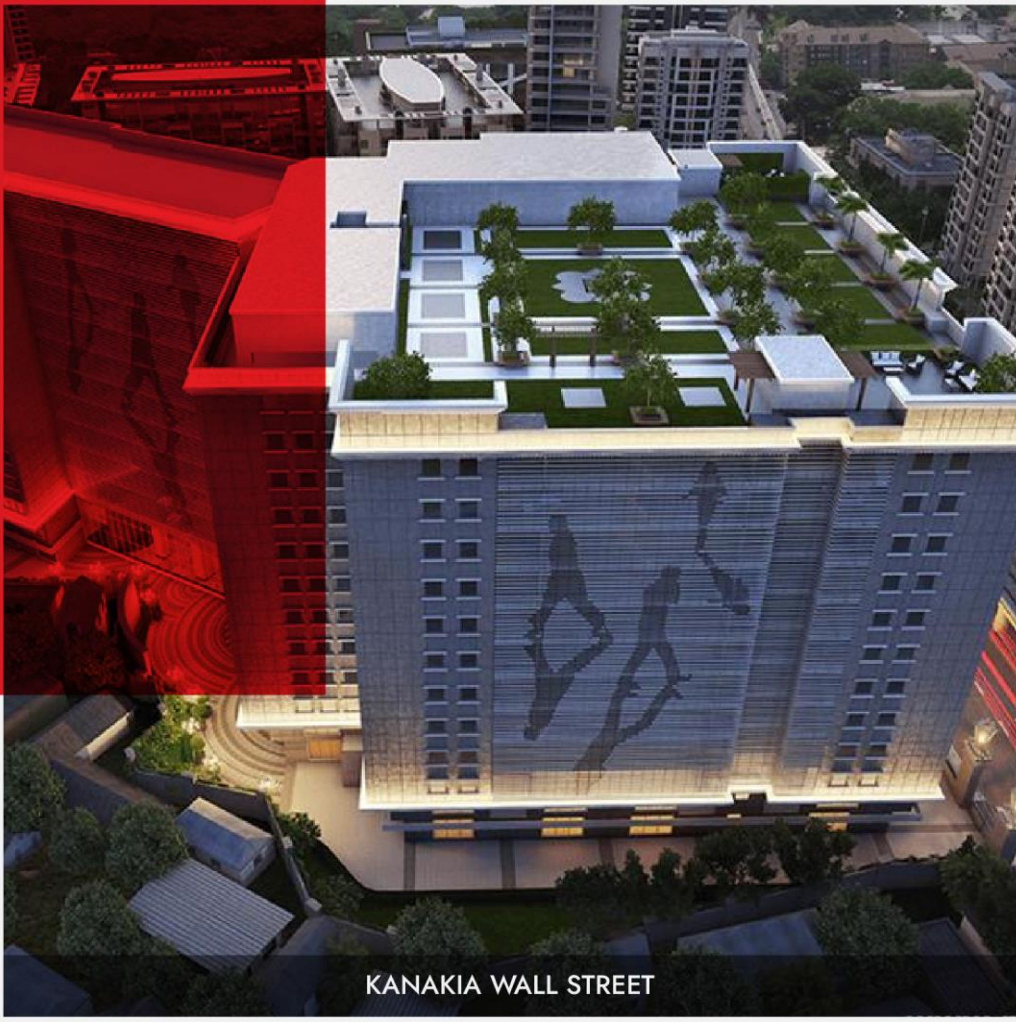
AMBIT Finvest
Pragati ke partner



AMBIT FINVEST PRIVATE LIMITED ANNUAL REPORT 2020-2021

AMBIT
Acumen at work

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

CONTENTS

BOARD OF DIRECTORS

SANJAY SAKHUJA
Executive Chairman and Whole Time Director

Mr. Sanjay Sakhuja oversees the Balance Sheet business of Ambit. He has been with Ambit Group for over 17 years. He led the Investment Banking Business as its first Non Promoter CEO from 2009-2013. He started Ambit's Principal Investment Business in 2013, and led it till 2017. Since 2018, he has been overseeing the Lending Business as Executive Chairman of Ambit Finvest. He continues to be an Executive Directorat Ambit Private Limited, heholding Company.

Prior to joining Ambit, Mr. Sakhuja 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.

Mr. Sakhuja 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

Mr. Sanjay Agarwal looking after Retail and SME business at Ambit. Prior to joining Ambit, Sanjay set up Finmax (2016).

Mr. Agarwal has around 3 decades of rich experience in the Retail & SME lending, having previously worked with YES Bank as Senior President & Business Head (Business Banking) for almost a decade and Standard Chartered Bank as Head of Risk (SMEs). He also worked with SIDBI, Centurion Bank, 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.

Mr. Agarwal is a Rank Holder Chartered Accountant (1992) and Cost Accountant (1993) and holds a Bachelors degree in Commerce from Mohanlal Sukhadia University, Udaipur (1989).

VIKRANT NARANG
Deputy CEO and Whole Time Director

Mr. Vikrant Narang is a Deputy CEO of Ambit Finvest Private Limited and lead the Structured Finance businesses at Ambit. Vikrant has nearly two decades of experience 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. Mr. 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.

Mr. 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

Mr. Sanjay Dhoka is the Chief Operating Officer (COO) & Chief Finance Officer (CFO) of the company. He is part of the senior leadership team at Ambit Finvest and plays a key role in the business planning and strategic decisions. Mr. Dhoka leads the Operation, Finance & Accounts, Treasury functions at Ambit Finvest and also manages the relationship of the company with its various banking and financial partners.

Mr. Dhoka has 27 years of cross - functional expertise from NBFCs to Stock broking and the Manufacturing and Mining industries. He has worked at few major companies in this space such as the Karvy Financial Services, the Anand Rathi Group, the Aditya Birla Group and the SOCGEN-Crosby Securities. Since 2010, he has been associated with Ambit group.

Mr. Dhoka has played an instrumental role in setting up and growing the NBFC arm of Ambit Group and has also been a member of the Board of the Director of the company since May 2011. He is a qualified Chartered Accountant and possesses a degree of Bachelors of Commerce 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 career banker and held various senior positions in ICICI Bank Limited. He superannuated from ICICI bank in 2017 after serving the institution for about 35 years. Post his retirement he joined Ambit Flowers Asset Reconstruction Company limited (a joint venture company of Ambit Pvt. Ltd and JC Flowers, USA) as Executive Vice Chairman to spearhead the company's plans to raise an offshore fund, acquire assets from the Banks and help to create value through various resolution strategies.

Mr. Jayarao has vast experience in Corporate Banking, Project Finance, Corporate Debt Restructuring and Risk management. Mr. Jayarao headed the Special Asset Management Group (SAMG) in ICICI Bank and was involved in several Corporate Debt Restructurings, one time settlements, asset sale and recoveries through Courts. Mr. Jayarao was also a member of the sub committee of RBI, that issued the operational guidelines for ARCs. Mr. Jayarao was also appointed as a nominee Director of the Bank on several corporates Mr. Jayarao retired from the services of the Bank on 31st March 2017.

Currently Mr. Jayarao is a member of the Board of Directors of Ambit Finvest Pvt.Ltd; and a member of the investment committee of ICICI Prudential Real Estate Fund.

Mr. K M Jayarao has a Bachelor's degree in Mechanical Engineering and attended 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

Ms. 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 20 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 is a certified and practicing CEO & Leadership Coach.

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. Ameet Parikh is the Managing Partner of Morphis Business Advisory, a successor to Tranzmute Capital & Management, a company he co-founded in 2011. Ameet is a Chartered Accountant and a Law graduate and has over 34 years of professional services experience.

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

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

Mr. Parikh 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 Finvest.

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 institutions which includes eminent names like PNB Metlife India Insurance; SBI Mutual Fund Trustee Co; Fincare Small Finance Bank; Varthana Finance; Samunnati Finance; Kinara Capital etc. He is 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, and WEH Ventures.

He has been a key member of the management teams at RBL Bank Ltd, Yes Bank, ING Group and Bank of America 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.

Mr. Gulati 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.

AMBIT FINVEST - LEADERSHIP TEAM

SANJAY SAKHUJA
Executive Chairman

More than 30 years of experience across verticals including banking, financial services, insurance, auto, FMCG and industrials

Previously worked with Lazard, Arthur Anderson, Indal and Citibank

SANJAY AGARWAL
CEO

Around 30 years experience in Retail and SME lending

Previously worked with YES Bank, Standard Chartered, SIDBI, Centurion Bank, SBI Commercial & International Bank Ltd.

VIKRANT NARANG
Dy. CEO

Around 20 years experience in financial services industry across corporate finance, debt and equity capital markets and in structured capital raising solutions

Previously worked with KKR, ABN AMRO, Barclays

SANJAY DHOKA
COO And CFO

Around 27 years experience in cross functional expertise from NBFC, stock broking, manufacturing and mining industries

Previously worked with Anand Rathi group, Aditya Birla Group, Karvy Financial Services and SOCGEN-Crosby Securities

BALA CHENDIL

**Business Head-
Digital Acquisition**

23 years of experience Banks & Financial Institutions

Previously worked with Tata Finance, ICICI Bank, Tata AIG, Dhanlaxmi Bank

DEEPAK SHAH

**SME Business Head-
ROM & South**

25 years of experience with Banks & Financial Institutions

Previously worked with GE, ICICI Bank & HDB

MANAS JOSHI

National Head - Credit & Risk

More than 15 years of experience with banks and financial institutions

Previously worked with Reliance Capital, ICICI Bank and GE

NAINA VERMA

**Vice President-
Human Resources**

12 years of experience in Financial Institutions

Previously worked with Neogrowth Pvt Ltd, Aditya Birla Capital and HSBC Investdirect.

PRATEEK GARG

**Vice President -
Strategic Alliance**

More than 10 years of experience in Banks & Financial Institutions

Previously worked with Clix Capital & Yes Bank

SAMEER SHIMARIA

**SME Business Head-
West & North**

20 years of experience with banks and financial institutions

Previously worked with Incred, Yes Bank, HDFC Bank, Hutchison Max, ICICI Bank

SMITESH SHAH

EVP & Head Business Technology & Transformation

More than 26 years of experience with Financial Instituions and IT Companies

Previously worked with Avanse Financial Services, VFS Global, L&T Finance, Future Capital Holdings and Wipro Infotech

SUBRAMANIAM IYER

Business Head- Vehicle Finance

20 Years of experience with NBFC'S

Previously worked with GE, Magma & IIFL

VIKRAM MANWANI

**Senior Vice President -
Institutional Business**

13 years of experience in Banks & Financial Institutions

Previously worked with Yes Bank and ABN Amro.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sanjay Sakhuja
Ameet Parikh
Shalini Kamath
Km Jayarao
Sanjay Agarwal
Vikrant Narang
Sanjay Dhoka

CHIEF FINANCIAL OFFICER

Mr. Sanjay Dhoka

COMPANY SECRETARY

Ms. Amrita Pillai

COMPLIANCE OFFICER

Ms. Reena Sharda

STATUTORY AUDITORS

M/s. S R Batliboi & Co, Llp,
Statutory Auditors

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C-22,
G Block, 7th Floor, Mumbai, 400 051

CORPORATE IDENTIFICATION NUMBER

U65999MH2006PTC163257

REGISTERED OFFICE

Ambit Finvest Private Limited
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013.

CORPORATE OFFICE

Ambit Finvest Private Limited
Kanakia Wall Street, 5th floor A-506,
Andheri Kurla Road, Andheri East,
Mumbai - 400 093, Tel: +91 22 68410001
Website: www.finvest.ambit.co

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
247 Park, C 101, 1 st Floor, LBS Marg,
Vikhroli (W), Mumbai - 400 083

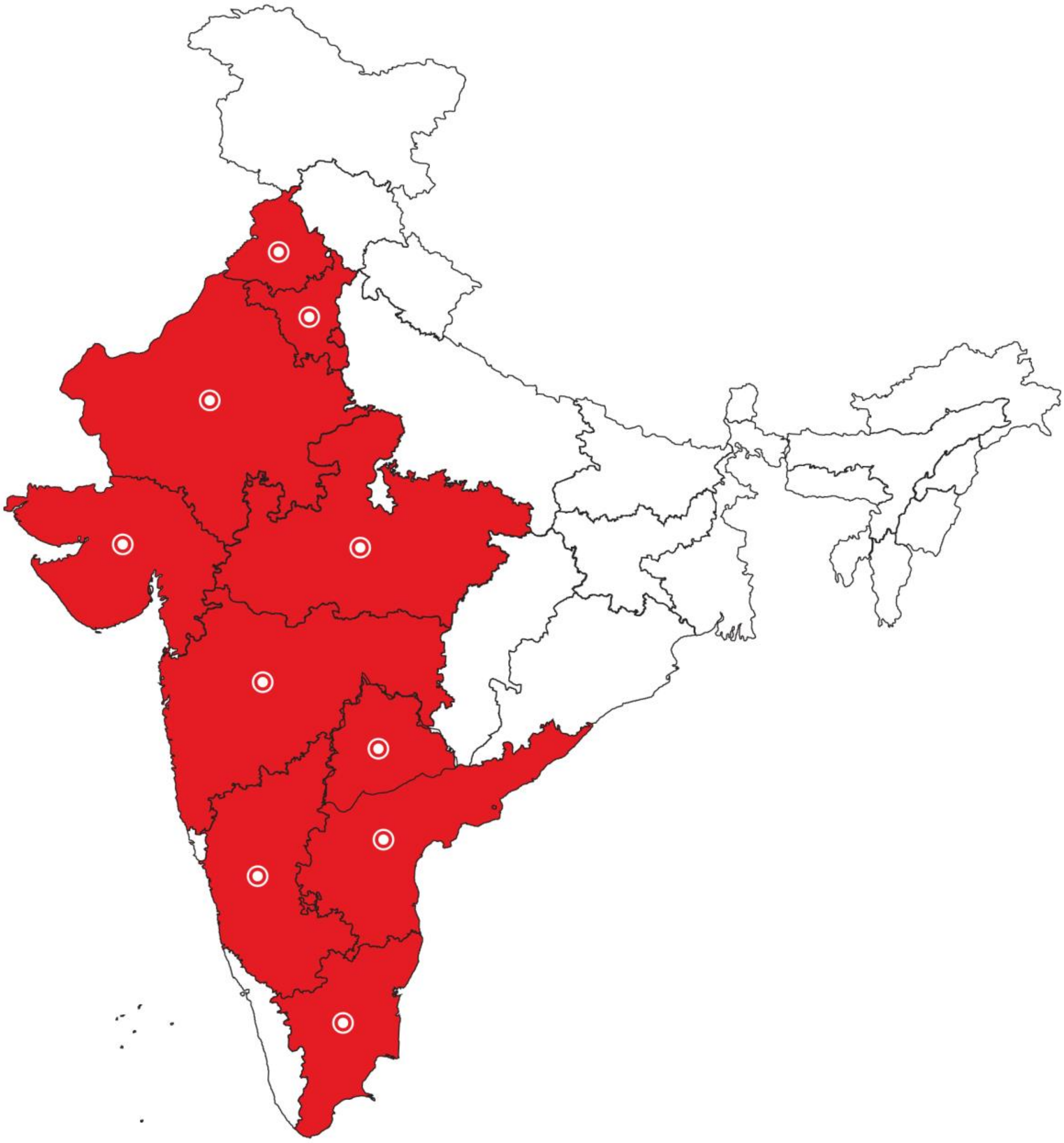
BANKERS AND LENDERS

AU Small Finance Bank
Bank of Baroda
CSB Bank Ltd
DCB Bank Ltd
Federal Bank Ltd
HDFC Bank Ltd
IDBI Bank Ltd
Indusind Bank Ltd
Kotak Mahindra Bank Ltd
Nabkisan Finance Ltd
State Bank of India
Union Bank of India

LEGAL ENTITY IDENTIFIED NUMBER

3358008A3U3MH6K83G57

GEOGRAPHICAL PRESENCE



CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Dear Stakeholders

Phew! What a year we have all been through! So much uncertainty. Just when we thought things were normalising after a long Covid-induced lockdown, the second wave hit us. Accompanied by so much grief.

Given the environment, your management learnt how to follow a start-stop-start approach to business, much like driving on the roads of Mumbai. So we put the brakes on new business till about July 2020, slowly resumed disbursements in the second quarter, and then stepped on the pedal when we sensed the opportunity. Hence in March 2021, we achieved an all-time high disbursement of Rs 100 crore in a single month. In April 2021, we again downed our shutters. Hopefully, the second wave has now adequately receded, and we intend to resume fresh business in the near future.

Through this entire period, we focussed on strengthening our franchise. We doubled up efforts on collections, resulting in an acceptable credit cost of Rs 23 crore for the year. We continued our branch expansion strategy, growing from 20 to 30 branches during the year. In the second half of the year, we hired aggressively to build our business channels, and ended the year with 473 headcount, an increase of 87% percentage over the prior year. Our franchise SME AUMs increased 55% during the year to end at Rs 780 crore. At the same time, we reduced our Structured Finance book from Rs 306 crore to Rs 214 crore. This book will organically run off over the next 24 months.

I am quite satisfied with the Balance Sheet growth in 2020-21, and the overall PAT number of Rs 21 crore, up 33% over the prior period. It is unfortunate however, that due to the second wave, we have not been able to achieve the asset build up which we had planned in the current quarter of 2021-22. This will have an impact on growth in profitability during the next year, effectively pushing back our path to double digit ROEs by a year. We will however endeavour to make up as much as we can, as soon as the environment allows us.

I am also extremely satisfied with our conservative approach to liquidity management. We had more than adequate funds available to us in an otherwise difficult environment. We achieved an upgrade in our credit rating to AA-, as rated by Acuite. We launched and successfully closed our second Market Linked Debenture of Rs 80 crore, in March 2021.

We managed to extend vaccine support to our employees in a timely manner. We did have two of our colleagues being unfortunate casualties of this dreadful disease. We have extended financial support to their families to help alleviate their situation to the extent possible.

We evaluated several inorganic opportunities during the course of the year, and continue to do so. We have not found any target worth acquiring.

As I look ahead, with the second wave behind us, and our vaccination policy now in better shape than before, I am optimistic that as we continue to unlock we will come out of the economic slowdown with a strong macro growth momentum in the coming year. Your company has the capital, an unlevered balance sheet, the management strength and the desire to grow, all the ingredients required for achieving success in the marketplace.

Good luck, and thank you for your continued support.

With my best wishes,

Sanjay Sakhuja
Executive Chairman

DIRECTORS' REPORT

Dear Members,

The Directors of the Ambit Finvest Private Limited ("the Company") are pleased to present their Fifteenth Annual Report together with the annual audited financial statements for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE

Financial Highlights

The summary of the Company's financial performance for the financial year ended March 31, 2021 as compared to the previous financial year ended March 31, 2020 is given below:

Amount in Lakhs

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from operations		
Interest income	**14,119.93**	12,707.47
Net gain/(loss) on fair value changes	**63.07**	67.24
Other operating revenue	**129.84**	87.70
Total revenue from operations	**14,312.84**	12,862.41
Other income	**199.06**	115.85
Total income	**14,511.90**	12,978.26
Expenses		
Finance costs	**4,015.55**	5,004.32
Impairment of financial assets	**2,294.44**	1,729.46
Employee benefits expense	**3,758.43**	2,519.58
Depreciation, amortization and impairment	**476.36**	345.78
Other expenses	**1,484.47**	1,214.11
	12,029.25	10,813.25
Profit before tax	**2,482.65**	2,165.01
Tax Expense:		
- Current tax		
for the current year	**837.06**	700.20
(Excess)/short provision in respect of Earlier years	**(6.99)**	10.92
	830.07	711.12
- Deferred tax credit	**(470.99)**	(142.31)
	359.08	568.81
Profit for the year	**2,123.57**	1,596.20
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(3.51)**	(6.89)
Income tax on above	**0.88**	1.73
Total other comprehensive income	**(2.63)**	(5.16)

Total comprehensive income for the year	**2,120.94**	1,591.04
Earnings per equity share (Nominal value of equity share ₹10 per share)		
- Basic (₹)	**11.74**	11.48
- Diluted (₹)	**11.74**	11.48

As at 31st March 2021, the loan book size was Rs. 993.75 crores compared to Rs.814.59 crores as at 31st March 2020. The Gross Revenue has increased by around 12% at Rs. 145.12 crores for the year ended 31st March 2021 compared to Rs. 129.78 crores for the year ended 31st March 2020.

The net profit before tax has increased by 15% at Rs. 24.83 crores for the financial year ended March 31, 2021 as against Rs. 21.65 crores for the previous financial year.

NON-CONVERTIBLE DEBENTURES OF THE COMPANY

Private Placement of Secured, Rated, Listed Principal Protected Market Linked Non-Convertible Debentures (MLDs)

The Company has issued and listed the second series of Principal Protected Market Linked Non-Convertible Debentures (MLDs) on Bombay Stock Exchange on April 5, 2021. The Company had launched the said MLDs for Rs. 50 crores with a green shoe option for another Rs. 50 crores. The Company successfully closed the launch at Rs. 79.62 crores.

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

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

During the period under review, there was no change in nature of business of the Company. The Company is a systemically important Non Deposit accepting Non-banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SHARE CAPITAL

A. Authorised Share Capital

During the financial year under review, there has been no change in the authorised share capital of the Company. The authorised share capital of the Company as on March 31, 2021 stood at Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2, 50, 00,000 Equity Shares of 10/-.

B. Issued and Paid up Capital

The paid-up equity share capital of the Company is 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.

Other Equity

The reserves and surplus as at March 31, 2021 stood at 62,323.08 Lakh as against 60.170.56 Lakh as at March 31, 2020.

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company. During the period 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.

PUBLIC DEPOSITS

The Company being a "Systemically Important non-deposit taking Non-Banking Financial Company", has not accepted nor invited any deposits from the public during the period 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. As per the Reserve Bank Master Direction issued by the Reserve Bank of India, a resolution in this regard has also been passed by the Board of Directors at its meeting held on April 15, 2021.

DEBT-EQUITY RATIO

The Debt Equity Ratio of the Company as at March 31, 2021 was 0.79x

EARNINGS PER SHARE (EPS)

The Earning per Share was 11.74 for the financial year ended March 31, 2021 as against 11.48 in the previous financial year ended March 31, 2020.

NET OWNED FUNDS (TOTAL EQUITY)

The Net Owned Funds of the Company as at the financial year ended March 31, 2021 stood at 60,061.57 lakh as against 59,046.17 lakh in the previous financial year ended March 31, 2020.

CAPITAL ADEQUACY

The Capital to Risk Assets Ratio ("CRAR") of the Company was 56.92% as on March 31, 2021, as against the RBI norms of 15%.

CREDIT RATING

During the year under review, Acuite Ratings and Research Limited assigned AA- rating for the company's long term bank facilities of Rs. 750 crore and A1+ rating for short term facilities of Rs. 50 crore. Acuite Rating has also additionally assigned AA- rating of Rs. 100 crores for Market Linked Debentures issued by the Company.

CARE Ratings has also reaffirmed the rating of A+(CE) for its long term bank facilities for Rs 501.75 crores and A+(CE) to Market Linked Debenture of Rs. 50 crore issued by the Company in February 2020.
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.

BORROWINGS

The Company has strengthened its relationships with banks /financial institution.

During the period under review, the Company met its funding requirements through debts from Financial Institutions and Banks and issuance of Non-Convertible Debentures. The aggregate debt outstanding as on 31st March, 2021 was Rs. 506.10 crores. The Company has been regular in servicing all its debt obligations.

BOARD OF DIRECTORS AND KMP

The composition of the Board of Directors of the Company is in accordance with Companies Act, 2013 (hereinafter referred to as "the Act"). The Company has the following seven (7) Directors on its Board, 3 (three) of them are Independent Directors including one women director as an independent director. The Company has one Company Secretary and one CFO

Sr. No	Name of Director	Position
1.	Mr. Sanjay Sakhuja	Executive Chairman and Whole Time Director
2.	Mr. Ameet Parikh	Independent Director
3.	Mr. KM Jayarao	Independent Director
4.	Ms. Shalini Kamath	Independent Director
5.	Mr. Sanjay Agarwal	CEO and Whole time Director
6.	Mr. Vikrant Narang	Dy. CEO and Whole time Director
7.	Mr. Sanjay Dhoka	Whole Time Director and CFO and COO
8.	Ms. Amrita Pillai	Company Secretary

During the period under review, Mr. Sanjay Dhoka, a Whole Time Director of the Company, was designated and appointed as the Chief Financial Officer of the Company w.e,f April 3, 2020.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The above confirmations were placed before the Board at its meeting held on April 15, 2021 and duly noted.

It is the opinion of the Board that the Independent Directors possess relevant expertise, qualifications and experience in the fields of strategy, finance, people management, risk advisory, financial services, investment and they hold the highest standards of integrity.

FIT AND PROPER CRITERIA

Pursuant to the Fit and Proper Policy adopted by the Company, under the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2016 issued by the RBI, the Company has received the requisite declaration and undertaking from all the Directors of the Company which have been taken on record by the Nomination and Remuneration Committee.

All the Directors meet the 'Fit and Proper' criteria as per the policy of the Company and as stipulated by RBI. The above declarations were placed before the Nomination and Remuneration Committee at its meeting held on April 20, 2021and duly noted

BOARD MEETINGS

The Board meets at regular intervals to inter-alia discuss about the Company's policies and strategy apart from other Board matters. The Board is responsible to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees provide direction and guidance to the Company's Leadership Team and further direct, supervise as well as review the performance of the Company.

The current composition of the Board is detailed below:

Sr. No	Name of Director	Position
1.	Mr. Sanjay Sakhuja	Executive Chairman and Whole Time Director
2.	Mr. Ameet Parikh	Independent Director and the Chairman of Audit Committee
3.	Mr. KM Jayarao	Independent Director and the Chairman of the Risk Management Committee and IT Strategy Committee
4.	Ms. Shalini Kamath	Independent Director and the Chairman of CSR Committee and Nomination and Remuneration Committee
5.	Mr. Sanjay Agarwal	CEO and Whole time Director
6.	Mr. Vikrant Narang	Dy. CEO and Whole time Director
7.	Mr. Sanjay Dhoka	Whole Time Director CFO and COO

During the year under review, 6, (six) Board Meetings were convened and held on April 3, 2020, June 24, 2020, September 30, 2020, November 10, 2020 and January 28, 2021 and March 17, 2021 respectively. The required quorum was present for all the Board meetings and the gap between two meetings did not exceed a period of 120 days.

The Company adheres to the applicable provisions of the Act and the Secretarial Standards on the Board Meetings as prescribed by the Institute of Company Secretaries of India. Agenda papers containing all necessary information / documents are made available to the Board /Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

The attendance at the Board meetings during the period is given below:

Sr. No	Name of Director	Position	No. of Board meetings attended
1.	Mr. Sanjay Sakhuja	Executive Chairman	6/6
2.	Mr. Ameet Parikh	Independent Director and the Chairman of Audit Committee	6/6
3.	Mr. KM Jayarao	Independent Director and the Chairman of the Risk Management Committee and IT Strategy Committee	6/6
4.	Ms. Shalini Kamath	Independent Director and the Chairman of CSR Committee and Nomination and Remuneration Committee	6/6
5.	Mr. Sanjay Agarwal	Whole Time Director and CEO	6/6
6.	Mr. Vikrant Narang	Whole Time Director and Dy. CEO	6/6
7.	Mr. Sanjay Dhoka	Whole Time Director, CFO and COO	6/6

COMMITTTEES

The Board committees and other committees play an important role in the governance and focus on specific areas and make informed decisions within the terms of reference and authority delegated. The Board committees and other committees comprising senior officials of the Company as the Members are guided by their respective terms of reference. In terms of the applicable circular(s), notification(s) and direction(s) issued by the Reserve Bank of India, the applicable provisions of the Companies Act, 2013 and the Company's Internal Guidelines on Corporate Governance, the Board of

Directors of the Company have constituted/reconstituted the following committees for the effective business operations and governance of the Company:

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.	Asset Liability Management Committee
7.	Allotment and Transfer Committee
8.	Operations Committee

1. AUDIT COMMITTEE

The Audit Committee comprises of well qualified Directors. The composition of the Audit Committee is in accordance with the RBI guidelines for NBFCs and the Act and the rules made thereunder. During the financial year under review, the Audit Committee of the Company comprised of 3 (three) members, majority of whom are non-executive independent directors in accordance with Section 177 of the Act read with rules thereto. viz., Mr. K.M. Jayrao, Mr. Sanjay Sakhuja and is chaired by Mr. Ameet Parikh. The members of the Committee are financially literate and learned, experienced and well known in their respective fields.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees.

During the year under review, 4, (four) Audit Committee Meetings were convened and held on June 24, 2020, September 30, 2020, November 10, 2020 and January 28, 2021 respectively. The required quorum was present for all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 days.

The attendance of the members of the Committee at the above meetings were as under:

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

The scope and functions of the Committee are as follows:

1. Oversight of the financial reporting, financial statements and relevant disclosures and to ensure the disclosure is correct, sufficient and accurate;
2. Recommendation for appointment, remuneration and terms of appointment of auditors;
3. Reviewing, with the management, the financial statements and auditor's report thereon before submission to the board for approval
4. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
5. Approval or any subsequent modification of transactions of the Company with related parties;
6. Scrutiny of inter-corporate loans and investments;
7. Evaluation of internal financial controls and its adequacy;
8. Discussion with internal auditors of any significant findings and follow up there on;

9. To review the functioning of the whistle blower mechanism;

10. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

2. NOMINATION AND REMUNERATION COMMITTEE

The Board of the Company has constituted a Nomination and Remuneration Committee (the "NRC") in accordance with the provisions of the Section 178 of the Act and the RBI guidelines for Non-Banking Finance Companies (NBFCs). During the financial year under review, the NRC consists of 3 (three) members of which 2 (two) are independent directors viz, Mr. Ameet Parikh and Mr. Sanjay Sakhuja and the Committee is chaired by Ms. Shalini Kamath.

The Committee is chaired by Ms. Shalini Kamath, an independent director.

During the year under review, 1(one) Nomination and Remuneration Committee Meetings were convened and held on May 25, 2020 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

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

The scope and functions of the Committee are as follows:

1. To ensure 'fit and proper' status of the proposed or existing Directors of the Company;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
3. Approve the remuneration payable to Directors and senior management;
4. To formulate, implement and administer the employee stock option scheme and any aspects related to the scheme as delegated by the Board of Directors from time to time including as part of such schemes;
5. To carry out such other functions as may be prescribed to be appropriate by the Board of Directors of the Company in this regard.

3. CORPORATE SOCIAL RESPONSIBLITY COMMITTEE

The Board of the Company has constituted a Corporate Social Responsibility (the "CSR") Committee in accordance with Section 135 of the Act and applicable rules thereto. During the financial year under review, the Committee is comprised of 4 (four) directors of which 1 (one) is an independent director viz, Mr. Sanjay Sakhuja, Mr. Vikrant Narang, Mr Sanjay Dhoka and it is chaired by Ms. Shalini Kamath.

During the period under review, 1 (one) CSR Committee Meeting was convened and held on January 28, 2021 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

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

The broad terms of reference of the Committee are as follows:

1. Formulating and recommending to the Board of Directors, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of Companies Act, 2013;

2. Recommending the amount of the expenditure for the CSR activities;

3. Recommending the annual action plan to undertake CSR program;

4. Monitoring CSR activities from time to time;

5. Ensuring that the funds are utilized for approved purposes and the activities are undertaken;

4. RISK MANAGEMENT COMMITTEE

The Board of the Company has constituted a Risk Management Committee (RMC) in accordance with the RBI Guidelines for NBFCs. During the financial year under review, the Committee is comprised of 4 (four) Members, of which 3 (three) are independent directors viz, Ms. Shalini Kamath, Mr. Ameet Parikh, Mr. Sunil Gulati and it is chaired by Mr. KM Jayarao.

During the year under review, 3 (three) RMC Committee Meeting was convened and held on June 23, 2020 (continued on July 4, 2020), August 14, 2020 and December 14, 2020 respectively and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

Sr. No	Name of Member	Position	No. of Meeting attended
1.	Mr. KM Jayarao	Chairman	3/3
2.	Ms. Shalini Kamath	Member	3/3
3.	Mr. Ameet Parikh	Member	3/3
4.	Mr. Sunil Gulati	Member	3/3

The broad terms of reference of the Committee are as follows:

1. To manage the integrated risk;

2. To put together a progressive risk management system and ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and mitigate the risks associated with the Company;

3. To formulate a Risk Management Framework/ Policy and review all polices applicable to the Company and recommend any amendments thereto to the Board for its approval; and ratify the changes made to them due to any regulatory amendments;

4. To review and approve the Framework documents of the Company that defined detailed process and checks for ease of operations and control;

5. To review the Risk Dashboard and Risk Portfolio of the Company; and review the delinquency at the product level;

6. To review and approve the compliance with respect to the Outsourcing Activities:

7. To carry out such other functions as may be prescribed by the Board of Directors of the Company in this regard.

5. INFORMATION TECHNOLOGY (IT) STRATEGY COMMITTEE

The Board of Directors has constituted an IT Strategy Committee in accordance with the Master Direction on Information Technology Framework for Non-Banking Financial Companies issued by the RBI.

During the financial year ended review, the IT Strategy Committee comprised of 6 (six) Members viz., Mr. Sanjay Agarwal, Mr. Sanjay Dhoka, Mr. Gautam Gupte, Mr. Sanjit Chowdhry Mr. Smitesh Shah and is chaired by Mr. K.M. Jayarao.

During the year under review, 2 (two) IT Strategy Committee Meeting was convened and held on June 23, 2020 and December 14, 2020 and the required quorum was present.

The attendance of the members of the Committee at the above meeting were as under:

Sr. No	Name of Member	Position	No. of Meeting attended
1.	Mr. KM Jayarao	Chairman	2/2
2.	Mr. Sanjay Agarwal	Member	2/2
3.	Mr. Sanjay Dhoka	Member	2/2
4.	Mr. Gautam Gupte	Member	2/2
5.	Mr. Bala Chendhil*	Member	2/2

*Member uptill March 17, 2021

The broad terms of reference of the Committee are as follows:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

6. ASSET LIABILITY MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted an Asset Liability Management Committee (hereinafter referred to as “ALM Committee”) in accordance with the RBI Guidelines for NBFCs.

During the year under review, ALM Committee Meetings was convened and held on April 13, 2020, May 11, 2020, June 10, 2020, July 10, 2020, August 10, 2020, September 9, 2020, October 9, 2020, December 9, 2020, January 11, 2021, February 9, 2021 and March 9, 2021 and the required quorum was present.

The broad terms of reference of the Committee are as follows:

1. Balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
2. Set the tone and influence the culture of ALM risk management within AFPL.
3. Determine the appropriate ALM risk appetite or level of exposure for the AFPL.
4. Deliberate on product pricing methods / strategies adopted / followed by the Company for advances made by it and review the Interest Rate Policy of the Company.
5. Approve major decisions affecting ALM risk (product pricing, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/ product, etc).
6. View on future direction of interest rate movements and decide on funding mixes between fixed vs floating rate funds, wholesale vs retail deposits, money market vs capital market funding, domestic vs foreign currency funding, etc.
7. Identify ALM risks, measure their impact and monitor the management of fundamental risks to reduce the likelihood of unwelcome surprises.
8. Satisfy it that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively.
9. Review the results of and progress in implementation of the decisions in its meetings.
10. Articulate the current interest rate review and formulate future business strategy on this view.
11. Its responsibility would be to decide, with inputs from business origination and credit teams on source and mix of liabilities or sale of assets for giving out loans.

The Board has also constituted an ALM Support Group in accordance with Guidelines on Liquidity Risk Management Framework issued by RBI on November 4, 2019.

7. ALLOTMENT AND TRANSFER COMMITTEE

The Committee is authorized to facilitate the administrative and operational activities related to allotment, transfer, transmission of shares, debentures and other securities, handling of shareholder complaints, grievances, etc. and also dematerialization of shares of the Company.

The broad terms of reference of the Committee are as follows:

1. To approve the allotment of securities of the Company;
2. To issue share certificates, debenture certificates, or any other security certificate as may be required, and to review and approve all requests pertaining to sub-division of share certificates, debenture certificates, consolidation of share certificates, debenture certificates, transfer, transmission, split, issuance of duplicate share and debenture certificates;
3. To consider and approve admission of shares and other securities of the Company in a dematerialized form;

During the year under review, no meeting of Allotment and Transfer Committee was convened.

8. OPERATIONS COMMITTEE

The Committee is authorized to take / carry out all administrative and operational decisions / activities as may be required for the Company's business/operations including the authority to delegate powers to officials, persons, etc. for business/operational matters. The Committee is further authorized to consider and fix the terms of issuance each Tranche of Non-Convertible Debentures.

During the year under review, 10 (ten) meetings of the Operations Committee was convened and held on May 14, 2020, June 1, 2020, June 18, 2020, December 23, 2020, January 20, 2021, January 28, 2021,February 17, 2021, March 12, 2021, March 19, 2021, March 22, 2021 and March 26, 2021.

The broad terms of reference of the Committee are as follows:

1. Borrowing (for any term - short, medium or long term) for business purposes or working capital requirements or general corporate purposes;

2. Opening, operating, closing bank accounts of the Company including Overdraft account, Cash Credit account, authorizing officials for the same including approving change in authorized signatories for various bank account operations;

3. Identifying and finalizing office premises and approving all the terms and conditions related to such premises and obtaining Shop and Establishments registrations;

4. Decision making on legal matters, authorizing officials for handling legal matters, issuing general or specific power of attorneys for handling legal matters in favour of officials, authorizing officials to represent the Company before any Court(s), Tribunal(s), Judicial/Quasi-Judicial Authority, Arbitrator, Statutory/Regulatory Authority, Sub Registrar of Assurances, Commissions, Forum, Board, Statutory Bodies, etc.; to appoint, engage and retain counsels, advocates, attorneys, vakils, advisors, accountants, professionals, consultants and pleaders and to sign, execute and give warrant and/or vakalatnamas and/or memorandum of appearance for and on behalf of the Company, issuing vakalatnamas, filings applications and to do all acts, deeds, things as may be necessary in connection with the legal matters of the Company;

5. Authorizing officials/ signatories and to approve change in officials/ signatories for verifying, signing and executing the sanction letters, loan agreements, power of attorneys, security and guarantee related agreements, deed, documents, loan disbursement related documents, any loan related documents related to post-sanctioning of loans and to communicate with borrowers, coborrowers, security providers, security trustees, guarantors, obligors, etc. and to do all such acts, deeds or things as may be necessary, incidental or ancillary thereto;

6. Authorizing officials/ signatories and to approve change officials/ signatories for signing, authenticating and filing manually or electronically by means of Digital Signature Certificate ("DSC"), as the case may be, all forms and/or returns and/or documents notified by the Ministry of Corporate Affairs ("MCA") or that may be notified from time to time by MCA under the Companies Act, 2013 and rules made thereunder (as amended from time to time) relating to creation, modification, satisfaction of charge (wherein the Company is a Charge Holder) of the Company;

7. As per the powers delegated by the Board from time to time, to appoint or make changes to the Nodal Officers and Principal Nodal Officers for the Company's offices, existing branches as well as for the new branches under the Ombudsman Mechanism of the Company and to update the details of the offices, branches, Nodal Officers and Principal Nodal Officers, etc. in the Ombudsman Mechanism from time to time;

8. As per the powers delegated by the Board from time to time, to do all such acts, deeds, and things as necessary with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures.

9. To handle, act or to authorize officials as may be required for smooth operations of the Company;

10. authorize or delegate (through Power of Attorney / Authority letter) any of its powers envisaged above to such officials, persons, etc. as may be necessary including for all the operations of the Company including approving any changes to the authorized signatories from time to time;

11. To do all acts, deeds or things as may be necessary, incidental or ancillary thereto in connection with the day-to-day business/operations of the Company and to give effect to the authorities given herein above;

During the year under review, 11 (eleven) meeting of the Operations Committee was convened and held on May 14, 2020, June 1, 2020, June 18, 2020, December 23, 2020, January 20, 2021, January 28, 2021, February 17, 2021, March 12, 2021, March 19, 2021, March 22,2021 and March 26, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief, and as per the information and explanations obtained by them, hereby confirm that:

a. in the preparation of the Annual Accounts for the financial year ended March 31, 2021 the applicable accounting standards have been followed;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year;

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

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

e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and;

f. internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and were 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

STATUTORY AUDITORS

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.

The Reserve Bank of India issued guidelines for the appointment of statutory auditors for NBFCs on Aril 27, 2021, which are applicable for the FY2021-22 and onwards. The guidelines requires NBFCs to appoint statutory auditors for a period of three years subject to the firm satisfying the eligibility norms prescribed in the guidelines each year. Pursuant to which, M/s S R Batliboi shall confirm to the eligibility norms prescribed, and shall be appointed as the Statutory Auditor for the FY2021-22.

SECRETARIAL AUDITORS

Pursuant to the applicable provisions of Section 204 of the Act and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had at their meeting held on April 3, 2020 appointed M/s D.M. Zaveri & Co, has been appointed as the Secretarial Auditor of the Company for the year under review.

The Secretarial Audit Report of the Company for the financial year under review is appended as Annexure IV to this Report.

The Statutory Auditors' Report on the financial statements and the Secretarial Audit report for the financial year ended 31 March 2021 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 2020-2021.

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

The Statutory Auditors have not reported any incident of fraud to the Board during the financial year 2020-2021.

INTERNAL AUDITORS

Pursuant to the requirements of Section 138 of the Act and rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors of the Company had at their meeting held on June 24, 2020 appointed M/s. Aneja Associates, as the Internal Auditors of the Company for the financial year ended March 31, 2021.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors.

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. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors with and Internal Control over financial reporting is tested and certified by Statutory Auditors.

During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

NOMINATION AND REMUNERATION POLICY

The Board of 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 remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

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 at the Extra Ordinary General Meeting held on December 31, 2018.

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.

RISK MANAGEMENT

Being in the lending business, risk management forms a vital element of our business. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks.

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 all other members of the Committee being Non-Executive.

The Board has constituted the Asset Liability Management Committee (ALCO) to assess the risk arising out of liquidity gap and interest rate sensitivity.

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

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and RBI Master Directions. The same is displayed on the website of the Company.

All related party transactions are placed before the Audit Committee. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature.

During the year under review, the related party transactions that were entered into by the Company 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 35(ii) of the accompanying financial statements.

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, 2021. As per the requirement of the Reserve Bank of India Guidelines, the Company has transferred an amount of Rs.424.71 lakhs 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.

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.

(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 also framed CSR Policy which is displayed on the website of the Company.

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. As per the recent amendment made to the CSR Rules, Oditi is now registered with the Ministry of Corporate Affairs.

The registration number for Oditi is CSR00004392.

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.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has established a vigil mechanism to deal with instances of fraud and mismanagement and to provide appropriate avenues to the directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud and to bring to the attention of the management, their genuine concerns and grievances about the behavior of the employees. Adequate safeguards are provided against victimization of those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The Board of Directors of the Company have adopted a Whistle Blower Policy which is in compliance with Section 177(10) of Companies Act, 2013.

During the period 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.

ANNUAL RETURN

Pursuant to the requirements of Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return as on March 31, 2021 in prescribed Form MGT-9 is given in this report as Annexure III and also uploaded on the website of the Company as a part of the Annual Report post the ensuing Annual General Meeting of the Company.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The policy against sexual harassment is embodied both in the Code of Conduct of Ambit Group as also in a specifically written policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has adopted zero tolerance for sexual harassment at workplace. 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 period under review no cases/complaints in the nature of sexual harassment were reported.

WEBSITE

The Company's website **https://www.ambit.co** provides information about the businesses carried on by the Company. It is the primary source of information to all the stakeholders of the Company and the general public at large. It also contains the Financial Results, Annual Reports, CSR, various Policies adopted by the Board and other general information about the Company. In accordance with the Liquidity Risk Management Framework for Non-Banking Financial Companies, the Company on a quarterly basis provided a public disclosure on liquidity risk as on its website.

ANNUAL REPORT

The Annual Report containing, inter alia, the Directors' Report, Auditors' Report and other important information is circulated to members of the Company and other stakeholders prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on its website.

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

Sd/-
Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370

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

Place: Mumbai
Date: June 11, 2021

ANNEXURE – I

ANNUAL REPORT ON CSR ACTIVITIES

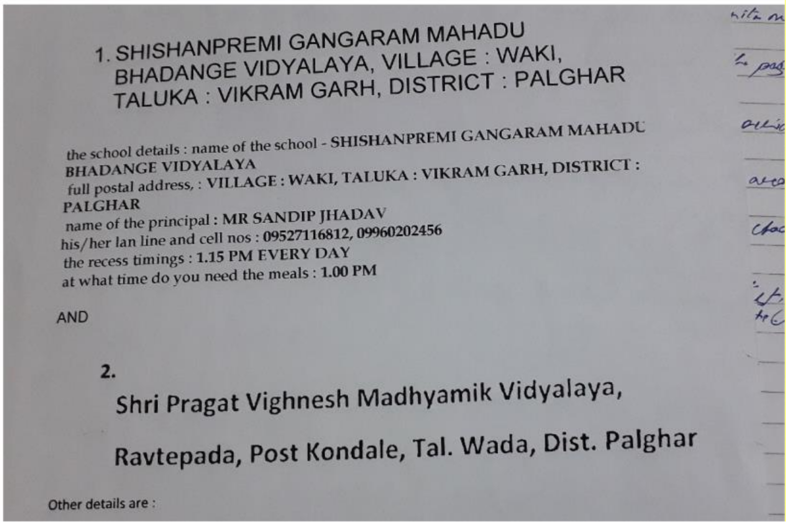
1. **Brief outline on CSR Policy of the Company:**

   The Company has framed the CSR Policy for itself in compliance with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy), Rules, 2014 made thereunder (including and statutory amendment(S), re-enactment(s), modification(s) made thereof.

   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. As per the recent amendment made to the CSR Rules, Oditi is now registered with the Ministry of Corporate Affairs. The registration number for Oditi is CSR00004392.

   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 CSR Policy is displayed at the link: - https://www.ambit.co/



1. SHISHANPREMI GANGARAM MAHADU BHADANGE VIDYALAYA, VILLAGE : WAKI, TALUKA : VIKRAM GARH, DISTRICT : PALGHAR

the school details : name of the school - SHISHANPREMI GANGARAM MAHADU BHADANGE VIDYALAYA
full postal address, : VILLAGE : WAKI, TALUKA : VIKRAM GARH, DISTRICT : PALGHAR
name of the principal : MR SANDIP JHADAV
his/her lan line and cell nos : 09527116812, 09960202456
the recess timings : 1.15 PM EVERY DAY
at what time do you need the meals : 1.00 PM

AND

2.

Shri Pragat Vighnesh Madhyamik Vidyalaya,

Ravtepada, Post Kondale, Tal. Wada, Dist. Palghar

Other details are :

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Shalini Kamath	Independent Director and Chairperson of the CSR Committee	1	1
2.	Mr. Sanjay Sakhuja	Executive Chairman and Member	1	1
3.	Mr. Vikrant Narang	Dy CEO and Member	1	1
4.	Mr. Sanjay Dhoka	CFO and Member	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   https://www.ambit.co/

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

   Not Applicable

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

   NIL

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

6. **Average net profit of the company as per section 135(5).**

   Rs. 2,475.67 lacs

7. **(a) Two percent of average net profit of the company as per section 135(5)**

   Rs. 49.51 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

NIL

(c) Amount required to be set off for the financial year, if any

NIL

(d) Total CSR obligation for the financial year (7a+7b-7c).

Rs. 49.51 lacs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Rs. 49.52 lacs	**Amount.**	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
	NIL				

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

NIL

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Reg N.
1	Education	Education	Yes	Maharashtra	Mumbai		377,000	377,000	-	No	Ambit Oditi Foundation	CSR00004392
2	Skill Creation	Skill Creation	Yes	Maharashtra	Mumbai		200,000	200,000	-	No		
3	Other	Other	Yes	Maharashtra	Mumbai		180,000	180,000	-	No		
4	Medical	Medical	Yes	Maharashtra	Mumbai		118,000	118,000	-	No		
5	Medical	Medical	Yes	Maharashtra	Mumbai		280,000	280,000	-	No		
6	Education	Education	Yes	Maharashtra	Mumbai		270,000	270,000	-	No		
7	Skill Creation	Skill Creation	Yes	Maharashtra	Mumbai		1,600,000	1,600,000	-	No		
8	Education	Education	Yes	Maharashtra	Palghar		1,000,000	1,000,000	-	No		
9	Education	Education	Yes	Maharashtra	New Delhi		500,000	500,000	-	No		
10	Skill Creation	Skill Creation	Yes	Delhi	New Delhi		400,000	400,000	-	No		
11	Nutrition	Nutrition	Yes	Maharashtra	Mumbai		27,000	27,000	-	No		
	Total						**4,952,000**	**4,952,000**				

(d) **Amount spent in Administrative Overheads**

NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)**

Rs.49.52 lacs

(g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 49.51 lacs
(ii)	Total amount spent for the Financial Year	Rs. 49.52 lacs
(iii)	Excess amount spent for the financial year (ii)-(i)	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years (iii)-(iv)	Nil

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

NIL

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

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

NIL

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

			commenced.		**project (in Rs.).**	**in the reporting Financial Year (in Rs).**	**reporting Financial Year. (in Rs.)**	**/Ongoing.**
1	NIL							
	Total							

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

NIL

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

NIL

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.

Sd/- Shalini Kamath *Independent Director & Chairperson - CSR Committee* DIN: 06993314 Date: June 11, 2021	Sd/- Sanjay Sakhuja *Whole Time Director & Member - CSR Committee* DIN: 00004370 Date: June 11, 2021
Sd/- Vikrant Narang *Whole Time Director & Member - CSR Committee* DIN: 07842547 Date: June 11, 2021	Sd/- Sanjay Dhoka *Whole Time Director & Member – CSR Committee* DIN: 00450023 Date: June 11, 2021

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

Sd/-
Sanjay Sakhuja
Whole Time Director and Executive Chairman
DIN: 00004370

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

Place: Mumbai
Date: June 11, 2021

ANNEXURE II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

1. Macro economic developments:

The Indian economy contracted by 8% in FY21as against 4.0% growth in FY20 as per IMF World Economic Outlook. Overall economic slowdown led by Covid onset severely impacted manufacturing and trading activity leading to loss of income/employment, lower discretionary spends and deterioration of sentiments. Prolonged and stringent lockdowns also caused severe supply shocks in the form of supply chain disruption leading to a significant drop in production.

The Government of India announced a slew of relief packages under the “Atmanirbhar Bharat” initiative targeted towards social welfare and economic stimulus package for various industries including MSMEs to revive economic activity. The government also announced various schemes such as Partial Credit Guarantee (PCG) and Emergency Credit Line Guarantee Schemes (ECLGS) to support the weakened financial sector.

The Reserve Bank of India (RBI) also responded with monetary support actions like cutting policy rates, allowing moratorium on loans and liquidity injection measures like TLTRO (Targeted Long Term Repo Operations) and extending refinancing facilities to nodal agencies like NABARD, SIDBI and NHB.

As second wave of COVID-19 infections prompts fresh restrictions on economic activities and mobility throughout India, the nascent economic recovery could be derailed. Given the adverse impact particularly on the lower segments of the economy, the government has started to reorient its spending strategy. With rising unemployment rate and reduced availability of livelihood, the government may increase allocation away from capex to schemes like MGNREGA and food subsidies. RBI may not be in a position to respond aggressively this time given historic low policy rates, risk of rising inflation and weakening of the Indian Rupee.

The combined effect of the above factors may further delay the improvement in consumption cycle, crowd-out private investments and decelerate the GDP growth momentum.

2. Key developments in Credit Market and NBFC sector:

The credit market had come to a standstill for better part of H1FY21 with the imposition of a nation-wide lockdown. The monetary support extended by RBI in the form of loan moratorium landed NBFCs in a difficult situation wherein their borrowers availed moratorium despite NBFCs not getting the same from their lender-banks. However, subsequent actions such as TLTRO and refinancing lines from SIDBI, NABARD etc. provided much needed respite for liquidity-starved NBFCs.

The AUM growth of NBFCs in FY21 was restricted on account of little / no fresh disbursements during H1FY21. Collection efficiency remained under pressure for immediate few months post moratorium. The credit quality deteriorated across segments such as MSME, commercial vehicle operators, microfinance and other wholesale borrowers leading to elevated credit costs.

Well capitalized NBFCs with low leverage and significant growth capital at disposal, like AFPL, will be in a better position to tackle the economic crisis and are expected to gain market share from weaker players.

State of Company Affairs:

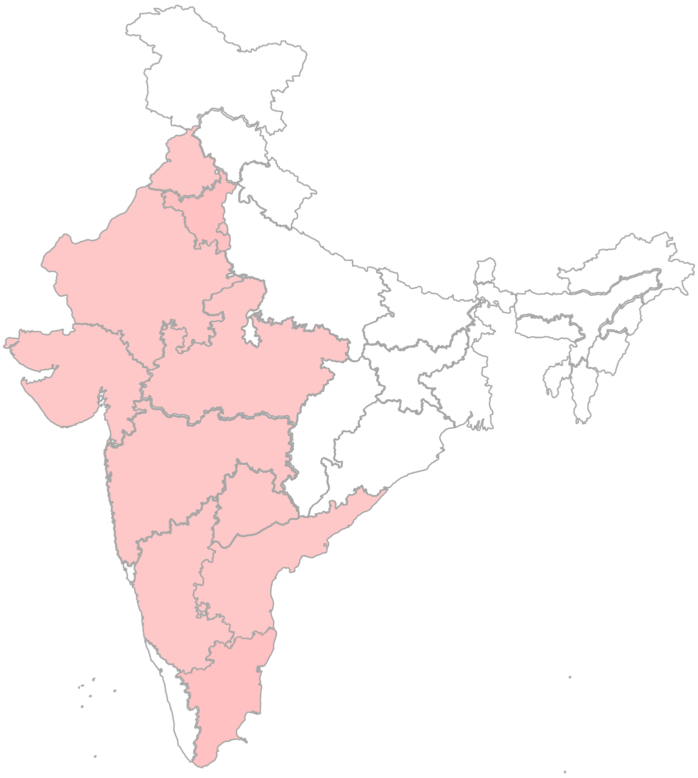
1. **Overview:**

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

In the immediate aftermath of Covid-19 induced lockdown, AFPL temporarily stopped fresh disbursements in Q1 FY22 and increased focused on collection efforts. Subsequently, with uptick in financial activity the Company restarted lending operations post June-2020 and achieved highest ever disbursement of 100+ crore in the month of March-21. To capitalize on AFPLs strong financial position and take advantage of strong demand revival opportunity, the Company decided to expand its geographic footprint.

During the year, AFPL added presence in Tamilnadu, establishing presence across 11 states of India. Total branch count as on March-2021 stood at 30 branches as compared to 20 branches in March-2021. The company added 10 new branches in Jodhpur, Halol, Chennai, Pali, Panipat, Bhilwara, Mehsana, Coimbatore, Jamanagar and Salem to strengthen presence across existing states. The Company’s updated distribution of branches as on March-2021 is as follows:

State	Branches
Gujarat	10
Rajasthan	6
Maharashtra	4
Tamil Nadu	3
Delhi	1
Punjab	1
Haryana	1
Madhya Pradesh	1
Karnataka	1
Andhra Pradesh	1
Telangana	1
Total	**30**



Our overall loan book as on FY21 stood at Rs. 994 crore (Rs. 815 crore as on FY20) with SME book at Rs. 780 crore (Rs. 509 crore as on FY20). The product mix for our SME business currently stands as follows:

Product	Percentage composition in portfolio mix
Secured Business Loan	74%
Unsecured Business Loan	26%

The SME business added 2,390 new customers during FY21, thereby increasing the customer base from 3,704 as on FY20 to 6,094 as on FY21. Our employee strength also increased from 253 employees as on FY20 to 473 employees as on FY21.

In FY21, AFPL tied up with other NBFCs and Fintech firms for joint underwriting of new businesses under co-lending and Banking Correspondence (BC) arrangement. During the year, we added 5 new partners, leading to increase in sourcing partners from 2 partners in FY20 to 7 partners as on March-2021.

In line with stated policy, the wholesale lending book, continued to de-grow in FY21and SF book was Rs. 214 crore at Mar-21 (Rs. 306 crore as on Mar-20).

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 1.74%.

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 second issuance of Market Linked Debentures (MLDs) which has witnessed a splendid response from the market.

The Company raised Rs. 240 crore of fresh bank sanctions in FY21 from existing and new lenders. AFPL added 4 fresh lending partners to our liability mix taking count of total lending relationships to 12 Banks / Financial Institutions. The second tranche of MLD issuance was launched for Rs. 50 crores with an additional green shoe option which was over-subscribed and led us to raise funds to the tune of Rs. 79.62 crore.

AFPL's Long Term and Short Term debt program are rated by Acuite Ratings and Research Limited as AA- (with a stable outlook) and A1+ respectively. The fresh rating from Acuite is a standalone rating and factors comfortable capitalization profile, marquee investors, experienced management, strong business model and profitable earning history.

Equipped with a strong balance sheet and substantial growth capital, the 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 22% from Rs. 815 crores as on FY20 to Rs. 994 crores as on FY21. The following table summarizes the movement of loan book across Structured Finance (SF) and Small and Medium Enterprises (SME) segment.

Loan Book (Rs. crores)	FY20	FY21	Growth
SME	509	780	53%
SF	306	214	-30%
Total	**815**	**994**	**22%**

2.2 Asset Quality:

The quality of our assets remained fairly robust in an extremely challenging economic environment. Our Gross NPA increased from 1.65% as on FY20 to 2.76% as on FY21 whereas our net NPA increased from 0.96% as on FY20 to 1.74% as on FY21.

2.3 Revenue and Profitability:

The revenue grew by 12% from Rs. 130 crores in FY20 to Rs. 145 crore in FY21. The PAT increased from Rs. 16 crores to Rs. 21 crores, despite lower disbursements in H1FY21 and higher credit costs on account of COVID-19 impact.

2.4 Liquidity and Gearing profile:

The Company has remained well capitalized due to periodic infusion of capital. With the equity infusion in Mar-20, the overall gearing of the Company remained flat at 0.8x as on FY21, as against 0.7x as on FY20.
Similarly, the Capital Adequacy Ratio (CAR) stood at 56.92% as on FY21 vis-à-vis 67.35% as on FY20. The cash and cash equivalent / liquid investments as on 31st March 2021 stood at Rs 102.6 crore vis-à-vis that of Rs. 227.1 crores as on 31st March 2020.

A strong liquidity and gearing profile puts us on a strong footing as compared to many of our peers.

3. Digital Initiatives:

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

The important projects completed / undertaken this year include:

- Salesforce CRM (Customer Relationship Management) to act as the single software for all sales processes including, leads tracking, loan application status, attendance and incentive
- Migration of the core lending application to a public cloud providing scalable and robust IT infrastructure architecture with best in class information security to support AFPLs growth journey using public cloud (AWS hosting) and SaaS services (Software as a service)
- Softcell project to integrate unsecured loan sourcing channel with Mifin
- Implementation of SUN ERP for financial and operational efficiency
- HR ERP system for better employee interactions and self service.
- Power Business Intelligence (BI) tool providing real time dashboards and system generated data outputs for regulatory reporting
- Document digitization using document management system.

This year our key focus area will be the implementation Enterprise Dataware house project providing real time business dashboards, measurement of branch scorecard, Business Efficacy, Operational and Financial Reports. Also as part of expanding our digital foot print and better customer service, implementation of Mobile First approach and Mobile App for Customer Service and Partner Onboarding and Lead Capture.

We continue to explore other digital initiatives aimed at further strengthening our credit underwriting and improving our operational efficiency.

4. Human Resources

People, process and culture continued to be focus areas even though 2020-21 was a year of surprises on various counts.

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

- **Employee Health and Safety (EHS):**

Employee Health and Safety ('EHS') team monitored the Covid-19 situation and maneuvered all aspects of employee safety, office operations and infrastructure support required as the situation evolved. Technology played a vital role during this crisis especially in terms of workforce connectivity and maintaining continuous communication with employees across locations with monthly town halls & team catch-ups with the leadership.

Personnel had to embrace Work from Home ('WFH') with the sudden impact of Covid-19 that continued all year through. Engaging people and not letting the new way of WFH impact productivity or emotional health of all personnel was thoughtfully managed by all teams.

Taking cognizance of immense stress and anxieties never experienced before by people, support on emotional health and well-being through an external counselling agency was instituted. Awareness sessions for employees and managers were conducted to help with understanding the emotional health issues while working from home and tools for managers to spot such challenges and help their team members with sensitivity and compassion.

Journey to identify Ambit's Purpose and recast the Vision was initiated in early 2020. The pandemic gave Ambit the time and opportunity to reflect on various aspects. This exercise conducted over several weeks helped Ambit determine its Purpose; a new Vision; and a path to how to achieve the Purpose and Vision.

- **Talent Management:**

On boarding top talent and building a pipeline of potential candidates for key roles is done effectively from time to time. The HR team continues to engage with business team (including branch teams) to understand current and future talent requirements and challenges.

- **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.

- **Capability Building:**

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

- **Employee Engagement:**

Learning initiatives were a key focus area as employees worked from home almost all year around. The sessions were delivered virtually through the year.

- **Culture:**

Culture forms a critical bridge between strategy and performance.

The Leadership team are the Culture Ambassadors who constantly work on connecting strategy to performance and have selected a team of 'Culture Champions' to work with them to cascade and embed the new culture. Work on elements of culture – w.r.t Beliefs, Behaviours, Symbols and Systems has been initiated.

5. 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 marquee investors and promoters
- 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

Threats:

- Uncertainty associated with the depth of pandemic led economic crisis which may impact credit quality

6. Roadmap for the current Financial Year:

While we brace for another year of 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 and add more branches to deepening our footprint across existing states to create a strong sourcing engine. We will also expand our footprint into the Vehicle Finance segment with the target of scaling up the product with introduction of 2-3 allied products in the overall portfolio mix by the end of this financial year.

We also aim to up-scale our co-lending and Banking Correspondence (BC) arrangement business further with addition of more partners in the current year.

On the liability side, our key focus area for this year will be diversifying our liability mix both through the addition of new lenders as well as explore alternate liability channels such as Direct Assignment (DA) and PTC securitization.

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

Key risks and controls:

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

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

2. **Market Risk:**
This is the risk associated with adverse market movements. The Company has 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 is the risk associated with inadequate processes and internal controls. The Company has robust processes and strong compliance framework in place to mitigate the same. 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, M/s Aneja & Associates, 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.

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

Sd/-	**Sd/-**
Sanjay Sakhuja	**Sanjay Dhoka**
Whole Time Director and Executive Chairman	*Whole Time Director and COO & CFO*
DIN: 00004370	*DIN: 00450023*

Place: Mumbai
Date: June 11, 2021

ANNEXURE - III

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31.03.2021
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, 1st 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	90.76%

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)

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
A. Promoters	**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 90,000#	12,259,000 90,000#	**56.53**	-	12,259,000 115000#	12,259,000 115000#	**56.64**	**-0.11**
Banks/ FI	-	-	-	-	-	-	-	-	
Any Other*	-	-	-	-	-	-	-	-	
SubTotal (A)(1)	**-**	**12,349,000**	**12,349,000**	**56.53**	**-**	**12,374,000**	**12,374,000**	**56.64**	**-0.11**
(2) Foreign									
NRIs-Individuals	-	-	-	-	-	-	-	-	-
Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
SubTotal (A)(2)	-	-	-	-					
Total shareholding of Promoter (A)=(A)(1)+(A)	**-**	**12,349,000**	**12,349,000**	**56.53**		**12,374,000**	**12,374,000**	**56.64**	**-0.11**
B. Public Shareholding									
1. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-	-

Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
SubTotal (B)(1)	**-**	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	5,056,100 1,038,605 #		6,094,705	**27.90**	5,056,100 1,038,605	-	6,094,705	**27.90**	**0.00**
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh		200,000#	200,000#	**0.92**		190,000	190,000	**0.87**	**0.05**
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lakh		360,000 2,842,500#	360,000 2,842,500	1.65 **13.01**		360,000 2827500	360,000 2827500	**1.65** **12.94**	0.00 0.07
c) Others (Specify)	-	-	-	-	-	-	-	-	-
i) NRI (Non-Rep)	-	-	-	-	-	-	-	-	-
i) NRI (Rep)	-	-	-	-	-	-	-	-	-
ii) Trust	-	-	-	-	-	-	-	-	-
Sub Total(B)(2)	**6,094,705**	**3,402,500**	**9,497,205**	**43.47**	**6,094,705**	**3,377,500**	**9,472,205**	**43.36**	**0.11**
Total Public Shareholding (B)=(B)(1)+(B)	**6,094,705**	**3,402,500**	**9,497,205**	**43.47**	**6,094,705**	**3,377,500**	**9,472,205**	**43.36**	**0.11**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**6,094,705**	**15,751,500**	**21,846,205**	**100**	**6,094,705**	**15,751,500**	**21,846,205**	**100.00**	**0**

#partly paid 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	12,349,000 #	76.37	-	12,374,000#	**56.53**	-	-0.11

#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 (01-04-20)	12,349,000	**56.53**	12,349,000	**56.53**
	Add: (a) Transfer from Employees and others on November 27, 2020 (b) Transfer from Employees and Others on January 1, 2021			10,000# 15,000#	
	At the end of the year (31-03-21)			12,374,000	**56.64**

#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	4,260,010	**19.50**	-	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	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	1,179,695	**5.40**	-	**-**
	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	-	-	**1,179,695**	**5.40**
3.	**Nine International Securities Private Limited**				
	At the beginning of the year	**420,000**	**1.92**	**-**	**-**
	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	-	-	**420,000**	**1.92**
4.	**RW Media Private Limited**				
	At the beginning of the year	**235,000**	**1.08**	-	**-**

	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		-	**235,000**	**1.08**
5. Mr. Sunil Gulati					
	At the beginning of the year	50,000	**0.23**		
	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	**0.23**		
	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	**0.23**		
	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	**0.23**	-	**-**
	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	**0.23**		
	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	**0.23**		
	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^	**2.75**	600,000^	**2.75**
2.	Mr. Sanjay Agarwal	360,000 400,000^	**3.48**	360,000 400,000^	**3.48**
3.	Mr. Vikrant Narang	350,000^	**1.60**	350,000^	**1.60**
4.	Mr. Sanjay Dhoka	175,000^	**0.80**	175,000^	**0.80**
5.	Mr. KM Jayarao	50,000^	**0.23**	50,000^	**0.23**
6.	Ms. Shalini Kamath	50,000^	**0.23**	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**	**Debentures**	**Total**
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**
Indebtedness at the beginning of the financial year					
1. Principal Amount	3,333,886.81	500,000	-	414,861	4,248,747.81

2. Interest due but not paid	-	-	-	-	-
3. Interest accrued but not due	3,360	17,616.44	-	5,499.03	26,475.46
Total (1+2+3)	**3,337,246.81**	**517,616.44**	**-**	**420,360.03**	**4,275,223.27**
Change in Indebtedness during the financial year					
Addition	2,250,012.73	38,958.90	-	838,438	**3,127,409.63**
Reduction	1,785,020.14	556,575.34	-	-	**2,341,595.48**
Net Change	**464,992.59**	**(517,616.44)**	**-**	**838,438.00**	**785,814.15**
Indebtedness at the end of the financial year					
1. Principal Amount	3,800,034.69	-	-	1,202,655	5,002,689.69
2. Interest due but not paid	-	-	-	-	
3. Interest accrued but not due	2,205	-	-	56,142.68	58,347.68
Total (1+2+3)	**3,802,239.69**	**-**	**-**	**1,258,797.68**	**5,061,037.37**
Note: Above figures are after IND AS adjustments					
Unsecured loan and Debt addition includes the Interest accrued movement during the year					

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**	
1	Gross salary	**11,865,320**	**20,637,338**	**16,207,200**	**20,249,532**	**68,959,390**
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,816,720	20,637,338	16,199,604	20,241,936	68,895,598
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	48,600	-	7596	7,596	63,792
	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
1	**Independent Directors**	**Mr. Ameet Parikh**	**Mr. KM Jayarao**	**Ms. Shalini Kamath**	
	a. Fee for attending board / committee meetings	575,000	600,000	500,000	1,675,000
	b. Commission	-	-	-	
	c. Others, please specify	-	-	-	
	Total (1)	-	-	-	-
2	**Other Non-Executive Directors**				
	a. Fee for attending board / committee meetings	-			
	b. Commission	-			
	c. Others, please specify (Bonus)				
	Total-(2)				
	Total-B (1+2)				
	Total Managerial Remuneration	575,000	600,000	500,000	1,675,000
	Overall Ceiling as per the Act				

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	938,396		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	938,396	-	938,396
	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)	-	-	-

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

Sd/-
Sanjay Sakhuja
Executive Chairman and Whole Time Director
DIN: 00004370

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

Place: Mumbai
Date: June 11, 2021

Annexure IV

Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 Marc 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (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);
(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.

During the year 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 obtained consent of the members of the company by way of special resolution passed at the Extra Ordinary General Meeting held on 19th March 2021 in respect of issue of Rated, Listed, Secured, Redeemable, Principal Protected, Market Linked Non-Convertible Debentures upto aggregate amount of INR 350 crores on a private placement basis and of which 7,962 Debentures having face value of `1,00,000/- each amounting to `79,62,00,000/- was allotted on March 26, 2021 and thereafter listed on BSE Limited.

For D. M. Zaveri & Co
Company Secretaries
Sd/-
Dharmesh Zaveri
(Proprietor)

FCS No.: 5418
CP No.: 4363

Place: Mumbai

Date: 11th June 2021ICSI UDIN: F005418C000427851

ANNEXURE V

DISCLOSURES ON EMPLOYEE STOCK OPTION SCHEME FOR THE YEAR ENDED MARCH 31, 2021

Name of scheme: Ambit Finvest Employee Stock Option Scheme 2018

Nature of Disclosures	**Particulars**	
Options Granted	155,000	
Options vested	44,998	
Options exercised	Nil	
The total no of shares arising as a result of exercise of option	Nil	
Options lapsed	20,000	
Exercise price	Rs.306	
Variation of terms of Option	Nil	
Money realized by exercise of Options	Nil	
Total no of Options in force	135,000	
Employee wise details of options granted: KMP		
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	**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	
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	-	

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
Sanjay Sakhuja
Whole Time Director and Executive Chairman
DIN: 00004370

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

Place: Mumbai
Date: June 11, 2021

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	• Sanjay Sakhuja – 77.33 • Sanjay Dhoka – 44.46 • Sanjay Agarwal – 75.87 • Vikrant Narang – 60.73
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;	• Sanjay Sakhuja – 113.20% • Sanjay Dhoka – 31.25% • Sanjay Agarwal – 69.93% • Vikrant Narang – 33.25% • Amrita Pillai – 60.05%
3.	Percentage increase in the median remuneration of employees in the financial year	• -43.17%
4.	The number of permanent employees on the rolls of company	479 (Active Employee Count as of 31st Mar-21)
5.	Median Remuneration of employees of the Company	266,890
6.	Percentage Increase in the median remuneration of employees during the financial year	-43.17%
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	Average Percentage increase in salaries of: • Employees other than the managerial personnel – 10.80% • Managerial personnel – 61.54%
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- • 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	1. Sanjay Sakhuja 2. Sanjay Agarwal 3. Vikrant Narang 4. Sanjay Dhoka

S.R. BATLIBOI & CO. LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

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 2021, 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, 2021, 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 49 to the Statement, which describes the uncertainty caused by continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. 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, 2021. 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.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Impairment of loans as at the balance sheet date (expected credit losses)
(as described in Note 6 of the standalone Ind AS financial statements)</td></tr>
<tr><td>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.

In the process, a significant degree of judgement has been applied by the management for:
• 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.

Additionally, the economic and business consequences of the COVID 19 pandemic as described in Note 49 to the Standalone Ind AS financial statements, slowdown of economic activity, moratoriums granted to borrowers, the related regulatory directives, further affect provisioning under the ECL approach.

As at March 31, 2021, the Company has made a provision for impairment loss aggregating Rs. 3,374 lakhs against the loans outstanding. Due to the significance of the judgments used in both classification of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has</td><td>• 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, one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated" issued by RBI on August 6, 2020 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</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
been considered as a key audit matter.	• management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.
(b) IT systems and controls	
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. 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.	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: • 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 in the system that were considered as key internal controls over financial reporting. • 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.

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

S.R. BATLIBOI & CO. LLP

Chartered Accountants

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the 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;

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Chartered Accountants

(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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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, 2021;

(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 31(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;

   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

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 21102102AAAALF8193

Place: Mumbai
Date: June 11, 2021

S.R. BATLIBOI & CO. LLP

Chartered Accountants

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 and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of 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) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(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 slight 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 and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no 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:

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in Lakhs)	Assessment year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7.02	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 to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(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.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

(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

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 21102102AAAALF8193

Place: Mumbai
Date: June 11, 2021

S.R. BATLIBOI & CO. LLP

Chartered Accountants

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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

S.R. BATLIBOI & CO. LLP

Chartered Accountants

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 21102102AAAALF8193

Place: Mumbai
Date: June 11, 2021

AMBIT FINVEST PRIVATE LIMITED
Balance sheet as at 31st March, 2021

(Amounts in ₹ lakhs)

	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	4	**6,061.19**	14,444.59
(b) Bank balance other than cash and cash equivalents	5	**4,195.26**	200.00
(c) Loans	6	**96,001.46**	78,730.47
(d) Investments	7	**6,875.95**	8,063.04
(e) Other financial assets	8	**308.14**	838.55
		1,13,442.00	1,02,276.65
Non-financial Assets			
(a) Current tax assets (net)	9	**133.66**	527.08
(b) Deferred tax assets (net)	44	**885.15**	413.27
(c) Property, Plant and Equipment	10	**434.69**	433.53
(d) Goodwill	11	**2,436.68**	2,436.68
(e) Other Intangible assets	12	**59.76**	83.66
(f) Right of use asset		**1,181.12**	993.27
(g) Investment Property		**334.58**	-
(h) Other non-financial assets	13	**516.79**	264.83
		5,982.43	5,152.32
TOTAL ASSETS		**1,19,424.43**	1,07,428.97
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		**2.88**	5.45
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**1,437.84**	335.53
(b) Debt securities	15	**12,587.98**	4,203.60
(c) Borrowings (other than debt securities)	16	**38,022.40**	38,548.64
(d) Lease liabilities		**1,231.24**	1,005.34
(e) Other financial liabilities	17	**1,537.38**	1,054.34
		54,819.72	45,152.91
Non-financial Liabilities			
(a) Current tax liabilities (net)		**205.75**	-
(b) Provisions	18	**161.31**	132.19
(c) Other non-financial liabilities	19	**105.35**	164.10
		472.41	296.29
TOTAL LIABILITIES		**55,292.13**	45,449.19
EQUITY			
(a) Equity share capital	20	**1,809.22**	1,809.22
(b) Other equity	21	**62,323.08**	60,170.56
TOTAL EQUITY		**64,132.30**	61,979.78
TOTAL LIABILITIES AND EQUITY		**1,19,424.43**	1,07,428.97
See accompanying notes forming part of the financial statements	1 - 55		

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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai

On behalf of the Board of Directors

SD/-
Sanjay Sakhuja
Whole Time Director and Executive Chairman

SD/-
Sanjay Dhoka
Whole Time Director, CFO and COO

SD/-
Amrita Pillai
Company Secretary
Mumbai

AMBIT FINVEST PRIVATE LIMITED
Statement of Profit and Loss for the Year ended 31st March, 2021

(Amounts in ₹ lakhs)

	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from operations			
Interest income	22	**14,119.93**	12,707.47
Net gain/(loss) on fair value changes	23	**63.07**	67.24
Other operating revenue	24	**129.84**	87.70
Total revenue from operations		**14,312.84**	12,862.41
Other income	25	**199.06**	115.85
Total income		**14,511.90**	12,978.26
Expenses			
Finance costs	26	**4,015.55**	5,004.32
Impairment of financial assets	27	**2,294.44**	1,729.46
Employee benefits expense	28	**3,758.43**	2,519.58
Depreciation, amortization and impairment	29	**476.36**	345.78
Other expenses	30	**1,484.47**	1,214.11
		12,029.25	10,813.25
Profit before tax		**2,482.65**	2,165.01
Tax Expense:			
- Current tax			
for the current year		**837.06**	700.20
(Excess)/short provision in respect of earlier years		**(6.99)**	10.92
		830.07	711.12
- Deferred tax credit		**(470.99)**	(142.31)
		359.08	568.81
Profit for the year		**2,123.57**	1,596.20
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(3.51)**	(6.89)
Income tax on above		**0.88**	1.73
Total other comprehensive income		**(2.63)**	(5.16)
Total comprehensive income for the year		**2,120.94**	1,591.04
Earnings per equity share			
(Nominal value of equity share ₹10 per share)			
- Basic (₹)		**11.74**	11.48
- Diluted (₹)		**11.74**	11.48
See accompanying notes forming part of the financial statements	1 - 55		

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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai

On behalf of the Board of Directors

SD/-
Sanjay Sakhuja
Whole Time Director and Executive Chairman

SD/-
Sanjay Dhoka
Whole Time Director, CFO and COO

SD/-
Amrita Pillai
Company Secretary
Mumbai

AMBIT FINVEST PRIVATE LIMITED
Cash flow statement for the year ended 31st March, 2021

(Amounts in ₹ lakhs)

Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**2,482.65**	2,165.01
Adjustments for:			
Depreciation, amortization and impairment		**476.36**	145.68
Impairment on financial instruments_Loans		**2,249.96**	1,729.46
Impairment on financial instruments_deposits		**4.74**	-
Impairment on financial instruments_investments		**36.80**	-
Interest income on deposits with banks		**(432.87)**	(94.59)
Interest income on debentures and PTC		**(515.71)**	(17.33)
Finance Cost on lease liabilities		**105.78**	-
Employee stock option compensation cost		**31.58**	29.76
Unwinding of discount on security deposit		**(10.25)**	(7.27)
Profit on Redemption of Debentures		**(51.68)**	-
Profit from redemption of investments in mutual funds		**(11.39)**	(67.24)
		1,883.32	1,718.47
Operating profit before working capital changes		**4,365.97**	3,883.48
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Trade receivables		**-**	-
Loans		**(19,520.95)**	(5,340.86)
Other financial assets		**64.04**	(405.53)
Other non-financial assets		**(203.29)**	(202.85)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		**1,099.95**	(147.03)
Other financial liabilities		**483.04**	19.61
Other non-financial liabilities		**(58.74)**	(1,630.98)
Provision for employee benefits		**25.61**	48.20
		(18,110.34)	(7,659.42)
Cash used in operations		**(13,744.37)**	(3,775.94)
Direct tax paid (net)		**(230.90)**	(731.74)
Net cash used in operating activities	**(A)**	**(13,975.27)**	(4,507.68)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(197.37)**	(453.24)
Proceeds from sale of property, plant and equipment		**31.23**	-
Purchase of other intangible assets		**(30.35)**	(59.43)
Purchase of investments		**(79,187.97)**	(2,00,795.70)
Purchase of investments property		**(335.05)**	
Proceeds from sale of investments		**81,347.06**	1,94,768.10
Deposits placed with banks and financial institution other than considered in cash and cash equivalents		**(4,000.00)**	-
Interest received on deposits with banks and financial institution		**451.67**	53.96
Net cash used in investing activities	**(B)**	**(1,920.78)**	(6,486.31)

AMBIT FINVEST PRIVATE LIMITED
Cash flow statement for the year ended 31st March, 2021

(Amounts in ₹ lakhs)

Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		**-**	23,483.82
Payment of share issue expenses		**-**	(541.70)
Proceeds from borrowings (other than debt securities)		**22,500.13**	25,558.44
Repayment of borrowings (other than debt securities)		**(23,026.42)**	(27,120.26)
Proceeds from debt securities		**8,384.38**	4,203.60
Lease Liabilities paid		**(345.44)**	(265.29)
Repayment of debt securities		**-**	-
Net cash generated from financing activities	**(C)**	**7,512.65**	25,318.61
Net increase /(decrease) in cash and cash equivalents	**(A+B+C)**	**(8,383.40)**	14,324.62
Cash and cash equivalents at the commencement of the year		**14,444.59**	119.97
Cash and cash equivalents at the end of the year		**6,061.19**	14,444.59
Net increase/(decrease) in cash and cash equivalents		**(8,383.40)**	14,324.62
Reconciliation of cash and cash equivalents with the Balance Sheet			
Cash and cash equivalents as per the balance sheet* [see note 4]		**6,061.19**	14,444.59
Less: Bank deposits with original maturity for more than three months		**-**	-
Cash and cash equivalents at the end of the year*		**6,061.19**	14,444.59
***comprises:**			
Cash on hand		**20.03**	2.24
Balances with banks			
- In current accounts		**3,544.09**	642.35
- In deposit account with original maturity upto three months		**2,497.07**	13,800.00
		6,061.19	14,444.59
See accompanying notes forming part of the financial statements	1 - 55		

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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai

On behalf of the Board of Directors

SD/-
Sanjay Sakhuja
Whole Time Director and
Executive Chairman

SD/-
Sanjay Dhoka
Whole Time Director,
CFO and COO

SD/-
Amrita Pillai
Company Secretary
Mumbai

AMBIT FINVEST PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31st March, 2021

Equity Share Capital

(Amounts in ₹ lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Balance at the beginning of the year	**1,809.22**	1,355.18
Changes in equity share capital during the year (see note 20)	**-**	454.05
Balance at the end of the year	**1,809.22**	1,809.22

Other equity

(Amounts in ₹ lakhs)

	Reserves and Surplus				Total
	Statutory Reserve	Securities premium	Share options outstanding account	Retained Earnings	
Balance as at 31st March, 2020	**1,857.75**	**51,227.93**	**31.30**	**7,053.58**	**60,170.56**
Profit for the year	**-**	**-**	**-**	**2,123.57**	**2,123.57**
Other comprehensive income for the period net of income tax *	**-**	**-**	**-**	**(2.63)**	**(2.63)**
Transfer from retained earnings to statutory reserve	**424.71**	**-**	**-**	**(424.71)**	**-**
Compensation cost	**-**	**-**	**31.58**	**-**	**31.58**
Balance as at 31st March, 2021	**2,282.46**	**51,227.93**	**62.88**	**8,749.81**	**62,323.08**
Balance as at 1st April, 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)
Transfer from retained earnings to statutory reserve	319.24	-	-	(319.24)	-
Received on issue of fully paid up equity	-	22,960.10	-	-	22,960.10
Received on issue of partly paid up equity	-	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**

** 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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai

On behalf of the Board of Directors

SD/-
Sanjay Sakhuja
Whole Time Director and Executive Chairman

SD/-
Sanjay Dhoka
Whole Time Director, CFO and COO

SD/-
Amrita Pillai
Company Secretary
Mumbai

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 been prepared financials 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 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 financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

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 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions used for determining the impairment allowance on the Company's financial assets, are based on historical experience and other emerging factors emanating from the COVID-19 pandemic which may also influence the expected credit loss. The Company has used One Time Restructuring (OTR) and repayment moratorium on loans as early indicators suggesting higher flow rates and loss given default and accordingly accounted for commensurate expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances and information available. However, the uncertainty caused by resurgence of the COVID-19 pandemic and related events could further influence the estimate of credit losses.

2.04 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 (iii)]
ii. Determination of estimated useful lives of intangible assets [see note 3.05 (iv)]
iii. Recognition and Measurement of defined benefit obligations [see note 3.09(b)]
iv. Fair value of financial instruments [see note 3.07(B)]
v. Business model assessment [see note 3.07(C)]
vi. Impairment of financial assets [see note 3.07(E)]
vii. Evaluation of lease, lease term and discount rate [see note 3.11]
viii. Provisions, Contingent liabilities and Contingent Assets [see note 3.14]
ix. Provision for tax expenses [see note 3.15]
x. Estimation of uncertainties relating to the global health pandemic from COVID-19 [see note 2.03]

3. Significant accounting policies

3.01 Revenue recognition

i. Interest income

The Company recognizes 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 recognizes 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 recognizes 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 realization.

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.

3. Significant accounting policies (contd.)

3.03 Property, plant and equipment (contd.)

iii. 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.

iv. 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.

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.

3.06 Investment Properties

Properties, including those under construction, held to earn rentals and /or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognized using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013 or in case if assets were the useful life was determined b technical evaluation , over the useful life so determined. Depreciation method is revised at each financial year end to reflect the expected pattern of consumption of the future benefit embodied in the investment property, the estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the statement of profit and Loss in the same period.

3. Significant accounting policies (contd.)

3.07 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.

3. Significant accounting policies (contd.)

3.07 Financial instruments (contd.)

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 lo the duration of the liabilities that are funding those assets or realising cash flows through the sate 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.

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 fending 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

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.

3. Significant accounting policies (contd.)

3.07 Financial instruments (contd.)

(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 al 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.

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.

3. Significant accounting policies (contd.)
3.07 Financial instruments (contd.)

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.

3. Significant accounting policies (contd.)
3.07 Financial instruments (contd.)
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.

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 al 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.

3.07 Financial instruments (contd.)

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.

3.08 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.

3.09 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. Significant accounting policies (contd.)

3.10 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.

3.11 Leases - Company as lessee

With effect from 1 April, 2019

The Company has adopted Ind AS 116 “Leases” using the retrospective modified method - obtion 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.)

3.12 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;

3.13 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.

3.14 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.

3. Significant accounting policies (contd.)

3.15 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.

3.16 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.

3. Significant accounting policies (contd.)

3.17 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.

3.18 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 40. 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.

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
4. CASH AND CASH EQUIVALENTS		
Cash on hand	**20.03**	2.24
Balance with banks		
- In current accounts	**3,544.09**	642.35
In deposit accounts with original maturity less than three months	**2,500.00**	13,800.00
Less: Impairment loss allowance	**2.93**	-
	2,497.07	13,800.00
	6,061.19	14,444.59
5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
Deposits with a bank [see footnote]	**4,200.00**	200.00
Less: Impairment loss allowance	**4.74**	-
	4,195.26	200.00
Note: Deposits with a bank is under lien for the overdraft facility		
6. LOANS		
(at amortised cost)		
Loans	**98,184.54**	80,306.66
Interest accrued on loans	**1,190.50**	1,152.65
	99,375.04	81,459.31
Less: Impairment loss allowance	**3,373.58**	2,728.84
	96,001.46	78,730.47
(A) Out of above		
(i) Secured [see footnotes]	**78,036.02**	66,578.95
Less: Impairment loss allowance	**2,529.97**	1,681.20
Total (i)	**75,506.05**	64,897.75
(ii) Unsecured	**21,339.03**	14,880.36
Less: Impairment loss allowance	**843.62**	1,047.64
Total (ii)	**20,495.41**	13,832.72
Total (i+ii)	**96,001.46**	78,730.47
(B) Out of above		
(i) Loans in India		
Public sector	**-**	
Others	**99,375.04**	81,459.31
Total (i)	**99,375.04**	81,459.31
(ii) Loans outside India	**-**	
Others	**-**	-
Total (ii)	**-**	-
Total (i+ii)	**99,375.04**	81,459.31
Less: Impairment loss allowance	**3,373.58**	2,728.84
	96,001.46	78,730.47

6. LOANS (contd.)

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
Notes:		
1. Loans are secured by pledge/lien on the shares / securities, hypothecation of current/fixed assets, mortgage of immovable properties, guarantees, receivables.	**78,036.02**	**66,578.95**
2. Includes loans in the form of non-convertible debentures aggregating	**185.59**	150.00

Reconciliation of Loan balance is given below

3.

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount- Opening balance	76,585.66	3,725.35	1,148.30	81,459.31
+ Net assets originated	42,868.27	3,415.69	81.25	46,365.21
- Assets derecognised or repaid (excluding write-offs)	(23,346.02)	(856.19)	(2,257.06)	(26,459.27)
- Transfers to Stage 1	350.53	(350.53)	-	-
- Transfers to Stage 2	(8,123.69)	8,188.00	(64.31)	0.00
-Transfers to Stage 3	(2,328.51)	(2,023.85)	4,352.36	(0.00)
- Amounts written off	(963.65)	(416.92)	(609.64)	(1,990.21)
Gross carrying amount - Closing balance	85,042.60	11,681.54	2,650.90	99,375.04

Reconciliation of ECL balance is given below

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount- Opening balance	1,502.77	728.84	497.24	2,728.86
+ Net assets originated	226.25	399.64	9.14	635.03
- Assets derecognised or repaid (excluding write-offs)	374.15	501.88	57.78	933.81
- Transfers to Stage 1	20.59	(20.59)	-	-
- Transfers to Stage 2	(692.16)	581.21	110.95	0.00
-Transfers to Stage 3	(506.75)	(379.76)	886.51	0.00
- Amounts Written off	(117.24)	(229.92)	(576.95)	(924.10)
ECL allowance - Closing balance	807.61	1,581.30	984.67	3,373.58

(Amounts in ₹ lakhs)

	As at 31st March, 2021		As at 31st March, 2020	
	Units	**Amount**	Units	Amount
7. INVESTMENTS				
(in India)				
At amortised cost				
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 with maturity date 30th September, 2020	**-**	**-**	250	2,492.41
In Pass Through Certificates (PTC) representing securitisation of loan receivables#		**6,875.95**		-
		6,875.95		8,063.04

Impairment allowance recognised on these investments is Rs. 37.54 lakhs (Previous year Nil).

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
8. OTHER FINANCIAL ASSETS		
(at amortised cost)		
Deposit with a financial institution	**-**	228.13
Interest accrued on deposits with banks/a financial institution	**24.98**	43.78
Interest accrued on debentures	**-**	432.94
Security deposits	**166.12**	106.46
Other receivables	**117.04**	27.24
	308.14	838.55
9. CURRENT TAX ASSETS (net)		
Advance tax net of provision for tax	**133.66**	527.08
	133.66	527.08

(Amounts in ₹ lakhs)

10. PROPERTY PLANT AND EQUIPMENT

Particulars	Furniture and fixtures	Office equipment	Computers and equipment	Improvements to leasehold premises	Total
Gross carrying amount					
As at 1st April, 2019	22.10	10.18	44.52	-	**76.80**
Additions	38.49	60.35	47.27	305.09	**451.20**
Disposals	-	(0.33)	-	-	**(0.33)**
Closing gross carrying amount as at 31st March, 2020	**60.59**	**70.20**	**91.79**	**305.09**	**527.66**
Additions	**36.67**	**14.27**	**81.49**	**19.02**	**151.45**
Disposals	**-**	**-**	**(1.44)**	**(29.79)**	**(31.23)**
Closing gross carrying amount as at 31st March, 2021	**97.26**	**84.47**	**171.84**	**294.32**	**647.89**
Accumulated depreciation					
As at 1st April, 2019	1.57	1.98	12.06	-	**15.61**
Depreciation charge for the year	4.63	10.84	26.14	37.05	**78.66**
On deletions	-	(0.14)	-	-	**(0.14)**
Closing accumulated depreciation as at 31st March, 2020	**6.20**	**12.68**	**38.20**	**37.05**	**94.13**
Depreciation charge for the year	**13.70**	**16.93**	**34.36**	**54.07**	**119.06**
Closing accumulated depreciation as at 31st March, 2021	**19.90**	**29.61**	**72.56**	**91.12**	**213.20**
Net carrying amount as at 31st March, 2021	**77.36**	**54.86**	**99.28**	**203.20**	**434.69**
Net carrying amount as at 31st March, 2020	54.38	57.52	53.60	268.04	433.53

11. GOODWILL

(Amounts in ₹ lakhs)

Particulars	Amount
Gross carrying amount as at 1st April, 2019	2,436.68
Less: Accumulated impairment loss	-
Closing gross carrying amount as at 31st March, 2020	**2,436.68**
Less: Accumulated impairment loss	**-**
Closing gross carrying amount as at 31st March, 2021	**2,436.68**

12. OTHER INTANGIBLE ASSETS

(Amounts in ₹ lakhs)

Particulars	Amount	
Computer Software		
Gross carrying amount		
As at 1st April, 2019	103.57	-
Additions	59.43	
Disposals	-	
Closing gross carrying amount as at 31st March, 2020	**163.00**	
Additions	**30.35**	
Disposals	**-**	
Closing gross carrying amount as at 31st March, 2021	**193.35**	
Accumulated Amortisation		
As at 1st April, 2019	12.51	
Amortisation charge for the year	66.83	
On deletions	-	
Closing accumulated depreciation as at 31st March, 2020	**79.34**	
Amortisation charge for the year	**54.25**	
On deletions	**-**	
Closing accumulated depreciation as at 31st March, 2021	**133.59**	
Net carrying amount as at 31st March, 2021	**59.76**	
Net carrying amount as at 31st March, 2020	83.66	

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
13. OTHER NON-FINANCIAL ASSETS		
Prepaid expenses	**155.75**	72.80
Advance to suppliers for capital goods	**48.67**	2.96
Advance against expenses	**32.57**	0.47
GST/Service tax credit	**279.80**	188.59
	516.79	264.83
14. PAYABLES		
(at amortised cost)		
Trade payables	**1,440.72**	340.98
	1,440.72	340.98
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	**4,746.50**	4,203.60
Market Linked debentures (secured through the hypothecation of identified receivables in favour of the Debenture Trustee) with maturity date 23rd June, 2023	**7,841.48**	-
	12,587.98	4,203.60
16. BORROWINGS (OTHER THAN DEBT SECURITIES)		
(at amortised cost, in India)		
(a) Term loans		
(i) from banks	**36,632.34**	26,507.44
(ii) from other parties	**1,367.21**	6,790.82
(b) Inter corporate deposit	**-**	5,000.00
(c) Bank overdraft	**0.80**	40.61
(d) Interest accrued but not due on borrowings	**22.05**	209.77
Total	**38,022.40**	38,548.64
Out of above		
(i) Secured	**38,022.40**	33,372.48
(ii) Unsecured	**-**	5,176.16
Total	**38,022.40**	38,548.64
(B) Out of above		
(i) Borrowings in India	**38,022.40**	38,548.64
(ii) Borrowings outside India	**-**	-
Total	**38,022.40**	38,548.64

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, 2021				Amount as at 31st March, 2020				Terms of repayment and other relevant terms				
	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total	No. of Instalments	Amount of Instalments	Frequency	From	To
1	**625.00**	**625.00**	**-**	**1,250.00**	**625.00**	**1,250.00**	**-**	1,875.00	16	156.25	Quarterly	30-Apr-19	31-Jan-23
2	**1,000.00**	**-**	**-**	**1,000.00**	**-**	**-**	**-**	-	1	1,000.00	On Demand		21-Jun-21
3	**500.00**	**916.67**	**-**	**1,416.67**	**-**	**-**	**-**	-	36	41.67	Monthly	03-Feb-21	03-Jan-24
4	**500.00**	**1,000.00**	**1,000.00**	**2,500.00**	**-**	**-**	**-**	-	20	125.00	Quarterly	24-Jun-21	24-Mar-26
5	**500.00**	**1,000.00**	**1,000.00**	**2,500.00**	**-**	**-**	**-**	-	20	125.00	Quarterly	30-Jun-21	31-Mar-26
6	**681.82**	**1,818.18**	**-**	**2,500.00**	**-**	**-**	**-**	-	11	227.27	Quarterly	05-Sep-21	05-Mar-24
7	**833.33**	**1,666.67**	**-**	**2,500.00**	**-**	**-**	**-**	-	12	208.33	Quarterly	30-Jun-21	31-Mar-24
8	**555.56**	**1,111.11**	**554.14**	**2,220.80**	**-**	**-**	**-**	-	18	138.89	Quarterly	31-Dec-20	31-Mar-25
9	**818.18**	**-**	**-**	**818.18**	**1,090.91**	**818.18**	**-**	1,909.09	11	272.73	Quarterly	03-Jun-19	03-Dec-21
12	**250.00**	**-**	**-**	**250.00**	**1,000.00**	**250.00**	**-**	1,250.00	10	250.00	Quarterly	31-Jan-19	03-Apr-21
13	**-**	**-**	**-**	**-**	**621.25**	**-**	**-**	621.25	11	208.75	Quarterly	18-Mar-18	18-Dec-20
14				**-**				-	1	203.75	Quarterly		
15	**-**	**-**	**-**	**-**	**830.00**	**-**	**-**	830.00	11	208.75	Quarterly	28-May-18	28-Feb-21
16				**-**				-	1	203.75	Quarterly		
17	**1,000.00**	**2,000.00**	**-**	**3,000.00**	**1,000.00**	**2,000.00**	**1,000.00**	4,000.00	20	250.00	Quarterly	25-Jun-19	25-Mar-24
18	**-**	**-**	**-**	**-**	**409.09**	**-**	**-**	409.09	11	136.36	Quarterly	28-Apr-18	28-Oct-20
19	**1,847.22**	**-**	**-**	**1,847.22**	**3,166.67**	**1,847.22**	**-**	5,013.89	36	263.89	Monthly	15-Nov-18	15-Oct-21
20	**1,500.00**	**3,000.00**	**750.00**	**5,250.00**	**1,500.00**	**3,000.00**	**2,250.00**	6,750.00	20	375.00	Quarterly	31-Dec-19	30-Sep-24
21	**909.09**	**454.55**	**-**	**1,363.64**	**909.09**	**1,363.64**	**-**	2,272.73	11	272.73	Quarterly	24-Mar-20	24-Sep-22
22	**666.67**	**166.67**	**-**	**833.34**	**666.67**	**833.33**	**-**	1,500.00	12	166.67	Quarterly	16-Jul-19	15-Apr-22
23	**166.67**	**41.67**	**-**	**208.33**	**166.67**	**208.33**	**-**	375.00	12	41.67	Quarterly	27-Sep-19	28-Jun-22
24	**500.00**	**1,000.00**	**999.99**	**2,499.99**	**-**	**-**	**-**	-	20	125.00	Quarterly	26-May-21	26-Feb-26
25	**-**	**2,500.00**	**2,500.00**	**5,000.00**	**-**	**-**	**-**	-	16	312.50	Quarterly	29-Apr-22	29-Jan-26
	12,853.54	**17,300.52**	**6,804.13**	**36,958.19**	**11,985.35**	**11,570.72**	**3,250.01**	**26,806.05**					
Less: EIR on borrowings				**(325.85)**				(298.61)					
				36,632.34				26,507.44					

b. Details of security given for secured loans (for item no 1 to 23): -

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 24 to 25): -

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.

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, 2021				Amount as at 31st March, 2020				Terms of repayment and other relevant terms				
	< 1 year	1-3 years	> 3 years	Total	< 1 year	1-3 years	> 3 years	Total	No. of Instalments	Amount of Instalments	Frequency	From	To
1	-	-	-	-	361.88	97.13	-	459.01	36	27.78	Monthly	31-Jul-18	30-Jun-21
2	-	-	-	-	179.22	64.45	-	243.67	36	13.89	Monthly	24-Aug-18	24-Jul-21
3	-	-	-	-	229.17	500.00	83.33	812.50	96	10.42	Monthly	01-Aug-19	01-Jul-23
4	-	-	-	-	229.17	500.00	83.33	812.50	96	10.42	Monthly	01-Aug-19	01-Jul-23
5	-	-	-	-	171.88	375.00	62.50	609.38	96	7.81	Monthly	01-Aug-19	01-Jul-23
6	-	-	-	-	171.88	375.00	62.50	609.38	96	7.81	Monthly	01-Aug-19	01-Jul-23
7	-	-	-	-	250.00	437.50	-	687.50	72	10.42	Monthly	24-Jan-20	23-Dec-22
8	-	-	-	-	250.00	437.50	-	687.50	72	10.42	Monthly	24-Jan-20	23-Dec-22
9	**500.00**	**874.33**	-	**1,374.33**	500.00	1,000.00	374.86	1,874.86	16	125.00	Monthly	28-Feb-20	01-Dec-23
	500.00	**874.33**	-	**1,374.33**	2,343.19	3,786.58	666.53	6,796.30					
Less: EIR on borrowings				**(7.12)**				(5.48)					
				1,367.21				6,790.82					

b. Details of security given for secured loans (for item no 1 to 8): -

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 9): -

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.

d. 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.

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
17. OTHER FINANCIAL LIABILITIES		
(at amortised cost)		
Margin money collected from clients/distributors	**537.02**	323.92
Credit balance in client accounts	**9.01**	4.95
Processing fees payable	**-**	-
Payable towards acquisition of business	**671.36**	663.87
Payable to related parties for reimbursement of expenses	**245.09**	59.43
Others*	**74.90**	2.17
	1,537.38	1,054.34
18. PROVISIONS		
Provision for employee benefits		
Gratuity	**118.55**	89.79
Compensated absences	**42.76**	42.40
	161.31	132.19
19. OTHER NON-FINANCIAL LIABILITIES		
Statutory dues	**105.21**	134.56
Income received in advance	**0.14**	29.54
	105.35	164.10

(Amounts in ₹ lakhs)

	As at 31st March, 2021 No.	As at 31st March, 2021 Amount	As at 31st March, 2020 No.	As at 31st March, 2020 Amount
20. SHARE CAPITAL				
Authorised :				
Equity shares of ₹ 10 each	**2,50,00,000**	**2,500.00**	2,50,00,000	2,500.00
Issued, subscribed and fully paid-up:				
Equity shares of ₹ 10 each, fully paid up	**1,76,75,100**	**1,767.51**	1,76,75,100	1,767.51
Issued, subscribed but not fully paid-up:				
Equity shares of ₹ 10 each ₹ 1, per share paid up	**41,71,105**	**41.71**	41,71,105	41.71
		1,809.22		1,809.22
20.01 Reconciliation of outstanding equity shares				
Fully paid up:				
As at the beginning of the year	**1,76,75,100**	**1,767.51**	1,32,74,000	1,327.40
Add: Shares issued during the year	**-**	**-**	44,01,100	440.11
As at the end of the year	**1,76,75,100**	**1,767.51**	1,76,75,100	1,767.51
Not fully paid-up:				
As at the beginning of the year	**41,71,105**	**41.71**	27,77,500	27.78
Add: Shares issued during the year	**-**	**-**	13,93,605	13.94
As at the end of the year	**41,71,105**	**41.71**	41,71,105	41.71
Total	**2,18,46,205**	**1,809.22**	2,18,46,205	1,809.22

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

	As at 31st March, 2021 No.	As at 31st March, 2021 %	As at 31st March, 2020 No.	As at 31st March, 2020 %
Ambit Private Limited, the holding Company	**1,23,74,000**	**56.64%**	1,23,49,000	56.53%*
Rising Sun Holdings Private Limited	**42,60,010**	**19.50%**	42,60,010	19.50%
Jeevadravya Bio-Pharma Private Limited	**11,79,695**	**5.40%**	11,79,695	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 previous year, the Company has issued 10,38,605 equity shares having a par value of ₹ 10 per share at premium of ₹ 521.69 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].
During the previous year, the Company has issued 335,000 equity shares having a par value of ₹ 10 per share at premium of ₹ 296 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].
During the previous year, the Company has issued fully paid up 44,01,100 equity shares having a par value of ₹ 10 per share at premium of ₹ 521.69 per share.
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 The increase in the number of shares held by Ambit Private Limited (APL) in the Company, is on account of the purchase of partly paid up equity shares by APL, previously issued to and held by certain shareholders under the "Employees and Others" category, due to their cessation of the employment with Ambit Group

20.06 For details of equity shares reserved for issue under Employee Stock Option Schemes, see note 40.

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
21. OTHER EQUITY		
(i) Statutory reserve [see footnote (i) below]	**2,282.46**	1,857.75
(ii) Securities premium [see footnote (ii) below]	**51,227.93**	51,227.93
(iii) Share options outstanding account see footnote (iii)	**62.88**	31.30
(iv) Retained earnings [see footnote (iv) below]	**8,749.81**	7,053.58
	62,323.08	60,170.56

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.

(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, 2021

(Amounts in ₹ lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
22. INTEREST INCOME		
(on financial assets measured at amortised cost)		
Interest on loans	**13,171.35**	12,557.37
Interest on inter corporate deposits	**-**	38.18
Interest on deposits with banks and financial institution	**432.87**	94.59
Interest income on PTC investments	**105.98**	-
Interest income on debentures	**409.73**	17.33
	14,119.93	12,707.47
23. NET GAIN ON FAIR VALUE CHANGES		
Net gain/(loss) on financial instruments at fair value through profit or loss		
Investment in mutual funds:		
- Realised	**11.39**	67.24
Investment in Debentures		
- Realised	**51.68**	-
	63.07	67.24
24. OTHER OPERATING INCOME		
(on financial assets measured at amortised cost)		
Prepayment charges	**129.84**	87.70
	129.84	87.70
25. OTHER INCOME		
Unwinding of discount on security deposits	**10.25**	7.27
Interest on income tax refund	**23.46**	-
Service charges	**155.00**	90.00
Miscellaneous income	**10.35**	18.58
	199.06	115.85
26. FINANCE COSTS		
(on financial liabilities measured at amortised cost)		
Interest on borrowings	**3,353.37**	4,865.52
Interest on market linked debentures	**547.99**	58.39
Interest on lease liabilities	**105.78**	77.25
Loan processing fees	**8.41**	3.16
	4,015.55	5,004.32
27. IMPAIRMENT OF FINANCIAL ASSETS		
Loan/interest receivable written off	**1,605.23**	573.18
Provision for expected credit loss	**644.74**	1,156.28
Provision for impairment-Deposits with banks	**7.67**	-
Provision for impairment-Investments	**36.80**	-
	2,294.44	1,729.46

AMBIT FINVEST PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2021

(Amounts in ₹ lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
28. EMPLOYEE BENEFITS EXPENSE		
Salaries and other allowances	**3,522.32**	2,322.56
Employer's contribution to provident and other funds	**155.03**	119.65
Gratuity expense	**32.69**	20.79
Staff welfare expenses	**48.39**	56.58
	3,758.43	2,519.58
29. DEPRECIATION AND AMORTISATION EXPENSE		
On property, plant and equipment	**119.06**	78.84
On other intangible assets	**54.25**	66.84
On Investment Property	**0.47**	-
On right of use asset	**302.58**	200.10
	476.36	345.78
30. OTHER EXPENSES		
Rent	**101.00**	152.43
Repairs: Leasehold premises	**0.12**	0.13
Computers and equipment	**5.74**	2.20
Others	**9.04**	7.03
Insurance	**98.95**	18.57
Rates and taxes	**22.15**	50.34
Professional and legal charges	**462.92**	349.67
Credit appraisal charges	**183.95**	140.12
Payments to auditors	**30.43**	19.80
Electricity charges	**31.39**	30.12
Conveyance and travelling	**58.30**	92.36
Service charges	**53.24**	44.87
Office expenses	**100.03**	86.19
Communication expenses	**12.75**	17.99
Recruitment fees	**32.68**	27.78
Directors' sitting fees and commission	**22.09**	19.96
Membership and subscription	**53.50**	20.16
Printing and stationery	**23.59**	23.79
Computer software expenses	**81.77**	28.35
Advertisement	**15.75**	0.38
Brokerage	**8.85**	10.81
Business promotion expenses	**0.73**	5.63
Postage and telegram	**17.63**	10.43
Bank charges	**7.93**	11.51
Donation	**-**	1.41
Expenditure on corporate social responsibility	**49.52**	39.32
Miscellaneous expenses	**0.42**	2.76
	1,484.47	1,214.11

AMBIT FINVEST PRIVATE LIMITED
Notes forming part of the financial statements for the year ended 31st March, 2021

(Amounts in ₹ lakhs)

		As at 31st March,	As at 31st March, 2020
31.	**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.	**7.02**	5.43
(B)	Capital commitments		
	Towards property, plant and equipment	**92.15**	16.44

(Amounts in ₹ lakhs)

		Year ended 31st March,	Year ended 31st March, 2020
32.	**Payments to auditors (excludes indirect taxes)**		
	Audit fees	**16.00**	16.00
	Tax audit	**-**	-
	Other services	**14.34**	3.75
	Reimbursement of out of pocket expenses	**0.09**	0.05

33. Expenditure on Corporate Social Responsibility (CSR)

(Amounts in ₹ lakhs)

		Year ended 31st March,	Year ended 31st March, 2020
(a)	Gross amount required to be spent by the Company during the year	**49.52**	39.32
(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.	**49.52**	39.32
		49.52	39.32
(c)	Balance amount yet to be paid	**-**	-

34. 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,	Year ended 31st March, 2020
Employee benefits expense		
- Salary and other allowances	**326.37**	176.58
- Employer's contribution to provident fund	**14.30**	9.20
- Gratuity expense	**(0.60)**	5.04
- Staff Welfare	**21.40**	18.54
Rent	**87.04**	82.33
Repairs	**8.00**	4.27
Insurance	**7.92**	5.27
Rates and taxes	**1.30**	1.97
Professional and legal charges	**51.68**	52.13
Electricity charges	**4.11**	9.10
Conveyance and travelling	**10.55**	17.76
Office expenses	**10.13**	14.17
Service charges	**53.24**	50.24
Communication expenses	**7.35**	4.53
Recruitment fees	**0.84**	0.69
Directors' sitting fees and commission	**3.30**	8.17
Membership and subscription	**8.41**	5.53
Printing and stationery	**2.66**	1.87
Computer software expenses	**10.05**	2.68
Business promotion expenses	**0.66**	3.62
Postage and telegram	**0.11**	0.09
Bank charges	**0.01**	0.01
Miscellaneous expenses	**-**	1.42

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

	Year ended 31st March, 2021	Year ended 31st March, 2020
(i) Numerator: Profit for the year (in ₹ lakhs)	**2,123.57**	1,596.20
(ii) Denominator: Weighted average number of equity shares for basic and diluted earnings per share [see footnote-1]	**1,80,92,211**	1,39,02,997
(iii) Nominal value of equity shares (₹)	**10.00**	10.00
(iv) Earnings per share (₹)		
- Basic	**11.74**	11.48
- Diluted	**11.74**	11.48

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.

36. 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 and Executive Chairman
- Sanjay Agarwal, Whole time Director & Chief Executive Officer
- Vikrant Narang, Whole time Director & Dy. Chief Executive Officer
- Sanjay Dhoka, Whole-time Director, Chief Operating Officer & Chief Financial Officer
- Sunil Gulati (w.e.f. 27th May, 2019 to 20th September, 2019)
- Ameet Parikh, Independent director
- Shalini Kamath, Independent director
- Mrutyunjayarao Kasturi, Independent director

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

- Ambit Capital Private Limited
- Ambit Wealth Private Limited (formerly known as Ambit Wealth Management Private Limited)
- Ambit Principal Investments

36. 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)	(-)	(-)	(2.80)
Expenses				
Professional fees				
- Ambit Wealth Private Limited	**-**	**-**	**107.06**	**107.06**
	(-)	(-)	(91.70)	(91.70)
- Ambit Capital Private Limited	**-**	**-**	**-**	**-**
	(-)	(-)	(433.74)	(433.74)
- Sunil Gulati	**-**	**-**	**-**	**-**
	(-)	(9.57)	(-)	(9.57)
Brokerage				
- Ambit Capital Private Limited	**-**	**-**	**1.89**	**1.89**
	(-)	(-)	(-)	(-)
Depository charges				
- Ambit Capital Private Limited	**-**	**-**	**0.08**	**0.08**
	(-)	(-)	(-)	(-)
Expenses [see note 34]				
- Recovered by Ambit Private Limited	**639.88**	**-**	**-**	**639.88**
	(465.75)	(-)	(-)	(465.75)
- Recovered by Ambit Capital Private Limited	**-**	**-**	**4.33**	**4.33**
	(-)	(-)	(9.48)	(9.48)
Interest on loan				
- Ambit Private Limited	**-**	**-**	**-**	**-**
	(9.57)	(-)	(-)	(9.57)
Expenditure incurred by related party on behalf of the Company				
- Ambit Private Limited	**1.70**	**-**	**-**	**1.70**
	(0.47)	(-)	(-)	(0.47)
Key Management Personnel Compensation				
- Employee Benefit Expenses	**-**	**689.59**	**-**	**689.59**
	(-)	(427.99)	(-)	(427.99)
- Directors Sitting Fees	**-**	**16.75**	**-**	**16.75**
	(-)	(10.75)	(-)	(10.75)

36. 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)
- Shalini Kamath	-	-	-	-
	(-)	(3.00)	(-)	(3.00)
Loan given				
- Ambit Private Limited	-	-	-	-
	(2,155.00)	(-)	(-)	(2,155.00)
Loan recovered				
- Ambit Private Limited	-	-	-	-
	(2,155.00)	(-)	(-)	(2,155.00)
Loan taken				
- Ambit Private Limited	-	-	-	-
	(6,185.00)	(-)	(-)	(6,185.00)
Loan repaid				
- Ambit Private Limited	-	-	-	-
	(6,185.00)	(-)	(-)	(6,185.00)
Sale/(purchase) of securities (net) [see note (ii)]				
- Ambit Principal Investments	-	-	**548.64**	**548.64**
	(-)	(-)	(-)	(-)
Outstanding at year end				
Payable				
- Ambit Private Limited	**243.59**	-	-	**243.59**
	(55.50)	(-)	(-)	(55.50)
- Ambit Capital Private Limited	-	-	**1.49**	**1.49**
	(-)	(-)	(3.93)	(3.93)
- Ambit Wealth Private Limited	-	-	**126.33**	**126.33**
	(-)	(-)	(-)	(-)
Receivable				
Key Management Personnel	-	**0.05**	-	**0.05**
	(-)	(4.52)	(-)	(4.52)
Guarantees and Collaterals Outstanding Corporate guarantees given by				
- Ambit Private Limited	**35,098.32**	-	-	**35,098.32**
	(37,205.27)	(-)	(-)	(37,205.27)

Notes:

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

(ii) Ambit Principal Investments acted as an intermediary to facilitate the purchase and sale of securities in the market.

37. 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 28 for the year are as under:

(Amounts in ₹ lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	**149.13**	116.47
Employer's Contribution to Pension Funds	**2.97**	2.70
Employer's Contribution to ESIC and Labour welfare fund	**2.92**	0.47

Note: The above includes expenses reimbursed to holding company [see note 34]

(b) Defined Benefit Plan – Gratuity (Unfunded)

(Amounts in ₹ lakhs)

		Year ended 31st March, 2021	Year ended 31st March, 2020
I	**Reconciliation of defined benefit obligation**		
	Present value of defined benefit obligation as at the beginning of the year	**89.80**	62.12
	Current service cost	**26.55**	15.95
	Interest cost	**6.14**	4.84
	Benefits paid	**(7.44)**	-
	Actuarial losses on obligations - due to change in financial assumptions	**0.26**	8.18
	Actuarial (gain)/losses on obligations - due to experience	**3.24**	(1.29)
	Present value of defined benefit obligation as at the end of the year	**118.56**	89.80
II	**Net liability recognised in the Balance Sheet**		
	Present value of defined benefit obligation recognised in the Balance Sheet (liability)	**118.56**	89.80
III	**Component of employer's expenses**		
	Current service cost	**26.55**	15.95
	Interest cost	**6.14**	4.84
	Total expenses recognised in the Statement of Profit and Loss under note 28 'Employee benefits expense'.	**32.69**	20.80
	Actuarial losses on obligations - due to change in financial assumptions	**0.26**	8.18
	Actuarial (gain)/losses on obligations - due to experience	**3.24**	(1.29)
	Total expenses recognised in the Other Comprehensive Income (OCI)	**3.51**	6.89

IV	**Actuarial assumptions**		
	Mortality table	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
	Discount rate	**6.82%**	6.84%
	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.		

37. Employee Benefits (contd).

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

(VI) Sensitivity analysis

(Amounts in ₹ lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Increase/(decrease) on present value of defined benefit obligation at the end of the year:		
1% increase in rate of discounting	**(12.05)**	(8.57)
1% decrease in rate of discounting	**14.44**	10.21
1% increase in rate of salary increase	**14.26**	10.09
1% decrease in rate of salary increase	**(12.14)**	(8.63)
1% increase in rate of employee turnover	**(1.84)**	(1.27)
1% decrease in rate of employee turnover	**1.90**	1.32

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, 2021	Year ended 31st March, 2020
Projected benefits payable in future years from the date of reporting:		
1st following year	**20.72**	20.52
2nd following year	**0.89**	0.66
3rd following year	**1.27**	0.87
4th following year	**1.58**	1.07
5th following year	**1.80**	1.27
Sum of years 6 to 10	**70.90**	8.68

(c) Other long term benefit-compensated absences:

(Amounts in ₹ lakhs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Amount recognised/(reversed) in respect of compensated absences in the Statement of Profit and Loss under 'Salaries and other allowances' [see note 28].	**2.48**	36.24

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

37. Employee Benefits (contd).

(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.

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

(a) Principal amount outstanding is ₹ 2.88 lakhs (31st March, 2020: ₹ 5.45 lakhs).
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.

39. 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, 2021	As at 31st March, 2020
Maturity analysis of future minimum lease payments-			
(i)	For a period not later than one year	**422.67**	301.87
(ii)	For a period later than one year and not later than five years	**941.87**	928.53
(iii)	For a period later than five years	**47.11**	8.04
Total		**1,411.65**	1,238.44

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.

39. Operating leases (contd).

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 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 is considered @ 11% for years upto March 2020 and for the year ended 31st March, 2021, it is considered at 9.4%.

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

40. Share based payments - Employee Stock Option Scheme:

During 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:

<table>
<tr><td>Vesting period for options granted</td><td colspan="3">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:</td></tr>
<tr><td></td><td>Particulars</td><td>For the Options that are Granted on or before 28th February, 2019</td><td>For the Options that are Granted after 28th February, 2019</td></tr>
<tr><td></td><td>First Vesting and the quantum</td><td>Accrued options not exceeding 33.33% of granted options on 31st March, 2021.</td><td>Accrued options not exceeding 33.33% of granted options on the third anniversary of the date of the issue of Letter of Grant.</td></tr>
<tr><td></td><td>Second Vesting and the quantum</td><td>Accrued options not exceeding 33.33% of granted options on the first anniversary of the First Vesting.</td><td>Accrued options not exceeding 33.33% of granted options on the fourth anniversary of the date of the issue of Letter of Grant.</td></tr>
<tr><td></td><td>Third Vesting and the quantum</td><td>Accrued options not exceeding 33.34% of granted options on the second anniversary of the First Vesting.</td><td>Accrued options not exceeding 33.34% of granted options on the fifth anniversary of the date of the issue of Letter of Grant.</td></tr>
<tr><td>Exercise period</td><td colspan="3">Within 3 years from each vesting date</td></tr>
</table>

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	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 (previous year: ₹ 102)
Total charge over vesting period aggregating (amount in ₹ lakhs)	₹ 107.07 lakhs (previous year: ₹ 107.07 lakhs)
Charge for the year aggregating (amount in ₹ lakhs)	₹ 31.59 lakhs (previous year: ₹ 29.76 lakhs)
Total charge up to the end of the year for ESOP Scheme aggregating (amount in ₹ lakhs)	₹ 62.89 lakhs (previous year: ₹ 31.30 lakhs)

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

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, 2021**			For the year ended 31st March, 2020		
	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	**1,35,000**	**306.00**	**2.53**	70,000	306.00	3.00
Granted during the year	**-**	**-**		85,000	306.00	
Lapsed during the year	**-**	**-**		20,000	306.00	
Exercised during the year	**-**	**-**		-	-	
Outstanding at the end of the year	**1,35,000**	**306.00**	**1.53**	1,35,000	306.00	2.53
Exercisable at the end of the year	**-**	**-**	**-**	-	-	-

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, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
(a) Cash and cash equivalents	**6,061.19**	**-**	**6,061.19**	14,444.59	-	14,444.59
(b) Bank balance other than cash and cash equivalents	**2,197.61**	**1,997.65**	**4,195.26**	200.00		200.00
(c) Loans	**27,610.04**	**68,391.42**	**96,001.46**	22,745.51	55,984.96	78,730.47
(d) Investments	**5,305.34**	**1,570.61**	**6,875.95**	8,063.04	-	8,063.04
(e) Other financial assets	**133.40**	**174.74**	**308.14**	509.48	329.07	838.55
Non-financial Assets						
(a) Current tax assets (net)	**-**	**133.66**	**133.66**	502.47	24.61	527.08
(b) Deferred tax assets (net)	**-**	**885.15**	**885.15**	-	413.27	413.27
(c) Property, Plant and Equipment	**-**	**434.69**	**434.69**	-	433.53	433.53
(d) Goodwill	**-**	**2,436.68**	**2,436.68**	-	2,436.68	2,436.68
(e) Other Intangible assets	**-**	**59.76**	**59.76**	-	83.66	83.66
(f) Right of use asset	**-**	**1,181.12**	**1,181.12**		993.27	993.27
(g) Investment Property	**334.58**	**-**	**334.58**	-	-	-
(h) Other non-financial assets	**510.13**	**6.66**	**516.79**	255.74	9.09	264.83
TOTAL ASSETS	**42,152.29**	**77,272.14**	**1,19,424.42**	46,720.83	60,708.14	1,07,428.97
LIABILITIES						
Financial Liabilities						
(a) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	**2.88**	**-**	**2.88**	5.45	-	5.45
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	**1,437.84**	**-**	**1,437.84**	335.53	-	335.53
(b) Debt securities	**-**	**12,587.98**	**12,587.98**	-	4,203.60	4,203.60
(c) Borrowings (other than debt securities)	**13,208.47**	**24,813.93**	**38,022.40**	14,238.14	24,310.51	38,548.64
(d) Lease liabilities	**318.50**	**912.74**	**1,231.24**	208.97	796.37	1,005.34
(e) Other financial liabilities	**1,537.39**	**-**	**1,537.38**	1,054.34	-	1,054.34
Non-financial Liabilities						
(a) Current tax liabilities (net)	**205.75**	**-**	**205.75**	-	-	-
(b) Provisions	**29.63**	**131.69**	**161.31**	33.68	98.51	132.19
(c) Other non-financial liabilities	**105.35**	**-**	**105.35**	164.10	-	164.10
TOTAL LIABILITIES	**16,845.82**	**38,446.35**	**55,292.13**	16,040.20	29,408.99	45,449.19
NET TOTAL ASSETS	**25,306.48**	**38,825.78**	**64,132.30**	30,680.63	31,299.14	61,979.78

42. Reconciliation of effective tax rate

(Amounts in ₹ lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before tax	**2,482.65**	2,165.01
Company's domestic tax rate	**25.17%**	25.17%
Tax charge using Company's Statutory rate	**624.83**	544.89
Tax effect of:		
Expenses disallowed for tax purpose	**12.54**	6.07
Expenses allowed for tax purpose	**-**	6.93
Deferred tax asset on goodwill reversed	**(264.66)**	-
Interest on income tax	**1.50**	-
Short/(excess) provision in respect of earlier years	**(6.99)**	10.92
Others	**(8.14)**	-
Total Income tax benefit as per Statement of profit and loss	**359.08**	568.81

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, 2021	As at 31st March, 2020
Deferred tax assets / (liabilities):		
EIR on lease rent expense	**(97.99)**	(35.09)
loans	**849.06**	686.79
Remeasurement of the defined benefit plans	**43.88**	36.73
Property, plant and equipment and intangible asset	**21.62**	(261.08)
Recognition of investment at amortised cost	**11.38**	0.19
Recognition of borrowings at amortised cost	**(122.98)**	(105.83)
Recognition of loans given at amortised cost	**55.83**	43.37
Depreciation on leased assets	**124.34**	48.20
Net deferred tax asset	**885.15**	413.27

44. Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31st March, 2021

(Amounts in ₹ lakhs)

	Net balance 1st April, 2020	Recognised in profit or loss	Recognised in OCI	Net balance 31st March, 2021
Deferred tax asset / (liabilities):				
EIR on lease rent expense	(35.09)	(62.89)	-	**(97.99)**
Impairment on financial instruments - loans	686.79	162.27	-	**849.06**
Remeasurement of the defined benefit plans	36.73	6.27	0.88	**43.88**
Property, plant and equipment and intangible asset	(261.08)	282.70	-	**21.62**
Recognition of investments at amortised cost	0.19	11.19	-	**11.38**
Recognition of borrowings at amortised cost	(105.83)	(17.15)	-	**(122.98)**
Recognition of loans given at amortised cost	43.37	12.46	-	**55.83**
Depreciation on leased assets	48.20	76.14	-	**124.34**
Net deferred tax asset	413.27	470.99	0.88	**885.15**

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:				
EIR on lease rent expense	-	(35.09)	-	(35.09)
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
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/(liabilities)	269.24	142.32	1.73	413.27

45. Financial instruments

45.01 Capital Management

The Company's objectives when managing capital are:

a. to ensure Company's ability to continue as a going concern.
b. 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.

45.02 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 techniques which maximise the use of the observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(Amounts in ₹ lakhs)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2021	As at 31st March, 2020
(I) Financial assets			
Measured at fair value through profit or loss			
(a) Investments in mutual funds	1	**-**	-
Measured at amortised cost			
(a) Loans	3	**96,001.46**	78,730.47
(b) Investments	3	**6,875.95**	8,063.04
(c) Other financial assets	3	**166.12**	334.58
(II) Financial liabilities			
Measured at amortised cost			
(a) Debt securities	3	**12,587.98**	4,203.60
(b) Borrowings (other than debt securities)	3	**38,022.40**	38,548.64
(c) Lease liabilities	3	**1,231.24**	1,005.34

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

45.03 Valuation Process

-
The Company has valued the mutual fund investments at FVTPL referring the net asset value as on the reporting date.

45.04 Financial risk management objectives

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

i. Market risk ;
ii. Interest rate risk;
iii. Credit risk ; and
iv. 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.

45. Financial instruments (contd.)

45.04 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, 2021**	As At 31st March, 2020
Fixed rate borrowings	**13,955.19**	11,968.95
Variable rate borrowings	**36,655.19**	30,783.29
Total Borrowings	**50,610.38**	42,752.24

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, 2021	Year ended 31st March, 2020
Interest Rate increase by 50bps*	**(183.28)**	(153.92)
Interest Rate decrease by 50bps*	**183.28**	153.92

* 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.

45. Financial instruments (contd.)

45.04 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) Used Commercial Vehicle

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.

In case one common customer ID highest stage is considered for all the loans
In case of one time restructured loans, advances falling under 0-30 days default category are classified under stage 2

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 – (Probability of surviving in year 1) ^ 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 broad methodology adopted for the purpose arriving at the Probability of Default for the different product of SME division is as follows

a. Stage 1: PD computed basis the 12 month forward looking data
b. Stage 2:Life time PD is computed using Vasick single factor model
c. Stage 3: PD of 100% considered for stage 3 cases

(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.

45. Financial instruments (contd.)
45.04 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.

Necessary adjustments are done while calculating ECL for the cases covered under following:
First loss Default Guarantee (FLDG)
Emergency Credit Line guarantee scheme
Credit Guarantee Funds Trust for Micro and Small Enterprises (CGTMSE)

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Notes forming part of the financial statements for the year ended 31st March, 2021

45. Financial instruments (contd.)
45.04 Financial risk management objectives (contd.)

6. Cash and cash equivalents
The Company held cash and cash equivalents with credit worthy banks of Rs. 6061.19 lacs(Previous year Rs 14444.59 lacs). The credit worthiness of the such bank and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Other financial assets measured at amortised cost includes loans to group companies and others, security deposits, etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis. The Company does not perceive any credit risk related to loan given to group companies since these will have an additional financial support from promoters as and when necessary.

The Company has held its surplus funds in fixed deposits and investments. Considering the fixed deposits are investments are in short term nature, the credit worthiness of the institutions where such fixed deposits and investments are held and also their credit rating the management considers that there is no risk of any loss from deterioration in their value.

45. Financial instruments (contd.)
45.04 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, 2021							
(a)	**Trade payables**	**1,440.72**	**-**	**-**	**-**	**1,440.72**	**1,440.72**
(b)	**Debt securities**	**-**	**4,746.49**	**7,841.49**	**-**	**12,587.98**	**12,587.98**
(c)	**Borrowings (other than debt securities)**	**13,208.47**	**9,739.70**	**15,074.23**	**-**	**38,022.40**	**38,022.40**
(d)	**Lease liabilities**	**422.67**	**941.87**	**47.11**	**-**	**1,411.65**	**1,231.24**
(e)	**Other financial liabilities**	**1,537.38**	**-**	**-**	**-**	**1,537.38**	**1,537.38**
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

Financing arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting year:

(Amounts in ₹ lakhs)

	As at 31st March, 2021	As at 31st March, 2020
Floating rate term loan/Cash credit	**10,154.20**	4,314.39
Expiring within one year	**10,154.20**	4,314.39
Expiring beyond one year	**-**	-

46. 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, 2021	As at 31st March, 2020
CRAR (%)	**56.92**	67.35
CRAR – Tier I capital (%)	**55.67**	66.10
CRAR – Tier II capital (%)	**1.25**	1.25
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, 2021	As at 31st March, 2020
Net NPAs to Net Advances (%)	**1.74%**	0.96%
Movement of NPAs (Gross)		
Opening balance	**1,298.30**	454.47
Additions during the year	**4,433.61**	1,200.76
Reductions during the year	**3,081.01**	356.93
Closing balance	**2,650.90**	1,298.30
Movement of NPAs (Net)		
Opening balance	**783.69**	187.43
Additions during the year	**3,427.01**	721.51
Reductions during the year	**2,544.46**	125.26
Closing balance	**1,666.24**	783.69
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	**514.61**	267.03
Provisions made during the year	**1,006.61**	479.25
Write-off of excess provisions	**536.55**	231.67
Closing balance	**984.67**	514.61

Note: The above figures are being reported as per IND AS methodology and the previous year Gross NPA includes ₹ 150 lakhs and the previous 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, 2021 %**	As at 31st March, 2020 %
Agriculture & allied activities	**-**	**-**
MSME	**3.75%**	**2.36%**
Corporate borrowers	**-**	-
Services	**0.70%**	-
Unsecured personal loans	**-**	-
Auto loans	**-**	**-**
Other personal loans	**-**	**-**

The above excludes NPAs of ₹ 0.25 lakhs as at 31st March, 2021 (₹ ₹ 0.73 lakhs as at 31st March, 2020) 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.

46. 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, 2021

(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#	**3,147.89**	**1,921.71**	**1,976.20**	**5,807.25**	**15,727.24**	**33,957.15**	**13,606.23**	**23,231.37**	**99,375.04**
	1,754.90	887.37	1,997.21	6,571.70	12,505.761	28,851.06	12,506.33	16,384.99	81,459.31
Investments	**468.69**	**444.68**	**456.71**	**1,387.20**	**2,548.300**	**867.71**	**477.74**	**224.92**	**6,875.95**
	(-)	(-)	(-)	8,063.04	(-)	(-)	(-)	(-)	8,063.04
Borrowings	**887.33**	**416.56**	**3,180.45**	**3,438.77**	**5,285.36**	**30,617.66**	**6,784.25**	**-**	**50,610.38**
	927.06	630.40	1,922.48	3,687.15	7,071.05	24,613.86	3,900.24	(-)	42,752.24
Foreign Currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Notes:

(i) Figures in brackets are the corresponding figures in respect of the previous year
Represents interest bearing loans, inter corporate deposits and interest accrued thereon.

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

(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	**12,587.98**	**-**
	(ii) Unsecured	**-**	**-**
(b)	Deferred credits	**-**	**-**
(c)	Term loans	**38,021.61**	**-**
(d)	Inter-corporate loans and borrowing	**-**	**-**
(e)	Commercial paper	**-**	**-**
(f)	Public deposits*	**-**	**-**
(g)	Other loans (loans repayable on demand from banks)	**0.80**	**-**
	** Please see note 1 below*		
(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	**-**	**-**
	** Please see note 1 below*		

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

(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		**75,506.05**
	(b)	Unsecured		**20,495.41**
(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:**			
	Current Investments			
	1.	Quoted		
	(i)	Shares		
		(a)	Equity	-
		(b)	Preference	-
	(ii)	Debentures and Bonds		-
	(iii)	Units of mutual funds		-
	(iv)	Government Securities		-
	(v)	Others		-
	2.	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others	**5,305.58**
	Long Term investments			
	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	**1,896.11**

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

(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	75,506.05	20,495.41	96,001.46
Total		**75,506.05**	**20,495.41**	**96,001.46**

(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	-	-
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	2,650.90
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	1,666.24
(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.

46. 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, 2021	As at 31st March, 2020
(vi)	**Investments**				
	1.	**Value of Investments**			
		(a)	Gross Value of Investments		
		(i)	In India	**6,875.95**	8,063.04
		(ii)	Outside India	**-**	-
				6,875.95	8,063.04
		(b)	Provisions for Depreciation		
		(i)	In India	**-**	-
		(ii)	Outside India	**-**	-
				-	-
		(c)	Net Value of Investments		
		(i)	In India	**6,875.95**	8,063.04
		(ii)	Outside India	**-**	-
				6,875.95	8,063.04
	2.	**Movement of provisions held towards**			
		(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).

46. 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.)

(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	**26,430.93**	16,330.17
(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	**22,840.13**	22,866.47
(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	**49,271.06**	39,196.64

46. 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.)

			As at 31st March,	As at 31st March, 2020
(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;	**1,518.46**	1,340.89
	(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;	**115.40**	1,951.39
	(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	**-**	-
	(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	**1,633.86**	3,292.28

46. 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.)

(x) Provisions and Contingencies *(Amounts in ₹ lakhs)*

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement of Profit		As at 31st March,	As at 31st March, 2020
(a)	Provisions for depreciation on Investment	0.47	-
(b)	Provision towards NPA	470.06	230.21
(c)	Provision made towards Income tax	359.08	568.81
(d)	Other Provision and Contingencies (with details)	-	-
(e)	Provision for Standard Assets	174.67	925.07

(xi) Concentration of Advances *(Amounts in ₹ lakhs)*

		As at 31st March, 2021	As at 31st March, 2020
	Total Advances to twenty largest borrowers	25,370.89	31,553.19
	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	25.43%	38.59%
(xii)	**Concentration of Exposures**		
	Total Exposure to twenty largest borrowers/customers	25,370.89	31,553.19
	Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the applicable NBFC on borrowers/customers	25.43%	38.59%
(xiii)	**Concentration of NPAs**		
	Total Exposure to top four NPA accounts	970.66	575.97
(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	20	10
	No. of complaints redressed during the year	19	10
	No. of complaints pending at the end of the year	1	-

(xvi) Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:
During the current year and previous years (FY 2020-21 and FY 2019-20), 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 2020-21 and FY 2019-20), the Company has not entered into any forward rate agreements neither traded into any interest rate derivatives.

46. 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.)

(xviii) Disclosures relating to securitisation

During the current year and previous years (FY 2020-21 and FY 2019-20), 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 2020-21 and FY 2019-20), 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

(xxi) During the current year and the previous years (FY 2020-21 and FY 2019-20) there are no penalties levied by RBI.

(xxii) During the current year and the previous years (FY 2020-21 and FY 2019-20), the Company has not financed any of the Parent Company's products.

47. 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	Stage 1	85,042.60	807.61	**84,234.99**	340.17	**467.44**
	Stage 2	11,681.54	1,581.30	**10,100.24**	669.57	**911.73**
Subtotal		**96,724.14**	**2,388.91**	**94,335.23**	**1,009.74**	**1,379.17**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**1,878.21**	648.81	**1,229.40**	187.82	**460.99**
Doubtful - up to 1 year	Stage 3	**-**	-	**-**	-	**-**
1 to 3 years	Stage 3	772.69	335.86	**436.83**	231.81	**104.05**
More than 3 years	Stage 3	-	-	**-**	-	**-**
Subtotal for doubtful Loss	Stage 3	-	-	**-**	-	**-**
Subtotal for NPA		**2,650.90**	**984.67**	**1,666.23**	**419.63**	**565.04**
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**	**85,042.60**	**807.61**	**84,234.99**	**340.17**	**467.44**
	Stage 2	**11,681.54**	**1,581.30**	**10,100.24**	**669.57**	**911.73**
	Stage 3	**2,650.90**	**984.67**	**1,666.23**	**419.63**	**565.04**
		99,375.04	**3,373.58**	**96,001.46**	**1,429.37**	**1,944.21**

48. The Company is in the business of granting of loans/making investments being Non-Banking Finance Company, which is the only operating segment.

49. The COVID–19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the Government considerably impacted the Company's business operations during the year ended 31 March 2021. Apart from other adverse effects, the pandemic resulted in a significantly lower business acquisition and constrained recovery of overdues from customers for the large part of the year.
In accordance with the Reserve Bank of India ('RBI') guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Company had offered moratorium to its customers based on requests as well as on suo-moto for EMIs falling due between 1 March 2020 to 31 August 2020. Further, the Company offered resolution plan to its customers pursuant to the RBI's guideline 'Resolution framework for COVID-19 related stress' dated 6 August 2020.
The Company holds a management overlay of Rs. 941.23 Lakhs as at 31 March 2021.
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. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used indicators of moratorium, delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Given the unique nature and scale of the economic impact of this pandemic, these estimates are subject to uncertainty and may be affected by the severity and duration of pandemic.

50. a) Disclosure pursuant to RBI Notification No. RBI/2020-21/16 DOR No.BP.BC/3/21.04.048/2020-21 dated 6 Aug, 2020.

(Amounts in ₹ lakhs)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan #	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans					
Corporate persons	24	5,657.50	-	-	354.03
Of which, MSMEs	23	491.83	-	-	13.27
Others	1	5,165.67	-	-	340.76
Total	**24**	**5,657.50**	**-**	**-**	**354.03**

Exposure as at 30th Sep, 2020

b) Disclosure pursuant to RBI Notification No. RBI/2020-21/16 DOR No.BP.BC/3/21.04.048/2020-21 dated 6 Aug, 2020. (for restructuring of accounts of Micro, Small, Medium Enterprises (MSME Sector)

(Amounts in ₹ lakhs)

Type of borrower	**(A) Number of accounts where resolution plan has been implemented under this window**	**(B) exposure to accounts mentioned at (A) before implementation of the plan #**
MSME	87	2,638.19

Exposure as at 30th Sep, 2020

c) Overall provision of Expected credit loss (ECL) against exposures mentioned in note no. 50.a) and 50.b) is Rs. 844.37 lakhs.

51. Reserve Bank of India ('RBI') issued guidelines relating to 'COVID·19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Company had offered moratorium in accordance with its Board approved policies to its customers based on requests as well as on a suo-moto basis between 1 March 2020 to 31 August 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

Disclosures as required by RBI circular DOR.No.BP.BC.63/21.04.048/2019·20 dated 17 April 2020 'COVID·19 Regulatory Package - Asset Classification and Provisioning are given below:

(Amounts in ₹ lacs)

Particulars	As on 31st March 2021
Amount in SMA / Overdue categories (as of 29 February 2020)	4,510.21
Respective amount in SMA / Overdue categories where the moratorium / deferment was extended, in terms of paragraph 2 and 3 of circular (as of 29 February 2020)	3,515.56
Respective amount where asset classification benefit is being extended (30 September 2020)	3,674.91
Provision made in terms of paragraph 5 of circular (As per para 4, applicable to NBFC's covered under Ind AS)	947.52
Provisions adjusted against slippages in terms of paragraph 6 of circular	383.05
Residual provisions as of 31st March 2021 in terms of paragraph 6 of circular	564.47

52. In accordance with the instructions in the RBI circular dated 7 April 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/ adjustment.

53. The Indian parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November, 2020 and has invited suggestions from stakeholders which are under active by Ministry. The company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

54. Events after reporting date

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

55. Figures from the previous period/year have been regrouped, wherever necessary, to make them comparable with the current period.

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

SD/-
per Shrawan Jalan
Partner
Membership Number: 102102
Mumbai

On behalf of the Board of Directors

SD/-
Sanjay Sakhuja
Whole Time Director and
Executive Chairman

SD/-
Sanjay Dhoka
Whole Time Director,
CFO and COO

Amrita Pillai
Company Secretary
Mumbai