised cost	(ii)	-	1.15
Recognition of borrowings at amortised cost	(iii)	214.67	50.19
Recognition of loans given at amortised cost	(iv)	(212.61)	(206.46)
Reversal of amortisation of goodwill	(v)	261.56	-
Unrealised gain on fair value changes	(vi)	0.86	-
Provision for expected credit loss	(vii)	(1,014.00)	(327.70)
Deferred tax on the above adjustment	(viii)	218.27	139.25
Total adjustment to equity		(531.48)	(343.57)
Total equity under Ind AS		37,416.87	22,794.66

(II) Reconciliation of total comprehensive income for the year ended on 31st March, 2019 summarised in below table:

Particulars	Notes	Year ended 31st March 2019
Profit as per previous GAAP		2,141.42
Ind AS Adjustments:		
Discounting of security deposit	(i)	(0.23)
Recognition of investments at amortised cost	(ii)	(1.15)
Recognition of borrowings at amortised cost	(iii)	164.49
Recognition of loans given at amortised cost	(iv)	(6.14)
Reversal of amortisation of goodwill	(v)	261.56
Unrealised gain on fair value changes	(vi)	0.86
Provision for expected credit loss	(vii)	(686.31)
Deferred tax on the above adjustment	(viii)	79.00
Actuarial loss on long term employee benefits	(ix)	28.96
Deferred tax on the above adjustment	(viii)	(8.43)
Total effect of transition to Ind AS		(167.39)
Profit for the year under Ind AS		1,974.03
Other comprehensive income for the year (net of tax)		(20.53)
Total comprehensive income under Ind AS		1,953.50

(III) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2019

	Year ended 31st March 2019		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(10,810.22)	71.27	(10,738.94)
Net cash flows from investing activities	(15,868.41)	26.87	(15,841.54)
Net cash flows from financing activities	26,603.29	(98.15)	26,505.14
Net decrease in cash and cash equivalents	(75.34)	-	(75.34)
Cash and cash equivalents at the beginning of the period	195.31	-	195.31
Cash and cash equivalents at the end of the period	119.97	-	119.97



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

45. First-time adoption of Ind AS (contd.)

(IV) Notes to reconciliations

(i) Discounting of security deposit:

Under Indian GAAP, interest free security deposits given to lessors (that are refundable in cash) are recorded at their transaction value. Under Ind AS, all financial instruments are required to be measured at their fair value on initial recognition. Accordingly, security deposits given to lessors have been fair valued under Ind AS. Difference between transaction value and fair value has been recognised as prepaid rent. Prepaid lease rent is amortised over the lease term and interest income is recognised in the statement of profit and loss on unwinding of security deposits.

(ii) Recognition of investments at amortised cost:

Under previous GAAP, transaction costs were charged to the statement of profit and loss as and when incurred. Ind AS 109 requires transaction costs incurred towards investments to be included in the carrying amount of investments on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the investments as part of the interest income by applying the effective interest rate method.

(iii) Recognition of borrowings at amortised cost:

Under previous GAAP, transaction costs were charged to the statement of profit and loss as and when incurred. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

(iv) Recognition of loans given at amortised cost:

Under previous GAAP, processing fees income was recognised in the statement of profit and loss as and when received. Ind AS 109 requires transaction costs incurred towards loans given to be included in the carrying amount of loans given on initial recognition. This income is recognised in the statement of profit and loss over the tenure of the loans as part of the interest income by applying the effective interest rate method.

(v) Reversal of amortisation of goodwill:

Under previous GAAP, goodwill was amortised over its useful life and tested for impairment. Under Ind AS, Goodwill is not amortised and only tested for impairment.

(vi) Effect of measuring investments in mutual fund at fair value through profit or loss

Under previous GAAP, investments in mutual funds were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried at FVTPL.

(vii) Impairment on financial instruments:

Under previous GAAP, provision for doubtful loans given was recorded based on incurred loss model Under Ind AS 109, allowance for doubtful debts is determined based on expected credit loss model.

(viii) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focusses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between carrying amount of an asset or liability in the balancesheet and its tax base. The application of balancesheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. The Ind AS adjustments have a corresponding deferred tax impact.

(ix) Employee benefits:

Under previous GAAP, actuarial gain /loss on defined benefit plans were charged to statement of profit and loss. Under Ind AS, such remeasurements are required to be presented in other comprehensive income.



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Notes forming part of the financial statements for the year ended 31st March, 2020

46. Financial instruments**46.01 Capital Management**

The Company's objectives when managing capital are:

- to ensure Company's ability to continue as a going concern.
- to provide adequate return to shareholders.

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's management reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

46.02 Categories of financial instruments and Fair Value Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices

Level 2: The fair value of the financial instruments that are not traded in an active market is determined using valuation

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level

(Amounts in ₹ lakhs)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(I) Financial assets				
Measured at fair value through profit or loss				
(a) Investments in mutual funds	1	-	1,950.86	-
Measured at amortised cost				
(a) Loans	3	78,730.47	75,119.07	40,609.55
(b) Investments	3	8,063.04	-	353.15
(c) Other financial assets	3	334.58	69.15	0.10
(II) Financial liabilities				
Measured at amortised cost				
(a) Debt securities	3	4,203.60	-	1,484.86
(b) Borrowings (other than debt securities)	3	38,548.64	40,110.46	17,044.60
(c) Lease liabilities	3	1,005.34	-	-

The management has assessed that the carrying amounts of cash and cash equivalents, loans at amortised cost, investments, other financial assets, trade payables, debt securities, borrowings, lease liabilities and other financial liabilities are reasonable appropriation to their fair value.

46.03 Valuation Process

- The Company has valued the mutual fund investments at FVTPL referring the net asset value as on the reporting date.
- Preference share investments are valued at fair value based on discounted cash flow method considering the discount rate which is based on the market borrowing rate.

46.04 Financial risk management objectives

The Company has exposure to the following risks arising from financial instruments:

- Market risk ;
- Interest rate risk;
- Credit risk ; and
- Liquidity risk

(i) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is domiciled in India and has its revenues and other transactions in its functional currency i.e. Rupees. Accordingly the Company is not exposed to any currency risk. Also the Company does not hold any equity investments in listed entities, accordingly the Company is not exposed to any equity price risk.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

46. Financial instruments (contd.)**46.04 Financial risk management objectives (contd.)****(ii) 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's exposure to market risk for changes in interest rates relates to variable rate borrowings from financial institutions. The Company's fixed rate borrowings from are carried at amortised cost and are not subject to interest rate risk since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

(Amounts in ₹ lakhs)

Particulars	As At 31st March, 2020	As At 31st March, 2019	As At 1st April, 2018
Fixed rate borrowings	11,968.95	6,365.52	6,122.55
Variable rate borrowings	30,783.29	33,744.94	12,406.92
Total Borrowings	42,752.24	40,110.46	18,529.47

Interest rate sensitivity - variable rate borrowings

The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

(Amounts in ₹ lakhs)

Particulars	Impact on Profit or Loss	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Rate increase by 50bps*	(153.92)	(168.72)
Interest Rate decrease by 50bps*	153.92	168.72

* holding all other variables constant

(iii) Credit risk

Credit risk' is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers and investment debt securities. The Company's policies for computation of expected credit loss are set out below:

1. Expected credit Loss Methodology for loan portfolio

The objective is to have sound methodology for computation of Expected Credit Losses (ECL) that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company including the parameters and assumption.

In formulating the methodology, the Management has considered the requirements of Para 5.5. and Appendix B - Para 5.5 of Ind AS 109. As per para 5.5.17 of Ind AS 109 on measurement of expected credit loss,

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The methodology outlined based on Ind AS 109 is a three stage approach for the recognition of impairment losses. The three stages of the model are based on the changes in the credit quality of the financial instrument since inception and the measurement of expected credit loss (ECL) for these assets is dependent on the stage classification as of the reporting date. Ind AS 109 also permits cash flow approach.



46. Financial instruments (contd.)

46.04 Financial risk management objectives (contd.)

(iii) Credit risk (contd.)

2. Portfolio Segmentation

For the purpose of ECL computation, entire loan portfolio is segmented into homogenous risk segments. Common factors for segmentation may include asset classes, internal rating grade, size, geography, product, etc.

The various loan products include:

- (i) Loan against property
- (ii) SME Unsecured
- (iii) Working capital loans
- (iv) Education Loan
- (v) NBFC Loans
- (vi) Margin Funding
- (vii) Promoter Funding
- (viii) Business Loans / Structured Loans
- (ix) Real Estate Funding
- (x) Business Loans / Structured Loans
- (xi) Real Estate Funding

3. Stage wise Classification of Exposures

Financial assets shall be classified into appropriate stages through the following three stages based on the changes in credit quality since initial recognition: Default shall be determined in a manner consistent with that used for internal credit risk management.

Stage-1: The Company classifies all advances up to 0-30 days default under this category.

Stage-2: Financial assets past due for 31 to 90 days are classified under this stage.

Stage-3: 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

4. Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. 12 month PD shall be derived based on historical data, default history based on credit rating and other method as suitable. Life time PD for Stage 2 Loans is derived based on survival formula which is $(1 - (\text{Probability of surviving in year 1})^{\text{remaining tenure}})$.

(i) SME Loans:

As the SME division has a operating history of less than five years, we had appointed an independent agency ICRA Analytics Limited for providing assistance and guidelines for the ECL calculation. Basis the guidance of the ICRA Analytics Limited the following methodology adopted for the purpose arriving at the Probability of Default for the SME division.

(ii) Structured Finance Loans:

The Structured Finance Division being having a operating history of more than five years and completed one lifecycle. In order to ascertain the ECL, the management has done a detailed assessment of the portfolio basis the credit, repayment track record, risk associated with the business, credit comfort/group support etc. and along with Default Study Report by a credit rating agency.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

46. Financial instruments (contd.)

46.04 Financial risk management objectives (contd.)

(iii) Credit risk (contd.)

4. Probability of Default (PD) (contd.)

4.1 Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the Exposure at Default (EAD).

4.2 Exposure at Default (EAD)

The Exposure at Default is credit exposure of the Company. It is an amount that the Company is exposed to when a loan defaults. This includes the undrawn commitments to the extent the Company is obligated to honour it. EAD is computed as sum of principal outstanding (including overdue amount), interest accrued (due and overdue), undrawn commitments (expected drawdowns on committed facilities), other charges less any advance received less the value of collaterals after considering necessary haircuts, as applicable.

5. Expected Credit Losses (ECL) approach

Particulars	Stage 1 (Performing)	Stage 2 (Under-performing)	Stage 3 (Non-performing)
ECL model	PD / LGD Model	PD / LGD Model	Cash flow model
ECL	12 months ECL	Life time ECL	Life time ECL
ECL Computation	$(PD * LGD * EAD)$	$(PD * LGD * EAD)$	Expected Cash Flow

Notes:

- i. Stage wise classification of exposure into Stage 1, Stage 2 and Stage 3
- ii. PD - Probability of Default
- iii. LGD - Loss Given Default
- iv. Exposure At Default

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the '12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated either on an individual basis or on a collective basis, depending on the nature of the underlying portfolio of financial instruments.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

46. Financial instruments (contd.)

46.04 Financial risk management objectives (contd.)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has access to funds from banks and financial institutions. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

The below table provides details of the undiscounted cash flow (principal and interest) of non-derivative financial liabilities of the Company based on the remaining contractual maturity :

(Amounts in ₹ lakhs)

Particulars	1 year or less	1-2 years	2-5 years	More than 5 years	Total	Carrying amount
As at 31st March, 2020						
(a) Trade payables	340.98	-	-	-	340.98	340.98
(b) Debt securities	-	-	4,203.60	-	4,203.60	4,203.60
(c) Borrowings (other than debt securities)	14,238.15	9,733.13	14,577.36	-	38,548.64	38,548.64
(d) Lease liabilities	301.87	306.73	621.80	8.04	1,238.44	1,005.34
(e) Other financial liabilities	1,054.34	-	-	-	1,054.34	1,054.34
As at 31st March, 2019						
(a) Trade payables	487.80	-	-	-	487.80	487.80
(b) Borrowings (other than debt securities)	18,497.21	11,944.86	9,668.39	-	40,110.46	40,110.46
(c) Other financial liabilities	1,034.94	-	-	-	1,034.94	1,034.94
As at 1st April, 2018						
(a) Trade payables	532.13	-	-	-	532.13	532.13
(b) Debt securities	1,484.86	-	-	-	1,484.86	1,484.86
(c) Borrowings (other than debt securities)	6,658.32	3,841.82	1,917.47	-	12,417.61	12,417.61
(d) Other financial liabilities	103.75	-	-	-	103.75	103.75

Financing arrangements

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

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Floating rate term loan/Cash credit	4,134.39	3,500.00	2,639.00
Expiring within one year	4,134.39	3,500.00	2,639.00
Expiring beyond one year	-	-	-



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:
(i) Capital to Risk Asset Ratio ("CRAR")

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
CRAR (%)	67.35	46.04	55.20
CRAR - Tier I capital (%)	66.10	44.79	54.15
CRAR - Tier II capital (%)	1.25	1.25	1.05
Amount of Subordinated debt raised as Tier - II capital	-	-	-
Amount raised by issue of perpetual debt instruments	-	-	-

(ii) Movement of Non Performing Assets (NPAs)

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Net NPAs to Net Advances (%)	0.98%	0.25%	-
Movement of NPAs (Gross)			
Opening balance	454.47	1,408.21	-
Additions during the year	1,200.76	454.47	1,408.21
Reductions during the year	356.93	1,408.21	-
Closing balance	1,298.30	454.47	1,408.21
Movement of NPAs (Net)			
Opening balance	187.43	-	-
Additions during the year	721.51	187.43	-
Reductions during the year	125.26	-	-
Closing balance	783.69	187.43	-
Movement of provisions for NPAs (excluding provisions on standard assets)			
Opening balance	267.03	1,408.21	-
Provisions made during the year	479.25	267.03	1,408.21
Write-off of excess provisions	231.67	1,408.21	-
Closing balance	514.61	267.03	1,408.21

Note: The above figures are being reported as per IND AS methodology and the current year Gross NPA includes ₹ 150 lakhs and the current year provisions include ₹ 17.37 lakhs on account of substandard asset as per IRACP norms.

(iii) Sector-wise NPAs
Percentage of NPAs to Total Advances in that sector

Sectors	As at 31st March, 2020 %	As at 31st March, 2019 %	As at 1st April, 2018 %
Agriculture & allied activities	-	-	-
MSME	2.36%	-	-
Corporate borrowers	-	0.11%	3.81%
Services	-	1.28%	-
Unsecured personal loans	-	-	-
Auto loans	-	-	-
Other personal loans	-	-	-

The above excludes NPAs of ₹ 0.73 lakhs as at 31st March, 2020 (₹ 10.29 lakhs as at 31st March, 2019 and ₹ Nil as at 1st April, 2018) in respect of loans not falling in the above sector information about loans to MSME sector has been determined to the extent such parties have been identified on the basis of information available with the Company.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (contd.)

(iv) Maturity pattern of certain items of assets and liabilities for the year ended 31st March, 2020

(Amounts in ₹ lakhs)

	Upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 year	Over 3 year upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances#	1,784.90	887.37	1,997.21	6,571.70	12,908.76	28,881.06	12,506.83	16,384.99	81,459.51
	(3,105.12)	(1,469.87)	(1,222.68)	(3,577.59)	(8,442.755)	(31,201.81)	(15,991.62)	(11,680.39)	(76,691.63)
	3,332.86	432.86	379.76	3,564.29	8,905.595	16,520.64	9,311.29	-	42,447.30
Investments	-	-	-	8,063.04	-	-	-	-	8,063.04
	(1,950.86)	(-)	(-)	-	(-)	(-)	(-)	(-)	(1,950.86)
	-	-	-	-	353.15	-	-	-	353.15
Borrowings#	927.06	630.40	1,922.48	3,687.18	7,071.05	24,613.86	3,900.24	-	42,752.24
	(950.09)	(787.90)	(1,332.84)	(3,446.95)	(11,979.44)	(18,001.23)	(3,612.02)	(-)	(40,110.46)
	117.89	1,858.75	653.75	1,250.86	4,275.06	5,759.29	-	-	13,917.61
Foreign Currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year

(ii) Figures in italics are the corresponding figures as of 1st April, 2018.

Represents interest bearing loans, inter corporate deposits and interest accrued thereon.

© The Company has availed cash credit facilities with certain banks which are renewed on a yearly basis. Outstanding amounts as at the balance sheet date of ₹ 40.61 lakhs (31st March, 2019: ₹ 5,264.85 lakhs and 1st April, 2018: ₹ 2,035.83 lakhs) is included in the amounts disclosed in "Over 6 months upto 1 year" category above.



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)**(v) Schedule to the balancesheet****Liabilities:***(Amounts in ₹ lakhs)*

	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures (other than falling within the meaning of public deposits*)		
(i) Secured	4,203.60	-
(ii) Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans	33,331.86	-
(d) Inter-corporate loans and borrowing	5,176.16	-
(e) Commercial paper	-	-
(f) Public deposits*	-	-
(g) Other loans (loans repayable on demand from banks)	40.61	-
<i>* Please see note 1 below</i>		
(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	-	-
<i>* Please see note 1 below</i>		



47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)

(v) Schedule to the balancesheet (contd.)

Assets:

(Amounts in ₹ lakhs)

	Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below, net of provisions]:	
(a) Secured	64,054.12
(b) Unsecured	13,523.70
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	-
(b) Repossessed assets	-
(iii) Other loans counting towards asset financing activities:	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) Break-up of Investments:	
<u>Current Investments</u>	
1. Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	8,063.04
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
<u>Long Term investments</u>	
1. Quoted	
(i) Share	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-



47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)

(v) Schedule to the balancesheet (contd.)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:			
Please see note 2 below.			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	64,054.12	13,523.70	77,577.82
Total	64,054.12	13,523.70	77,577.82
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Please see note 3 below			
Category	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	8,063.04	8,063.04	
Total	-	-	
** As per Accounting Standard of ICAI [see note 3]			
(8) Other information:			
Particulars	Amount		
(i) Gross Non-Performing Assets			
(a) Related parties	-		
(b) Other than related parties	1,298.30		
(ii) Net Non-Performing Assets			
(a) Related parties	-		
(b) Other than related parties	783.69		
(iii) Assets acquired in satisfaction of debt	-		
Notes:			
1. As defined in point xix of paragraph 3 of Chapter-2 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.			
2. Provisioning norms shall be applicable as prescribed in the aforesaid Directions.			
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 investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.			



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(vi) Investments			
1. Value of Investments			
(a) Gross Value of Investments			
(i) In India	8,063.04	1,950.86	353.15
(ii) Outside India	-	-	-
	8,063.04	1,950.86	353.15
(b) Provisions for Depreciation			
(i) In India	-	-	-
(ii) Outside India	-	-	-
	-	-	-
(c) Net Value of Investments			
(i) In India	8,063.04	1,950.86	353.15
(ii) Outside India	-	-	-
	8,063.04	1,950.86	353.15
2. Movement of provisions held towards depreciation			
(a) Opening balance	-	-	-
(b) Add: Provisions made during the year	-	-	-
(c) Less: Write-off/write-back of excess provisions during the year	-	-	-
(d) Closing balance	-	-	-
(vii) Details of Assignment transactions undertaken			
(a) No. of accounts	-	-	-
(b) Aggregate value (net of provisions) of accounts sold	-	-	-
(c) Aggregate consideration	-	-	-
(d) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(e) Aggregate gain/loss over net book value	-	-	-
(viii) During the year, the Company has neither purchased nor sold any non-performing financial assets from/to other NBFC's (Previous year: Nil).			
(ix) Exposures			
(A) Exposure to Real Estate Sector			
(a) Direct Exposure			
(i) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	16,330.17	10,054.57	375.20
(ii) Commercial Real Estate- Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	22,866.47	11,396.69	3,627.58
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures-			
Residential	-	-	-
Commercial Real Estate	-	-	-
(b) Indirect Exposure- Fund based & non fund based exposure on National Housing Bank (NHB) & Housing Finance Company (HFCs)	-	-	-
Total Exposure to Real Estate Sector	39,196.64	21,451.26	4,002.78



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(ix) Exposures (contd.)			
(B) Exposure to Capital Market			
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,340.89	1,336.50	1,582.75
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,951.39	519.36	375.20
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total Exposure to Capital Market	3,292.28	1,855.86	1,957.96

(x) Provisions and Contingencies

(Amounts in ₹ lakhs)

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement of Profit and Loss	As at 31st March, 2020	As at 31st March, 2019
(a) Provisions for depreciation on Investment	-	-
(b) Provision towards NPA	230.21	267.03
(c) Provision made towards Income tax	568.81	778.48
(d) Other Provision and Contingencies (with details)	-	-
(e) Provision for Standard Assets	926.07	794.59



STANT

AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

47. Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016: (contd.)
(xi) Concentration of Advances

(Amounts in ₹ lakhs)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total Advances to twenty largest borrowers	31,553.19	40,747.63	39,679.30
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	38.59%	53.16%	94.17%
(xii) Concentration of Exposures			
Total Exposure to twenty largest borrowers/customers	31,553.19	40,747.63	39,679.30
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the applicable NBFC on borrowers/customers	38.59%	53.16%	94.17%
(xiii) Concentration of NPAs			
Total Exposure to top four NPA accounts	575.97	213.49	1,409.12
(xiv) Off-balance Sheet SPVs sponsored			
Domestic	-	-	-
Overseas	-	-	-
(xv) Disclosure of Complaints			
No. of complaints pending at the beginning of the year	-	-	-
No. of complaints received during the year	10	-	-
No. of complaints redressed during the year	10	-	-
No. of complaints pending at the end of the year	-	-	-

(xvi) Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the current year and previous years (FY 2019-20 and FY 2018-19), the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvii) Derivatives

During the current year and previous years (FY 2019-20 and FY 2018-19), the Company has not entered into any forward rate agreements neither traded into any interest rate derivatives.

(xviii) Disclosures relating to securitisation

During the current year and previous years (FY 2019-20 and FY 2018-19), the Company has not entered into any securitisation transactions. The Company has neither sponsored any Special Purpose Vehicle for securitisation transactions nor has sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction.

(xix) Registration obtained from other financial sector regulators

During the current year and the previous years (FY 2019-20 and FY 2018-19), the Company has not obtained any registration from other financial sector regulators.

(xx) Rating assigned by credit rating agencies and migration of ratings during the year

During the year under review, CARE Ratings reaffirmed their rating for the Long term and Short term debt programme of the Company. The Company has been assigned the rating of A+(CE) for its Long Term bank facilities for ₹ 750 crores and A1+(CE) for its Commercial Paper issuance for ₹ 100 crores. CARE Rating has additionally assigned the rating of A+ (CE) to principal protected Market Linked Debenture issuance for 100 crore by the Company. CE (Credit Enhancement) represents that the borrowings are backed by the Corporate Guarantee of Ambit Private Limited. CARE Rating has assigned an unsupported rating of A (Stable) to the Company. These ratings are backed by corporate guarantee of Ambit Private Limited, the holding company.

(xci) During the current year and the previous years (FY 2019-20 and FY 2018-19) there are no penalties levied by RBI.
(xci) During the current year and the previous years (FY 2019-20 and FY 2018-19), the Company has not financed any of the Parent Company's products.


AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

48. Disclosures as required under Circular No. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 of Reserve Bank of India-

(Amounts in ₹ lakhs)

Particulars	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 [see footnote to note 47(ii)]	Stage 1	76,585.66	1,502.76	75,082.90	306.34	1,196.42
	Stage 2	3,725.35	728.84	2,996.51	29.30	699.54
Subtotal		80,311.01	2,231.60	78,079.41	335.64	1,895.96
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,042.76	461.88	580.88	219.53	242.35
Doubtful - up to 1 year	Stage 3	105.54	35.36	70.18	33.11	2.25
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,148.30	497.24	651.06	252.64	244.60
Other Items						
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	76,585.66	1,502.76	75,082.90	306.34	1,196.42
	Stage 2	3,725.35	728.84	2,996.51	29.30	699.54
	Stage 3	1,148.30	497.24	651.06	252.64	244.60
		81,459.31	2,728.84	78,730.47	588.28	2,140.56



AMBIT FINVEST PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2020

49. The Company is in the business of granting of loans/making investments being Non-Banking Finance Company, which is the only operating segment.
50. Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 22, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has carried out provisions for ECL after factoring management overlay allowance, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the ECL is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. In the event the impact is severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operation and the financial position of the Company.

51. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

In terms of our report attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Mumbai,



On behalf of the Board of Directors



Sanjay Sakhuja
Whole Time Director and
Executive Chairman

Sanjay Dhoka
Whole Time Director,
CFO and COO



Amrita Pillai
Company Secretary
Mumbai,



Auditor's Report to the Board of Directors pursuant to Master Directions – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

**To the Board of Directors of
Ambit Finvest Private Limited**

Ref: Report to the Board of Directors pursuant to Master Directions – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("**RBI**") and amended from time to time (the "**Auditor's Report Directions**") for the year ended March 31, 2020

1. We have audited the Ind AS financial statements of Ambit Finvest Private Limited (the "**Company**"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and issued our audit opinion dated June 24, 2020 thereon. These Ind AS financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these Ind AS financial statements based on our audit. Our audit was conducted in the manner specified under the section "Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements" of the said audit report. We also draw reference to the section "Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements" in the Audit Report which applies to this report.
2. The Ind AS financial statements, referred to in paragraph 1 above, have been prepared by the Company as per the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 regarding "Implementation of Indian Accounting Standards" and the relevant requirements of Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI (the "**NBFC Master Directions**") (collectively, the "**Ind AS Accounting Framework**").
3. As required by the Auditor's Report Directions, based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Auditor's Report Directions:
 - i) The Company has been engaged in the business of a Non-Banking Financial Institution ('NBFI') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 (the "**Act**") during the year ended March 31, 2020, requiring it to hold a Certificate of Registration ("**CoR**") under section 45-IA of the Act. The Company is registered with the RBI as an NBFC without accepting public deposits vide CoR number N-13.01927 dated May 04, 2009.
 - ii) The Company is entitled to continue to hold such CoR in terms of its principal business criteria (financial assets/income pattern) as at and for the year ended March 31, 2020.
 - iii) The net owned fund ("**NOF**") of the Company as of March 31, 2020, determined in accordance with the Ind AS Accounting Framework, is in compliance with the requirement as laid down in NBFC Master Directions.
 - iv) The Board of Directors have passed a resolution on April 03, 2020 for non-acceptance of any public deposits;
 - v) The capital adequacy ratio as of March 31, 2020, disclosed in the NBS-7 return (revised basis the audited accounts) resubmitted to the RBI on July 22, 2020 has been correctly determined in accordance with the Ind AS Accounting Framework and such ratio is in compliance with the minimum capital to risk assets ratio ("**CRAR**") prescribed in the NBFC Master Directions.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- vi) As mentioned in paragraph 2 above, the Ind AS financial statements have been prepared by the Company in accordance with the Ind AS Accounting Framework which significantly differs from the erstwhile accounting standards specified in the Companies (Accounting Standards) Rules, 2006, as amended, the Companies (Accounts) Rules, 2014 and the requirements of the NBFC Master Directions (collectively, the "Previous Accounting Framework"). Accordingly, the Company's compliances with the prudential norms on income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as specified in the NBFC Master Directions have not been commented upon.
 - vii) The Company has furnished to the RBI, within the stipulated period, annual statement of capital funds, risk assets/exposures and risk asset ratio (Form NBS-7), as specified in the NBFC Returns Directions. Further, as informed by the management, such returns have been prepared in accordance with the Previous Accounting Framework.
4. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1.
5. This report is issued solely for reporting on the matters specified in paragraphs 3 and 4 of the Auditor's Report Directions, to the Board of Directors and is not to be used or distributed for any other purpose.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

SHRAWAN
KUMAR JALAN

Digitally signed by SHRAWAN
KUMAR JALAN
DN: cn=SHRAWAN KUMAR
JALAN, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2020.07.23 14:29:36 +05'30'

per Shrawan Jalan

Partner

Membership No: 102102

UDIN: 20102102AAABQI2895

Mumbai

July 23, 2020

NOTICE IS HEREBY GIVEN THAT THE 14TH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF AMBIT FINVEST PRIVATE LIMITED (“THE COMPANY”) WILL BE HELD ON TUESDAY, JULY 28, 2020 AT 12.00 P.M. (IST) VIA VIDEO CONFERENCING (VC)/ OTHER AUDIO VISUAL MEANS (OAVM), TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon;

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon, as presented at the meeting, be and are hereby considered and adopted.”

**By Order of the Board
For Ambit Finvest Private Limited**



Amrita Pillai
Company Secretary

Mumbai, July 20, 2020

Registered Office:

Ambit House, 449,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013

Website : <https://finvest.ambit.co>

Note:

1. In view of the continuing COVID-19 pandemic, the Ministry Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM. Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM only.
2. Pursuant to MCA Circular No. 14/2019-2020 dated April 8, 2020 and since this AGM is being held pursuant via VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Corporate Members are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution/ Authority Letter etc. pursuant to the Section 113 of the Companies Act, 2013 authorizing their representative to attend the AGM through VC/OAVM on its behalf and to vote at the meeting. The said Resolution/ Authorization shall be sent through its registered email address to compliance@ambit.co.
4. Members who have not yet registered their email address are requested to register it with the Company.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. In compliance with the aforesaid MCA Circulars, Notice of AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and the Annual Report 2019-2020 will also be available on the website of the Company (finvest.ambit.co).
8. At the Thirteenth Annual General Meeting of the Company held on August 16, 2019, the Members approved the appointment of M/s S R Batliboi & Co, LLP Chartered Accountants (Firm Registration Number 301003E/E300005) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Eighteenth Annual General Meeting. The requirement of placing the ratification of the appointment of Statutory Auditors by the Members has been done away with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the fourteenth AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM at (<https://meet.google.com/ikz-ipqf-ess>)
2. The facility to join the AGM via VC / OAVM shall remain open 15 minutes before and after the scheduled time of the AGM and shall be available to the Members on the first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Auditors etc. who are allowed to attend the AGM without the restriction on account of first come first serve basis.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request in advance from their registered email address mentioning their name, PAN, Folio Number, mobile number at compliance@ambit.co from July 21, 2020 (9.00 am) to July 27, 2020 (5.00 pm). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. The Members who do not wish to speak during the AGM but have queries may send their queries in advance till July 27, 2020 (5.00 pm) mentioning their name, PAN, folio number mobile number at compliance@ambit.co.

**By Order of the Board
For Ambit Finvest Private Limited**



Amrita Pillai
Company Secretary

Mumbai, July 20, 2020

Registered Office:

Ambit House, 449,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400013
Website : <https://finvest.ambit.co>

Ambit **Finvest** Private Limited

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www.ambit.co CIN: U65999MH2006PTC163257.