S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Five-Star Business Finance Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Five-Star Business Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, 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, 2022, 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 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Loans based on expected credit loss model	
Loans to customers represent a significant portion of the total assets of	Our audit procedures included the following:

Chennai

Key audit matters	How our audit addressed the key audit matter
the Company. The Company has loans aggregating INR 520,529.65 lakhs as at March 31, 2022. As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments, the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. This involves a significant degree of estimation and judgement, including determination of staging of financial assets; estimation of probability of defaults, loss given defaults, exposure at defaults; and forward-looking factors, micro and macro-economic factors, in estimating the expected credit losses. Additionally, having regard to the moratorium extended as part of restructuring packages announced by the Reserve Bank of India and other regulatory changes in asset classification, the Company has considered additional provision as part of its Expected Credit Loss provision on loans. Due to the significance of the amounts involved, judgments involved in classification of loans, relative complexity of various assumptions and estimates used, and other macro economic factors, this audit area is considered a key audit matter.	► We read and assessed the Company's Expected Credit Loss policy with reference to Ind-AS 109 and the credit loss framework approved by the Board of Directors as well as relevant regulatory guidelines and pronouncements in this regard. ► For expected credit loss provision against outstanding exposures classified across various stages, we obtained an understanding of the Company's provisioning methodology (including factors that affect the probability of default, loss given defaults and exposure at default; various forward looking, micro- and macro-economic factors), the underlying assumptions and the sufficiency of the data used by management, and tested the same on a sample basis. ► We performed tests of controls and test of details on a sample basis in respect of the staging of outstanding exposures, and other relevant data used in impairment computations prepared by management as compared to the Company's policy. ► Assessed the considerations applied by the management for staging of loans as Significant Increase in Credit Risk. ► We enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional credit loss provisions having regard to macroeconomic environment, management overlay provision arising from the effects of the restructuring as per packages announced by the Reserve Bank of India, and evaluated the same. ► We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. ► Involved risk modelling experts for quantitative and qualitative back-testing of ECL model to assess reasonability of estimates used in ECL model. ► Assessed disclosures included in the financial statements in respect of expected credit losses. including the specific disclosures made with regard to the impact of COVID-19 on ECL estimation.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements

S.R. Batliboi & Associates LLP ★ Chennai ★ Chartered Accountants and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially 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 for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 28, 2021.

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;

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

(d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6, Note 14 and Note 19 to the financial statements;

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 52 to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AHWOMH8359
Place of Signature: Chennai
Date: April 27, 2022

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

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

Re: Five-Star Business Finance Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 10 to the financial statements included in property, plant and equipment are held in the name of the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii)(b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(a) is not applicable.

(iii)(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(iii)(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans to retail customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this

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clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 6 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(iii)(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 6 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(iii)(e) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and provisions of section 186 of the Companies Act, 2013 are not applicable to the Company and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The following dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute:

Rs. In lakhs

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax	6.74	AY 2006-07	Commissioner of Income-tax (Appeals)

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Income-tax Act, 1961	Income-tax	33.68	AY 2018-19	Commissioner of Income-tax (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

(ix)(c) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand..

(ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.

(xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

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(xiii) Transactions with the related parties are in compliance with sections 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)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current or immediately preceeding financial year.

(xviii) The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32.2 to the financial statements.

S.R. Batliboi & Associates LLP * Chennai * Chartered Accountants (xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32.2 to the financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AHWOMH8359
Place of Signature: Chennai
Date: April 27, 2022

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FIVE-STAR BUSINESS FINANCE LIMTED

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

We have audited the internal financial controls with reference to financial statements of Five-Star Business Finance Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, both issued by ICAI. 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 with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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A company's internal financial controls with reference to 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AHWOMH8359
Place of Signature: Chennai
Date: April 27, 2022

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Five-Star Business Finance Limited
Balance Sheet as at March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	61,316.28	1,26,718.28
Bank balances other than cash and cash equivalents	5	26,677.50	8,853.99
Loans	6	5,10,241.07	4,35,874.94
Investments	7	24,818.38	-
Other financial assets	8	1,797.93	474.34
		6,24,851.16	**5,71,921.55**
Non-financial assets			
Current tax assets (net)	9	220.07	795.79
Deferred tax assets (net)	37	4,666.74	3,698.94
Investment property	10	3.56	3.56
Property, plant and equipment	12	1,214.45	845.60
Right of use asset	38	1,978.10	1,452.63
Other intangible assets	13	88.74	190.30
Other non-financial assets	11	1,283.74	452.77
		9,455.40	**7,439.59**
Total Assets		6,34,306.56	**5,79,361.14**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	14	138.92	-
Payables			
Trade payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and Small enterprises	15	1,300.31	867.17
Debt securities	16	1,00,853.38	1,30,378.55
Borrowings (other than debt securities)	17	1,55,029.75	2,12,141.12
Other financial liabilities	18	4,146.84	1,717.01
		2,61,469.20	**3,45,103.85**
Non-financial liabilities			
Provisions	19	900.03	719.80
Other non-financial liabilities	20	902.23	1,720.27
		1,802.26	**2,440.07**
Equity			
Equity share capital	21	2,913.43	2,564.49
Other equity	22	3,68,121.67	2,29,252.73
		3,71,035.10	**2,31,817.22**
Total Liabilities and Equity		**6,34,306.56**	**5,79,361.14**

Significant accounting policies — 2 and 3

The accompanying notes are integral part of the financial statements

As per our report of even date
for **S.R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Bharath N S**
Membership No: 210934

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Place : Chennai
Date : April 27, 2022

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844

D Lakshmipathy
Chairman and Managing Director
DIN: 01723269

R Anand
Independent Director
DIN: 00243485

G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B. Shalini
B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Profit and loss for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	23	1,20,376.55	1,01,487.58
Fee Income	24	2,939.60	2,167.61
Net gain on fair value changes	25	2,090.21	1,319.03
Total revenue from operations (I)		**1,25,406.36**	**1,04,974.22**
Other income (II)	26	210.56	151.25
Total Income (III) = (I)+ (II)		**1,25,616.92**	**1,05,125.47**
Expenses			
Finance costs	27	30,060.00	32,519.12
Fees expenses	28	-	266.83
Impairment on financial instruments	29	4,551.81	3,517.57
Employee benefits expense	30	23,611.52	16,371.78
Depreciation and amortisation	31	1,224.47	1,138.39
Other expenses	32	5,748.21	3,667.70
Total Expenses (IV)		**65,196.01**	**57,481.39**
Profit before tax (V) = (III) - (IV)		**60,420.91**	**47,644.08**
Tax expense (VI)			
Current tax	33	15,959.12	12,594.12
Deferred tax (net)	37	(892.66)	(849.48)
		15,066.46	11,744.64
Profit for the year (A) = (V) - (VI)		**45,354.45**	**35,899.44**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		(171.63)	(105.27)
Income Tax impact		43.20	26.49
		(128.43)	(78.78)
Items that will be reclassified subsequently to profit or loss			
Cash Flow Hedge Reserve		(126.92)	-
Income Tax impact		31.94	-
		(94.98)	-
Other comprehensive income/ (loss) net of tax for the year (B)		(223.41)	(78.78)
Total comprehensive income net of tax for the year (A) + (B)		**45,131.04**	**35,820.66**
Earnings per equity share (face value Re.1 each)			
Basic (in rupees)	39	16.09	14.01
Diluted (in rupees)		15.92	13.61
Significant accounting policies	2 and 3		

The accompanying notes are integral part of the financial statements

As per our report of even date
for **S.R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Bharath N S**
Membership No: 210934

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants

Place : Chennai
Date : April 27, 2022

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844

D Lakshmipathy
Chairman and Managing Director
DIN: 01723269

R Anand
Independent Director
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G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B. Shalini
B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net profit before tax	**60,420.91**	**47,644.08**
Adjustments for:		
Depreciation and amortisation	1,224.47	1,138.39
Impairment on financial instruments	4,551.80	3,517.57
Loss on sale/retirement of property, plant and equipment (net)	1.32	2.32
Profit on sale of current investment (net)	(2,090.21)	(1,319.03)
Interest income on deposits with banks / others	(2,703.35)	(1,937.47)
Interest on loans	(1,17,673.20)	(99,550.11)
Finance costs	30,060.00	32,785.95
Gain recognised on derecognition of leases	(21.73)	(42.32)
Employee stock option expenses	3,544.18	1,509.39
Operating cash flow before working capital changes	**(22,685.81)**	**(16,251.23)**
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Loans	(77,227.15)	(55,972.13)
Other non- financial assets	(830.97)	95.85
Other financial assets	(1,323.59)	50.22
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade payables	433.14	204.76
Provisions	8.60	36.92
Other financial liabilities	1,845.86	(899.70)
Other non financial liabilities	(818.05)	1,189.72
Net cash (used in) operations	**(1,00,597.97)**	**(71,545.59)**
Finance cost paid	(27,395.14)	(30,362.09)
Interest income received	1,15,660.55	99,210.18
Direct taxes paid (net)	(15,383.41)	(13,029.26)
Net Cash Used in Operating Activities (A)	**(27,715.97)**	**(15,726.76)**
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(862.85)	(324.36)
Proceeds from sale of fixed assets	0.90	0.98
Profit on sale of current investments	2,090.21	1,319.03
(Purchase)/redemption of investments (Net)	(24,818.38)	-
Interest income on deposits with banks / others	2,155.27	1,778.77
Movement in bank balances other than cash and cash equivalents	(16,953.57)	7,439.65
Net Cash from / (used in) Investing Activities (B)	**(38,388.42)**	**10,214.07**
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	348.94	6.28
Proceeds from securities premium	90,363.87	22.83
Share Issue Expenses	(170.10)	0
Fresh Borrowings during the year	31,541.00	2,36,179.03
Repayment of Borrowings during the year	(1,20,830.40)	(1,32,452.53)
Payment towards leases (excluding interest)	(550.92)	(502.59)
Net Cash from Financing Activities (C)	**702.39**	**1,03,253.02**
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	**(65,402.00)**	**97,740.33**
Cash and Cash Equivalents at the beginning of the year	1,26,718.28	28,977.95
Cash and Cash Equivalents at the end of the year	**61,316.28**	**1,26,718.28**

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S.R. Batliboi & Associates LLP Chartered Accountants Chennai

Five-Star Business Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Notes		
1 Cash and cash equivalents		
Cash on hand	504.00	425.85
Balances with banks		
(i) In current accounts	4,741.93	31,454.90
(ii) In deposit accounts (original maturity less than 3 months)	56,070.35	94,837.53
	61,316.28	1,26,718.28

Significant accounting policies 2 and 3
The accompanying notes are integral part of the financial statements

As per our report of even date
for **S.R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Bharath N S
Membership No: 210934

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Place : Chennai
Date : April 27, 2022

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844

D Lakshmipathy
Chairman and Managing Director
DIN: 01723269

R Anand
Independent Director
DIN: 00243485

G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Changes in Equity for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

A Equity share capital

Particulars	Number of shares	Amount
Balance as at April 1, 2020	2,71,27,891	2,558.21
Change in equity share capital during the year		
Add: Issued during the year		
1 Fresh Issue of Equity Shares	-	-
2 Issue of Equity Shares under Employee Stock Option	62,850	6.28
3 Calling Up UnPaid Capital	-	-
Balance as at March 31, 2021	2,71,90,741	2564.49
Balance as at April 1, 2021	2,71,90,741	2,564.49
Change in equity share capital during the year		
Additional shares pursuant to share split issued during the year	24,47,16,669	
Add: Issued during the year		
1 Fresh Issue of Equity Shares	1,77,17,710	17.18
2 Issue of Equity Shares under Employee Stock Option	17,18,000	177.18
3 Calling Up UnPaid Capital	-	154.58
Balance as at March 31, 2022	29,13,43,120	2913.43

B Other Equity

	Reserves and surplus						
	Statutory Reserve	**Securities premium**	**Share options outstanding account**	**General reserve**	**Retained earnings**	**Effective portion of Cash Flow Hedge Reserve**	**Total**
As at April 1, 2020	10,861.82	1,39,069.20	428.30	719.60	40,820.92	-	1,91,899.84
Premium received on shares issued during the year	-	22.84	-	-	-	-	22.84
Profit for the year	-	-	-	-	35,899.44	-	35,899.44
Transfer to statutory reserve	7,179.89	-	-	-	(7,179.89)	-	-
Re-measurements of defined benefit plan	-	-	-	-	(78.78)	-	(78.78)
Share based payment expense for the year	-	-	1,509.39	-	-	-	1,509.39
Transfer to Securities Premium on Exercise of ESOP	-	142.42	(142.42)	-	-	-	-
	18,041.71	1,39,234.46	1,795.27	719.60	69,461.69	-	2,29,252.73
As at April 1, 2021	18,041.71	1,39,234.46	1,795.27	719.60	69,461.69	-	2,29,252.73
Premium received on shares issued during the year	-	90,363.86	-	-	-	-	90,363.86
Profit for the year	-	-	-	-	45,354.45	-	45,354.45
Other Comprehensive Income for the year						(94.98)	(94.98)
Transfer to statutory reserve	9,070.89	-	-	-	(9,070.89)	-	-
Re-measurements of defined benefit plan	-	-	-	-	(128.43)	-	(128.43)
Share based payment expense for the year	-	-	3,544.18	-	-	-	3,544.18
Share Issue Expenses	-	(170.10)	-	-	-	-	(170.10)
Transfer to Securities Premium on Exercise of ESOP	-	1,933.65	(1,933.65)	-	-	-	-
As at March 31, 2022	27,112.60	2,31,361.87	3,405.80	719.60	1,05,616.78	(94.98)	3,68,121.67

Significant accounting policies 2 and 3
The accompanying notes are integral part of the financial statements

As per our report of even date
for S.R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Bharath N S**
Membership No: 210934

Place : Chennai
Date : April 27, 2022

S.R. Batliboi & Associates LLP * Chartered Accountants * Chennai

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
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Chief Financial Officer

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Chief Executive Officer

B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : April 27, 2022

1 Corporate Information

Five-Star Business Finance Limited ("the Company"), is a public limited company domiciled in India, and incorporated under the provisions of Companies Act 1956. The Company is a systemically important non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated June 9, 2016 in lieu of Certificate of Registration dated December 3, 2002 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). The Company is primarily engaged in providing loans for business purposes, house renovation / extension purposes and other mortgage purposes.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements were authorised for issue by the Company's Board of Directors on April 27, 2022

Details of the Company's accounting policies are disclosed in note 3.

2.2 Presentation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. 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 Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III as amended from time to time, for Non Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:-

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and / or its counterparties.

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs (upto two decimals), unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities	Fair value /Amortised cost, as applicable
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

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Five-Star Business Finance Ltd. Chennai 600 010

2.5 Use of estimates and judgements

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

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI) that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

iii) Effective Interest Rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and delayed interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iv) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include :

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulae and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

S.R. Batliboi & Associates LLP ★ Chartered Accountants ★ Chennai

FIVE-STAR BUSINESS FINANCE LTD. ★ CHENNAI 600 010

2.5 Use of estimates and judgements

v) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

vi) Leases

The estimates and judgements related to leases include:

a) The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.

b) 'The determination of the incremental borrowing rate used to measure lease liabilities.

vii) Other assumptions and estimation uncertainties

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

i) Measurement of defined benefit obligations: key actuarial assumptions;
ii) Estimated useful life of property, plant and equipment and intangible assets;
iii) Recognition of deferred taxes.

3 Significant accounting policies

3.1 Revenue Recognition from contracts with customers

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable

A. Effective Interest Rate ('EIR') Method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

S.R. Batliboi & Associates LLP ★ Chartered Accountants ★ Chennai

Five-Star Business Finance Ltd. ★ Chennai 600 010

3.1 Revenue Recognition

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company continues to calculate interest income on the amortized cost of the financial asset.

B. Dividend income

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

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fee income

Fees income such as legal inspection charges, cheque bounce charges are recognised on an accrual basis in accordance with term of contract with the customer. Cheque Bounce charges are recognised as income upon certainity of receipt

E. Net gain on fair value changes:

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss

E. Others

Delayed interest and other operating income are recognized as income upon certainty of receipt.
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
All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. Loans are recognised when funds are transferred to the customers account. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss (FVTPL), transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost
ii) FVOCI
iii) FVTPL

S.R. Batliboi & Associates LLP Chartered Accountants Chennai

Five-Star Business Finance Ltd. Chennai 600 010

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows based on the existing business model:

i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Bank balances, Loans, Trade receivables and other financial investments that meet the above conditions are measured at amortised cost.

Financial assets at fair value through Other Comprehensive Income (FVOCI)
Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset meets the SPPI test.

ii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified as measured at amortised cost/ FVOCI are measured at FVTPL.

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3.3 Financial assets and liabilities

B. Financial liabilities

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

iii) Debt Securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices market indicators over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

iv) Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index or prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its significant financial assets or liabilities in the year ended March 31, 2022 and March 31, 2021.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed to be Purchased or originated credit impaired (POCI)

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- •Change in currency of the loan
- •Introduction of an equity feature
- •Change in counterparty
- •If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

ii) Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), 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 (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

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3.6 Impairment of financial assets

Based on the above, the Company catagorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:
When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2:
When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:
Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.
For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD):
Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD):
Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest , whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD):
Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:
Stage 1:
The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:
When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

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Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the GroupCompany will measure the loss allowance based on lifetimeLTECLs rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the GroupCompany's historical experience and expert credit assessment including forward looking information.

Stage 3:
For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

•significant financial difficulty of the borrower;
•a breach of contract such as a default or past due event;
•the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
•the disappearance of an active market for a security because of financial difficulties; or
•the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The GroupCompany assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

C. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time (Also refer note no. 47(ii)).
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.7 Write-offs

Financial assets are written off when there is a significant doubt on recoverability in the medium term. 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 the statement of profit and loss.

3.8 Determination of fair value

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 has taken 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.

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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:

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3;

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company evaluates the levelling in the hierarchy at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.9 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

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(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

3.10 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.
Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.
Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.10.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Estimated Useful life
Vehicles	8 years
Furniture and fittings	10 years
Office equipment	5 years
Computers and accessories	3 years
Servers	6 years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.11 Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer softwares	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.12 Employee benefits

i. Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'),if any. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss on the earlier of:
•The date of the plan amendment or curtailment, and
•The date that the Company recognises related restructuring costs

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Stock based compensation

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

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3.13 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.14 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e.the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the initial period agreed in the lease agreement , together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the initial period agreed in the lease agreement.

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3.15 Taxes

i. Current tax

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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

<u>Indirect taxes</u>
Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.16 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

3.17 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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3.18 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108 Operating Segments, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segements and geographic segments.

3.19 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

3.21 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken in to account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.
For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is

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3.22 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rat index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected t have a similar response to changes in market factors.
- It is settled at a future date

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.22.1 Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

3.22.2 Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationships exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

3.23 Standards issued but not yet effective

Ministry of Corporate Affairs has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 on March 23, 2022, which contains various amendments to Ind AS. Management has evaluated these and have concluded that there is no material impact on the Company's financial statements.

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	Particulars	As at March 31, 2022	As at March 31, 2021
4	**Cash and cash equivalents**		
	Cash on hand	504.00	425.85
	Balances with banks		
	(i) In current accounts	4,741.93	31,454.90
	(ii) In deposit accounts (original maturity less than 3 months)	56,070.35	94,837.53
		61,316.28	1,26,718.28

Short-term deposits are made for varying periods of upto three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

	Particulars	As at March 31, 2022	As at March 31, 2021
5	**Bank Balances other than cash and cash equivalents**		
	Fixed Deposit with Banks	26,674.92	8,850.03
	In earmarked accounts		
	Unclaimed dividend account	2.58	3.96
		26,677.50	**8,853.99**

Fixed deposit and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates.

Fixed Deposits amounting to INR. 7287.10 lakhs (March 31, 2021- INR.7642.6 lakhs, March 31,2020-INR.2405.6 lakhs) have been provided as credit enhancement for securitisation transaction and INR 825 lakhs (March 31, 2021- 825 lakhs) have been provided as cash collateral against specific Non-Convertible Debentures

	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Loans (At amortised cost)**		
A	**Based on nature**		
	Term Loans		
	Gross term loans	5,06,707.77	4,44,538.09
	Inter-Corporate Deposits	13,821.88	-
	Gross loans	5,20,529.65	4,44,538.09
	Less: Impairment loss allowance	10,288.58	8,663.15
	Net loans	5,10,241.07	4,35,874.94
B	**Based on security**		
	Secured by tangible assets	5,06,707.77	4,44,538.09
	Unsecured	13,821.88	-
	Gross loans	**5,20,529.65**	**4,44,538.09**
	Less: Impairment loss allowance	10,288.58	8,663.15
	Net loans	5,10,241.07	4,35,874.94
C	**Based on region**		
	Loans in India		
	Public sector	-	-
	Other than Public Sector	5,20,529.65	4,44,538.09
	Less: Impairment loss allowance	10,288.58	8,663.15
		5,10,241.07	4,35,874.94
	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
		-	-
	Net loans	5,10,241.07	4,35,874.94

Note:
Secured exposures are secured by registered mortgage of immoveable property
The Company has not granted any Loans or Advances to Promoters,directors, KMPs and the Related Parties (as defined under Companies Act 2013)

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

6.1 Analysis of changes in the gross carrying amount and the corresponding ECL allowances:

6.1.1 Reconciliation of gross carrying amount is given below:

Gross Term Loans

Particulars	31-Mar-22				31-Mar-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,89,595.07**	**50,423.65**	**4,519.37**	**4,44,538.09**	**3,43,232.28**	**40,667.94**	**5,322.63**	**3,89,222.85**
Asset derecognised or repaid (excluding write-off)	(45,171.22)	(6,392.23)	(310.89)	(51,874.34)	(30,980.83)	(4,229.42)	(463.14)	(35,673.39)
Assets partially repaid	(39,313.75)	(6,812.79)	(197.33)	(46,323.87)	(27,563.96)	(300.54)	-	(27,864.50)
Roll forwards to higher stages	(55,081.22)	(3,344.33)	-	(58,425.55)	(31,280.91)	(700.53)	-	(31,981.44)
Roll forward from lower stages	-	54,257.23	4,168.32	58,425.55	-	30,902.25	1,079.19	31,981.44
Roll back from higher stages	11,615.00	270.93	-	11,885.93	17,714.79	647.96	-	18,362.75
Roll back to lower stages	-	(11,530.02)	(355.91)	(11,885.93)	-	(17,597.31)	(765.44)	(18,362.75)
Amount written off	-	-	(2,926.39)	(2,926.39)	-	-	(996.83)	(996.83)
New assets originated/ incremental accretions	1,60,052.48	2,833.97	407.83	1,63,294.28	1,18,473.70	1,033.30	342.96	1,19,849.96
Gross carrying amount closing balance*	**4,21,696.36**	**79,706.41**	**5,305.00**	**5,06,707.77**	**3,89,595.07**	**50,423.65**	**4,519.37**	**4,44,538.09**

* 1621 loan accounts in Stage 3 as on March 31, 2022

Inter-Corporate Deposits

Particulars	31-Mar-22				31-Mar-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-	-	-	-	-
Asset derecognised or repaid (excluding write-off)	-	-	-	-	-	-	-	-
Assets partially repaid	-	-	-	-	-	-	-	-
Roll forwards to higher stages	-	-	-	-	-	-	-	-
Roll forward from lower stages	-	-	-	-	-	-	-	-
Roll back from higher stages	-	-	-	-	-	-	-	-
Roll back to lower stages	-	-	-	-	-	-	-	-
Amount written off	-	-	-	-	-	-	-	-
New assets originated/ incremental accretions	13,821.88	-	-	13,821.88	-	-	-	-
Gross carrying amount closing balance	**13,821.88**	-	-	**13,821.88**	-	-	-	-

6.1.2 Reconciliation of ECL balance is given below:

Particulars	31-Mar-22				31-Mar-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment Loss Allowance- opening balance	**1,276.52**	**6,574.79**	**811.84**	**8,663.15**	**1,661.41**	**3,538.88**	**942.12**	**6,142.41**
New assets originated/ incremental accretions	889.24	5,201.58	3,095.99	9,186.81	75.21	3,373.12	910.57	4,358.90
Reversal/Utilization/write off during the Year	(717.30)	(4,787.20)	(2,056.88)	(7,561.38)	(460.09)	(337.21)	(1,040.85)	(1,838.16)
Amount written off	-	-	(2,926.39)	(2,926.39)	-	-	(996.76)	(996.76)
Impairment Loss Allowance- closing balance	**1,448.46**	**6,989.17**	**1,850.95**	**10,288.58**	**1,276.52**	**6,574.79**	**811.84**	**8,663.15**

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	Particulars	As at March 31, 2022	As at March 31, 2021
7	**Investments**		
	Investments in Government Securities (At amortized Cost)*		
	Investment in Treasury Bills	7,423.24	-
	Investment in Government of India Fixed Rate Bonds	7,528.39	-
	Investment in Government of India STRIPS	9,866.75	-
		24,818.38	-

* Investments are made in India

7.1 Internal rating grade (Investments measured at amortized Cost)

	As at 31st March 2022			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low Risk	24,818.38	-	-	24,818.38
Medium Risk	-	-	-	-
High Risk	-	-	-	-
	24,818.38	-	-	24,818.38

	As at 31st March 2021			
Grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low Risk	-	-	-	-
Medium Risk	-	-	-	-
High Risk	-	-	-	-
	-	-	-	-

7.2 Movement in investments (Investments measured at Amortised cost)

Particulars	**Stage 1**	**Stage 2**	**Stage 3**
Opening balance as at April 01, 2020	-	-	-
New assets purchased	-	-	-
Assets redeemed	-	-	-
Assets derecognized or written off	-	-	-
Transfer to stages	-	-	-
Closing balance as at March 31, 2021	-	-	-
New assets purchased	28,350.46	-	-
Assets redeemed	(3,532.08)	-	-
Assets derecognized or written off	-	-	-
Transfer to stages	-	-	-
Closing balance as at March 31, 2022	**24,818.38**	**-**	**-**

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**Other financial assets**		
	Unsecured, considered good (At Amortized Cost)		
	Security deposits	457.03	369.56
	Other receivables*	1,340.90	104.78
		1,797.93	474.34

Other receivables include INR 1,280.09 lakhs incurred towards various expenses in connection with proposed initial public offer of equity shares of the Company.

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**Current tax assets (net)**		
	Advance income tax paid (net of provision for tax)	220.07	795.79
		220.07	**795.79**
10	**Investment property**		
	Land		
	Cost or deemed cost (Gross carrying amount)		
	Balance at the beginning of the year	3.56	3.56
	Acquisitions	-	-
	Transfer from property, plant and equipment	-	-
	Balance at the end of the year	**3.56**	**3.56**
	Accumulated depreciation		
	Balance at the beginning of the year	-	-
	Depreciation for the year	-	-
	Balance at the end of the year	-	-
	Net carrying amounts	**3.56**	**3.56**
	Fair value	**7.24**	**6.50**

Note:
1. The Fair value of the investment property is based on the valuation by registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuations) Rules, 2017. There were no immovable properties where the title deeds are not held in the name of the Company.
2. Price per Square feet is the Significant unobservable input used for the Fair valuation of the Investment Property. The fair value changes by INR. 0.7 lakhs as at March 31, 2022 at a sensitivity of 10%

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Notes forming part of the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
11 Other non-financial assets		
Capital advances	98.18	42.62
Prepaid expenses	865.80	331.14
Balance with government authorities	319.76	79.01
	1,283.74	**452.77**

14 Derivative Financial Instruments

	As at March 31, 2022		As at March 31, 2021	
	Notional Amount(lakhs)	**Fair Value of Liabilites(Lakhs)**	**Notional Amount(lakhs)**	**Fair Value of Liabilites(lakhs)**
Part-I				
Other Derivatives-Cross Currency Swap	7,591.00	138.92	-	-
	7591.00	**138.92**	-	-
Part-II				
Included in above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
Cash Flow Hedging-Cross Currency Swap	7,591.00	138.92	-	-
	7591.00	**138.92**	-	-

The Notional amounts in the above table refers to the foreign currency borrowing on which the company has hedged the risk of foreign currency fluctuations.
The company has entered into a Derivative Financial Instrument, with a scheduled bank with Investment grade credit rating. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.
The Asset Liability Management Committee and Business Resource Committee periodically monitors and reviews the risks involved.

15 Trade payables		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	1,300.31	867.17
	1,300.31	**867.17**
To related parties	-	-
Others	1,300.31	867.17
	1,300.31	**867.17**

15.1 Trade payables (Ageing Schedule)

The following schedules reflect ageing of trade payables with respect to the due date of Payment

As at 31 March 2022

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	271.39	-	-	-	271.39
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Subtotal (i+ii+iii+iv)	-	**271.39**	-	-	-	**271.39**
(v) Unbilled Amounts	-	1,028.92	-	-	-	1,028.92
Subtotal (v)	-	**1,028.92**	-	-	-	**1,028.92**
Grand Total	-	**1,300.31**	-	-	-	**1,300.31**

As at 31 March 2021

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	241.07	0.30	-	-	241.37
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Subtotal (i+ii+iii+iv)	-	**241.07**	**0.30**	-	-	**241.37**
(v) Unbilled Amounts	-	625.80	-	-	-	625.80
Subtotal (v)	-	**625.80**	-	-	-	**625.80**
Grand Total	-	**866.87**	**0.30**	-	-	**867.17**

Based on information received from the suppliers, the management has identified the enterprises which have provided services to the Company and which qualify under the definition of micro, medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Such determination / identification for the purpose of presentation under this disclosure has been done on the basis of information received and available with the Company which has been solely relied upon by the auditors.

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Particulars	As at March 31, 2022	As at March 31, 2021
16 Debt securities (refer note 16.1)		
At amortised cost		
Secured debentures		
55, (March 31, 2020 - 420) 12.50% redeemable, non-convertible debentures of INR 100 each	0.80	6.20
Nil, (March 31, 2021 - 1000) 12.64% redeemable, non-convertible debentures of INR 10 lakh each	-	10,013.53
Nil, (March 31, 2021 - 500) 9.75% redeemable, non-convertible debentures of INR 10 lakh each	-	5,363.29
Nil, (March 31, 2021 - 500) 9.75% redeemable, non-convertible debentures of INR 10 lakh each	-	5,325.89
Nil, (March 34, 2021 - 500) 9.75% redeemable, non-convertible debentures of INR 10 lakh each	-	5,325.89
Nil, (March 31, 2021 - 250) 9.50% redeemable, non-convertible debentures of INR 10 lakh each	-	2,645.75
Nil, (March 31, 2021 - 250) 9.50% redeemable, non-convertible debentures of INR 10 lakh each	-	2,645.75
Nil, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each	-	2,058.30
250, (March 31, 2021 - 250) 9.50% redeemable, non-convertible debentures of INR 10 lakh each	2,586.54	2,586.54
2,000 (March 31, 2021 - 2000), 10.30% redeemable, non-convertible debentures of INR 10 lakh each	20,022.58	20,023.30
2000, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each*	2,836.96	2,510.58
1250, (March 31, 2021 - 1250) 11.88% redeemable, non-convertible debentures of INR 10 lakh each	12,637.71	12,637.70
750, (March 31, 2021 - 750) redeemable, non-convertible debentures of INR 10 lakh each*	8,406.97	7,695.17
500, (March 31, 2021 - 500) redeemable, non-convertible debentures of INR 10 lakh each*	5,603.32	5,128.88
2500, (March 31, 2021 - 2500) redeemable, non-convertible debentures of INR 1 lakh each*	2,932.42	2,647.77
150, (March 31, 2021 - 150) 12.75% redeemable, non-convertible debentures of INR 10 each	1,500.52	1,500.52
500, (March 31, 2021 - 500) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	5,105.48	5,105.48
150, (March 31, 2021 - 150) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	1,531.64	1,531.64
500, (March 31, 2021 - 500) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	5,105.48	5,105.48
1500 (March 31, 2021 - 1500) redeemable, non-convertible debentures of INR 10 lakh each*	16,591.39	15,221.28
150, (March 31, 2021- 150) 10.50% redeemable, non-convertible debentures of INR 10 lakh each	1,632.90	1,631.32
250, (March 31, 2021 - 250) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	2,515.07	2,515.07
2000, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each*	2,278.30	2,059.94
700, (March 31, 2021 - 700) 10.91% redeemable, non-convertible debentures of INR 10 lakh each	7,004.43	7,004.41
300,00,000 , (March 31, 2021 - 300,00,000) 11.40% redeemable, non-convertible debentures of INR 10 each	3,001.06	3,001.12
	1,01,293.58	**1,31,290.80**
Less: Unamortised processing fee	(440.21)	(912.25)
	1,00,853.38	**1,30,378.55**
Debts securities in India	1,01,293.58	1,31,290.80
Debts securities outside India	-	-
	1,01,293.58	**1,31,290.80**

* Coupon rates are linked to performance of specified indices including market indicators over the period of the debentures.

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16.1 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings

Particulars	Repayment Terms	Tenor	Earliest installment date	As at March 31, 2022	As at March 31, 2021
Secured debentures					
55, (March 31, 2020 - 420) 12.50% redeemable, non convertible debentures of INR 100 each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	36 months	November 19, 2014	0.80	6.20
Nil, (March 31, 2021 - 1000) 12.64% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Repayable in 12 monthly installments Coupon payment frequency: Quarterly	36 months	April 29, 2021	0.00	10,013.53
Nil, (March 31, 2021 - 500) 9.75% redeemable, non convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	18 months	January 3, 2022	0.00	5,363.29
Nil, (March 31, 2021 - 500) 9.75% redeemable, non convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	18 months	January 31, 2022	0.00	5,325.89
Nil, (March 31, 2021 - 500) 9.75% redeemable, non convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	18 months	January 31, 2022	0.00	5,325.89
Nil, (March 31, 2021 - 250) 9.50% redeemable, non convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	18 months	February 21, 2022	0.00	2,645.75
Nil, (March 31, 2021 - 250) 9.50% redeemable, non convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	18 months	February 21, 2022	0.00	2,645.75
Nil, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	15 months	March 15, 2022	0.00	2,058.30
250, (March 31, 2021 - 250) 9.50% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Yearly	18 months	May 19, 2022	2586.54	2,586.54
2,000 (March 31, 2021 - 2000), 10.30% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Repayable in 4 quarterly installments Coupon payment frequency: Quarterly	60 months	June 28, 2022	20022.58	20,023.30
2000, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	38 months	July 3, 2022	2836.96	2,510.58
1250, (March 31, 2021 - 1250) 11.88% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	36 months	August 28, 2022	12637.71	12,637.70
750, (March 31, 2021 - 750) redeemable, non-convertible debentures of INR 10 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	24 months	December 16, 2022	8406.97	7,695.17
500, (March 31, 2021 - 500) redeemable, non-convertible debentures of INR 10 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	24 months	December 17, 2022	5603.32	5,128.88
2500, (March 31, 2021 - 2500) redeemable, non-convertible debentures of INR 1 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	30 months	February 28, 2023	2932.42	2,647.77
150, (March 31, 2021 - 150) 12.75% redeemable, non-convertible debentures of INR 10 each	Principal payment frequency: Repayable yearly in 4 installments Coupon payment frequency: Quarterly	72 months	March 31, 2023	1500.52	1,500.52
500, (March 31, 2021 - 500) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Quarterly	33 months	April 21, 2023	5105.48	5,105.48
150, (March 31, 2021 - 150) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Quarterly	33 months	April 21, 2023	1531.64	1,531.64
500, (March 31, 2021 - 500) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Quarterly	33 months	April 21, 2023	5105.48	5,105.48
1500 (March 31, 2021 - 1500) redeemable, non-convertible debentures of INR 10 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	27 months	April 30, 2023	16591.39	15,221.28
150, (March 31, 2021- 150) 10.50% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Yearly	36 months	May 26, 2023	1632.90	1,631.32
250, (March 31, 2021 - 250) 11.00% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Quarterly	36 months	June 12, 2023	2515.07	2,515.07
2000, (March 31, 2021 - 2000) redeemable, non-convertible debentures of INR 1 lakh each*	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Entire interest repayable at maturity	30 months	June 15, 2023	2278.30	2,059.94
700, (March 31, 2021 - 700) 10.91% redeemable, non-convertible debentures of INR 10 lakh each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Half Yearly	36 months	September 30, 2023	7004.43	7,004.41
300,00,000 , (March 31, 2021 - 300,00,000) 11.40% redeemable, non-convertible debentures of INR 10 each	Principal payment frequency: Entire principal repayable at maturity Coupon payment frequency: Monthly	60 months	April 11, 2024	3001.06	3,001.12
				1,01,293.56	**1,31,290.82**

All debentures are secured by an exclusive first charge on book debts and pari passu charge on immovable property with security cover ranging from 1 to 1.25 times of the outstanding amount at any point in time

* Coupon rates are linked to performance of specified indices including market indicators over the period of the debentures.

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(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

16.1 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings

Particulars	Repayment Terms	Tenor	Earliest installment date	As at March 31, 2022	As at March 31, 2021
Term loans from banks					
Term Loan 1	Repayable in 58 monthly installments	60 months	April 30, 2017	0.00	696.14
Term Loan 2	Repayable in 9 half-yearly installments	60 months	March 28, 2018	0.00	111.11
Term Loan 3	Repayable in 48 monthly installments	48 months	April 23, 2018	0.00	246.38
Term Loan 4	Repayable in 36 monthly installments	36 months	May 5, 2018	0.00	30.27
Term Loan 5	Repayable in 36 monthly installments	36 months	May 5, 2018	0.00	70.19
Term Loan 6	Repayable in 40 monthly installments	42 months	September 30, 2018	0.00	1,125.31
Term Loan 7	Repayable in 60 monthly installments	60 months	December 5, 2018	335.29	536.56
Term Loan 8	Repayable in 36 monthly installments	36 months	February 5, 2019	0.00	698.29
Term Loan 9	Repayable in 60 monthly installments	60 months	March 3, 2019	1466.12	2,231.74
Term Loan 10	Repayable in 36 monthly installments	36 months	May 1, 2019	0.00	1,093.91
Term Loan 11	Repayable in 34 monthly installments	36 months	May 18, 2019	0.00	1,618.10
Term Loan 12	Repayable in 36 monthly installments	36 months	May 31, 2019	0.00	1,625.00
Term Loan 13	Repayable in 20 quarterly installments	60 months	June 30, 2019	1994.91	3,000.88
Term Loan 14	Repayable in 36 monthly installments	36 months	June 30, 2019	166.67	1,178.21
Term Loan 15	Repayable in 48 monthly installments	48 months	July 29, 2019	468.75	843.75
Term Loan 16	Repayable in 36 monthly installments	36 months	September 25, 2019	277.78	951.84
Term Loan 17	Repayable in 57 monthly installments	60 months	September 30, 2019	455.44	666.76
Term Loan 18	Repayable in 33 monthly installments	36 months	December 30, 2019	378.89	1,288.64
Term Loan 19	Repayable in 60 monthly installments	60 months	January 30, 2020	1649.96	2,319.44
Term Loan 20	Repayable in 60 monthly installments	62 months	January 30, 2020	11188.27	15,258.90
Term Loan 21	Repayable in 36 monthly installments	36 months	February 5, 2020	833.54	1,834.51
Term Loan 22	Repayable in 36 monthly installments	36 months	March 5, 2020	646.84	1,351.77
Term Loan 23	Repayable in 60 monthly installments	60 months	April 30, 2020	2215.60	2,938.92
Term Loan 24	Repayable in 36 monthly installments	36 months	May 1, 2020	1456.22	2,809.54
Term Loan 25	Repayable in 12 quarterly installments	37 months	May 26, 2020	633.41	1,277.59
Term Loan 26	Repayable in 57 monthly installments	60 months	June 25, 2020	2718.22	3,648.84
Term Loan 27	Repayable in 34 monthly installments	36 Months	August 16, 2020	1441.54	2,677.21
Term Loan 28	Repayable in 34 monthly installments	36 Months	September 30, 2020	1765.15	3,177.35
Term Loan 29	Repayable in 48 monthly installments	52 months	October 1, 2020	0.00	1,358.37
Term Loan 30	Repayable in 46 monthly installments	48 Months	November 25, 2020	1576.09	2,249.47
Term Loan 31	Repayable in 36 monthly installments	36 Months	November 30, 2020	1319.80	2,153.38
Term Loan 32	Repayable in 36 monthly installments	36 Months	December 10, 2020	1318.49	2,240.03
Term Loan 33	Repayable in 34 monthly installments	36 Months	December 31, 2020	2333.32	4,333.32
Term Loan 34	Repayable in 36 monthly installments	36 Months	January 31, 2021	583.33	916.67
Term Loan 35	Repayable in 48 monthly installments	48 Months	February 5, 2021	1639.89	2,221.12
Term Loan 36	Repayable in 20 quarterly installments	60 months	February 28, 2021	2883.00	3,778.00
Term Loan 37	Repayable in 60 monthly installments	60 Months	March 3, 2021	1578.85	1,981.96
Term Loan 38	Repayable in 36 monthly installments	36 Months	March 23, 2021	1544.50	2,427.10
Term Loan 39	Repayable in 36 monthly installments	36 Months	April 30, 2021	333.33	500.00
Term Loan 40	Repayable in 36 monthly installments	36 Months	April 30, 2021	5001.19	7,501.79
Term Loan 41	Repayable in 48 monthly installments	48 Months	May 1, 2021	4662.32	6,003.12
Term Loan 42	Repayable in 33 monthly installments	36 Months	May 31, 2021	1655.15	2,500.00
Term Loan 43	Repayable in 32 monthly installments	35 Months	July 31, 2021	1858.79	2,500.00
Term Loan 44	Repayable in 36 monthly installments	36 Months	January 31, 2022	4583.00	-
Term Loan 45	Repayable in 48 monthly installments	48 Months	March 15, 2022	1958.33	-
Term Loan 46	Repayable in 34 monthly installments	36 Months	March 30, 2022	1941.63	-
Term Loan 47	Repayable in 60 monthly installments	60 Months	April 30, 2022	7501.80	-
Term Loan 48	Repayable in 57 monthly installments	60 Months	June 30, 2022	4951.08	-
Term Loan 49	Repayable in 72 monthly installments	74 Months	June 30, 2022	2501.27	-
				81,817.77	97,971.50

All the above loans are secured by an exclusive first charge on book debts with security cover ranging from 1.05 to 1.25 times of the outstanding amount at any point in time.
As at March 31, 2022, the rate of interest across term loans from banks was in the range of 7.95% p.a to 10.90% p.a (March 31, 2021- 7.50% p.a to 11.50% p.a)

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(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

16.1 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings

Particulars	Repayment Terms	Tenor	Earliest installment date	As at March 31, 2022	As at March 31, 2021
Term loans from others					
Term loans from others 1	Repayable in 60 monthly installments	60 months	April 22, 2017	0.00	370.77
Term loans from others 2	Repayable in 48 monthly installments	48 months	February 11, 2018	520.96	1,146.13
Term loans from others 3	Repayable in 48 monthly installments	48 months	January 29, 2019	0.00	989.11
Term loans from others 4	Repayable in 36 monthly installments	36 months	March 20, 2019	0.00	310.95
Term loans from others 5	Repayable in 60 monthly installments	60 months	April 27, 2019	0.00	333.47
Term loans from others 6	Repayable in 42 monthly installments	48 months	April 30, 2019	142.89	428.68
Term loans from others 7	Repayable in 60 monthly installments	60 months	May 1, 2019	487.85	688.59
Term loans from others 8	Repayable in 20 quarterly installments	60 months	September 1, 2019	606.39	879.00
Term loans from others 9	Repayable in 36 monthly installments	36 months	January 22, 2020	281.27	622.44
Term loans from others 10	Repayable in 36 monthly installments	36 months	February 22, 2020	933.57	1,948.07
Term loans from others 11	Repayable in 20 quarterly installments	60 months	February 29, 2020	0.00	1,125.33
Term loans from others 12	Repayable in 48 monthly installments	48 months	March 5, 2020	376.29	573.01
Term loans from others 13	Repayable in 36 monthly installments	36 months	May 27, 2020	0.00	1,818.08
Term loans from others 14	Repayable in 8 monthly installments	10 months	September 10, 2020	0.00	502.42
Term loans from others 15	Repayable in 36 monthly installments	36 months	January 20, 2021	2926.02	4,597.97
Term loans from others 16	Repayable in 36 monthly installments	36 months	January 31, 2021	1750.41	2,750.69
Term loans from others 17	Repayable in 3 annual installments	36 months	February 1, 2021	1250.00	1,875.00
Term loans from others 18	Repayable in 30 monthly installments	32 months	February 3, 2021	2125.56	3,790.83
Term loans from others 19	Repayable in 16 quarterly installments	48 months	April 1, 2021	1500.00	2,005.14
Term loans from others 20	Repayable in 36 monthly installments	36 months	April 30, 2021	1260.76	1,800.00
Term loans from others 21	Repayable in 16 quarterly installments	48 months	June 1, 2021	1889.69	2,500.00
				16,051.65	31,055.67

All the above loans are secured by an exclusive first charge on book debts with security cover ranging from 1.10 to 1.20 times of the outstanding amount at any point in time
As at March 31, 2022, the rate of interest across term loans from others was in the range of 9.50% p.a to 11.75% p.a (March 31, 2021- 6.32% p.a to 11.75% p.a)

Particulars	Repayment Terms	Tenor	Earliest installment date	As at March 31, 2022	As at March 31, 2021
Borrowings Under Securitization					
Borrowings Under Securitization 1	Repayable in 33 monthly installments	35 months	August 16, 2019	0.00	2,022.31
Borrowings Under Securitization 2	Repayable in 59 monthly installments	59 months	September 17, 2019	2170.97	4,706.73
Borrowings Under Securitization 3	Repayable in 64 monthly installments	65 months	February 17, 2020	3392.64	8,243.35
Borrowings Under Securitization 4	Repayable in 40 monthly installments	40 months	March 21, 2020	778.51	3,150.43
Borrowings Under Securitization 5	Repayable in 60 monthly installments	60 months	May 15, 2020	4355.36	6,958.17
Borrowings Under Securitization 6	Repayable in 60 monthly installments	60 months	July 15, 2020	4375.66	7,121.09
Borrowings Under Securitization 7	Repayable in 65 monthly installments	65 months	August 14, 2020	3831.51	6,423.15
Borrowings Under Securitization 8	Repayable in 55 monthly installments	55 months	November 20, 2020	4654.53	7,174.06
Borrowings Under Securitization 9	Repayable in 59 monthly installments	60 months	January 16, 2021	2321.17	3,946.03
Borrowings Under Securitization 10	Repayable in 48 monthly installments	48 months	January 15, 2021	1303.06	2,225.94
Borrowings Under Securitization 11	Repayable in 60 monthly installments	61 months	February 21, 2021	9966.88	13,944.04
Borrowings Under Securitization 12	Repayable in 61 monthly installments	61 months	February 18, 2021	2027.59	3,307.86
Borrowings Under Securitization 13	Repayable in 57 monthly installments	57 months	April 21, 2021	4966.12	6,815.79
Borrowings Under Securitization 14	Repayable in 53 monthly installments	53 months	April 16, 2021	5572.66	8,244.01
				49,716.69	84,282.94

*Refer Note No 47-AB, 47-AC for security and credit enhancement details pertaining to borrowings from securitisation arrangements
As at March 31, 2022, the rate of interest across loans from Securitisation was in the range of 8.55% p.a to 11.00% p.a (March 31, 2021- 9.00% p.a to 11.00% p.a)

Particulars	Repayment Terms	Tenor	Earliest installment date	As at March 31, 2022	As at March 31, 2021
Term loans from others parties (unsecured) - (External Commercial Borrowing)					
External Commercial Borrowing-1	Repayable in 5 Half yearly installments	60 months	March 31, 2025	7584.45	-
				7,584.45	-

As at March 31, 2022, the rate of interest on External Commercial Borrowing was 4.20% p.a (March 31, 2021- Nil p.a)

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	Particulars	As at March 31, 2022	As at March 31, 2021
17	**Borrowings (other than debt securities) (refer note 16.1)**		
	At amortised cost		
	Term loans (secured)		
	From banks	81,817.77	97,971.50
	From other financial institutions	16,051.65	31,055.67
	Borrowings under Securitisation (secured)	49,716.69	84,282.94
	Loans repayable on demand (secured)		
	From banks	765.61	196.60
	Term loans from others parties (unsecured)		
	External Commercial Borrowings	7,584.45	-
		1,55,936.16	**2,13,506.71**
	Less: Unamortised processing fee	(906.41)	(1,365.59)
		1,55,029.75	**2,12,141.12**
	Borrowings in India	1,48,351.71	2,13,506.71
	Borrowings outside India	7,584.45	-
		1,55,936.16	2,13,506.71

Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2022, the rate of interest across the cash credit and working capital demand loans was in the range of 7.95% p.a to 11.00% p.a (March 31, 2021 - 9.25% p.a to 11.45% p.a)
The Company has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayments during the year

Debt Securities and borrowings other than debt securities aggregating to INR 77,228.37 lakhs (March 31, 2021-INR 1,22,645.68 lakhs) has been guaranteed by the promoter, Mr. D Lakshmipathy.

The Company has not defaulted in the repayment of borrowings and interest during any of the years presented

The Company has used the borrowings from banks and financial institutions for the specified purpose as per agreement with the lender.
The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

18	**Other financial liabilities**		
	Unpaid dividends	2.58	3.96
	Lease liability	2,113.32	1,529.37
	Employee related payables	1,895.32	-
	Others*	135.62	183.68
		4,146.84	**1,717.01**

*Others include unspent corporate social responsibility fund amounting to INR 100.00 lakhs (March 31, 2021 :INR 150.00 lakhs)

19	**Provisions**		
	Provision for employee benefits		
	Provision for gratuity	339.64	254.78
	Provision for compensated absences	560.39	465.02
		900.03	719.80
20	**Other non-financial liabilities**		
	Statutory dues payable	902.23	487.39
	Employee related payables	-	1232.88
		902.23	1,720.27

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12 Property, plant and equipment

Particulars	Furniture and fittings	Computers and accessories	Office equipments	Vehicles	Leasehold improvements	Total
Cost or deemed cost (gross carrying amount)						
As at March 31, 2020	**605.42**	**871.72**	**258.55**	**39.26**	**404.95**	**2,179.90**
Additions	133.72	81.28	59.00	-	0.05	274.05
Disposals	10.14	0.47	0.06	-	-	10.67
As at March 31, 2021	**729.00**	**952.53**	**317.49**	**39.26**	**405.00**	**2,443.28**
Additions	187.12	494.55	156.39	-	9.45	847.51
Disposals	8.19	-	0.66	-	-	8.85
As at March 31, 2022	**907.93**	**1,447.08**	**473.22**	**39.26**	**414.45**	**3,281.94**
Accumulated depreciation						
As at March 31, 2020	**206.83**	**462.49**	**102.10**	**26.41**	**275.98**	**1,073.81**
Depreciation for the year	119.92	277.81	83.94	3.96	45.62	531.25
Depreciation on disposals	6.99	0.34	0.05	-	-	7.38
As at March 31, 2021	**319.76**	**739.96**	**185.99**	**30.37**	**321.60**	**1,597.68**
Depreciation for the year	122.95	236.16	75.78	2.47	39.07	476.43
Depreciation on disposals	5.77	0.34	0.51	-	-	6.62
As at March 31, 2022	**436.94**	**975.78**	**261.26**	**32.84**	**360.67**	**2,067.49**
Carrying amount (net)						
As at March 31, 2021	**409.24**	**212.57**	**131.50**	**8.89**	**83.40**	**845.60**
As at March 31, 2022	**470.99**	**471.30**	**211.96**	**6.42**	**53.78**	**1,214.45**

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13 Other Intangible assets

Particulars	Softwares	Total
Cost or deemed cost (gross carrying amount)		
As at March 31, 2020	**355.67**	**355.67**
Additions	50.31	50.31
Disposals	-	-
As at March 31, 2021	**405.98**	**405.98**
Additions	15.35	15.35
Disposals	-	-
As at March 31, 2022	**421.33**	**421.33**
Accumulated amortisation		
As at March 31, 2020	**162.87**	**162.87**
Amortisation for the year	52.81	52.81
Amortisation on disposals	-	-
As at March 31, 2021	**215.68**	**215.68**
Amortisation for the year	116.91	116.91
Amortisation on disposals	-	-
As at March 31, 2022	**332.59**	**332.59**
Carrying amount (net)		
As at March 31, 2021	**190.30**	**190.30**
As at March 31, 2022	**88.74**	**88.74**

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Particulars	As at March 31, 2022	As at March 31, 2021
21 Equity share capital		
Authorised		
550,00,000 shares of INR 1 each (March 31, 2021 - 55,000,000) of INR 10 each	5,500.00	5,500.00
Issued, subscribed and paid up		
29,13,43,120 shares of INR 1 each fully paid up (March 31, 2021 - 25,473,144) of INR 10 each fully paid up	2,913.43	2,547.31
Nil shares (March 31, 2021 - 1,71,75,970) of INR 1 each (partly paid up - INR 0.1 each paid up)	-	17.18

Note: During the year ended March 31, 2022, the Board of Directors of the Company in its meeting held on September 8, 2021 and shareholders in the Extraordinary General Meeting held on October 8, 2021 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. Also refer note-39 .

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount in Lakhs of INR	Number of shares	Amount in Lakhs of INR
As at beginning of the year	2,71,90,741	2,564.49	2,71,27,891	2,558.21
Additional shares pursuant to share split issued during the year	24,47,16,669			
Equity Shares issued in exercise of employee stock options	17,18,000	17.18	62,850	6.29
Equity Shares issued	1,77,17,710	177.18	-	-
Receipt of pending call money on partly paid up equity shares	-	154.58	-	-
As at the end of the year	**29,13,43,120**	**2,913.43**	**2,71,90,741**	**2,564.49**

Terms/rights attached to Equity Shares:

The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend to the extent the shares are paid up, as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders,to the extent the shares are paid up.

Equity Shares reserved for issue under options

Information relating to employee stock option schemes including the details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 42.

Promoter Holdings****

Name of Promoter	As at March 31, 2022					
	Number of Shares at the beginning of the period	Additional shares pursuant to share split issued during the year	Movement during the period	Number of Shares at the end of the period	% of Total Shares	% of Change during the period
Fully paid up shares						
(i) D. Lakshmipathy	21,85,771	1,96,71,939	1,41,79,740	3,60,37,450	12.37%	648.73%
(ii) L.Hema	20,89,060	1,88,01,540	-	2,08,90,600	7.17%	-
(iii) L.Shritha	20,000	1,80,000	-	2,00,000	0.07%	-
(iv) Matrix Partners India Investment Holding II LLC	41,00,999	3,69,08,991	-	4,10,09,990	14.08%	-
(v) SCI Investments V	25,69,650	2,31,26,850	-	2,56,96,500	8.82%	-
Sub-Total	**1,09,65,480**	**9,86,89,320**	**1,41,79,740**	**12,38,34,540**	**42.50%**	**129.31%**
Partly paid up shares						
(i) D. Lakshmipathy	1,52,50,000		(1,52,50,000)	-	-	(100.00%)
Sub-Total	**1,52,50,000**	-	**(1,52,50,000)**	-	-	(100.00%)
Grand Total	**2,62,15,480**	**9,86,89,320**	**(10,70,260)**	**12,38,34,540**	**42.50%**	**(4.08%)**

The Board of Directors of the Company, pursuant to their resolution dated October 21, 2021 have taken on record, that D. Lakshmipathy, L.Hema, L.Shritha, Matrix Partners India Investment Holdings II, LLC and SCI Investments V be identified as the promoters of the Company for the purposes of its proposed initial public offering of its equity shares and for all other purposes, regulatory, statutory or otherwise.

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Promoter Holdings

Name of Promoter	As at March 31, 2021				
	Number of Shares at the beginning of the period	Movement during the period	Number of Shares at the end of the period	% of Total Shares	% of Change during the period
Fully paid up shares					
(i) D. Lakshmipathy	21,85,771	-	21,85,771	8.04%	-
(ii) L.Hema	20,89,060	-	20,89,060	7.68%	-
(iii) L.Shritha	20,000	-	20,000	0.07%	-
(iv) R.Deenadayalan	1,63,200	-	1,63,200	0.60%	-
(v) D.Varalakshmi	44,770	-	44,770	0.16%	-
Sub-Total	**45,02,801**	-	**45,02,801**	**16.56%**	-
Partly paid up shares					
(i) D. Lakshmipathy	15,25,000	-	15,25,000	5.61%	-
Sub-Total	**15,25,000**	-	**15,25,000**	**5.61%**	-
Grand Total	**60,27,801**	-	**60,27,801**	**22.17%**	-

**Promoter means Promoter as defined in Companies Act 2013

The determination /identification of promoters for the purpose of presentation under this disclosure has been done on the basis of information available with the company which has been solely relied upon by the auditors.

Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of total shares in class	Number of shares	% of total shares in class
TPG Asia VII SF Pte. Ltd.	6,11,06,730	20.97%	61,10,673	22.47%
Matrix Partners India Investment Holdings II, LLC	4,10,09,990	14.08%	41,00,999	15.08%
D. Lakshmipathy	3,60,37,450	12.37%	37,10,771	13.65%
NHPEA Chocolate Holding B.V	-		35,98,051	13.23%
Norwest Venture Partners X - Mauritius	2,97,48,060	10.21%	25,69,650	9.45%
SCI Investments V	2,56,96,500	8.82%	25,69,650	9.45%
L. Hema	2,08,90,600	7.17%	20,89,060	7.68%
Sirius II Pte Ltd	1,75,93,990	6.04%	-	0.00%

The above disclosures given in Note 21 with respect to number of shares are based on face value of INR 1. During the Period, the Company has approved the sub-division of each equity share of face value of INR 10 each fully paid up into 10 equity shares of face value of INR 1 each fully paid up.

	Particulars	As at March 31, 2022	As at March 31, 2021
22	**Other Equity**		
	Statutory reserve	27,112.60	18,041.71
	Share options outstanding account	3,405.80	1,795.27
	Securities premium	2,31,361.87	1,39,234.46
	General reserve	719.60	719.60
	Retained earnings	1,05,616.78	69,461.69
	Cash Flow Hedge Reserve	(94.98)	-
		3,68,121.67	**2,29,252.73**

	Particulars	As at March 31, 2022	As at March 31, 2021
i	**Statutory reserve**		
	Opening balance	18,041.71	10,861.82
	Amount transferred from surplus in the statement of profit and loss	9,070.89	7,179.89
	Closing balance	**27,112.60**	**18,041.71**

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As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of INR 9,070.89 lakhs (March 31, 2021: INR 7,179.89 lakhs), out of the profit after tax for the year ended March 31, 2022 to Statutory Reserve.

Five-Star Housing Finance Private Limited, the wholly owned subsidiary amalgamated with the Company with appointed date under the aforesaid Scheme as April 1, 2019. The erstwhile wholly owned subsidiary has surrendered its Certificate of Registration to carry on the business of housing finance institution to National Housing Bank (NHB) on June 5, 2020. The statutory reserve maintained by the wholly owned subsidiary under section 29C of the National Housing Bank Act, 1987 was subsumed in the statutory reserve maintained by the Company.

No appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

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	Particulars	As at March 31, 2022	As at March 31, 2021
ii	**Share options outstanding account**		
	Opening balance	1,795.27	428.30
	Share based payment expense	3,544.18	1,509.39
	Less : Transfer to securities premium	1,933.65	142.42
	Closing balance	3,405.80	1,795.27

The amount represents reserve created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service. Also refer note 42.

iii	**Securities premium**		
	Opening balance	1,39,234.46	1,39,069.20
	Premium on shares issued during the year	92,297.51	165.26
	Less : Utilised during the year for share issue expenses	(170.10)	-
	Closing balance	2,31,361.87	1,39,234.46

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. During the year ended March 31, 2022, Securities premium was utilised to the extent of INR 170.10 lakhs towards share issue expenses, in line with Section 52 of the Companies Act 2013.

iv	**General reserve**		
	Opening balance	719.60	719.60
	Amount transferred from surplus in the statement of profit and loss	-	-
	Closing balance	**719.60**	**719.60**

General reserve is a free reserves which can be utilised for any purpose as may be required.

v	**Retained earnings**		
	Opening balance	69,461.69	40,820.92
	Profit for the year	45,354.45	35,899.44
	Less: Transfer to Statutory reserve	9,070.89	7,179.89
	Re-measurements of defined benefit plan	(128.43)	(78.78)
	Closing balance	1,05,616.78	69,461.69

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date. The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013 and the Regulations of Reserve Bank of India.

vi	**Cash flow Hedge Reserve**		
	Opening balance	-	-
	Additions	(94.98)	-
	Closing balance	**(94.98)**	-

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
23	**Interest income**		
	(On financial assets measured at amortised cost)		
	Interest on loans	1,17,051.64	99,550.11
	Interest on deposits with banks	2,703.35	1,937.47
	Interest on Investment in Government Securities	621.56	
	Total	**1,20,376.55**	**1,01,487.58**
24	**Fee Income**		
	Legal and inspection fees	2,562.31	1,894.14
	Others charges*	377.29	273.47
	Total	**2,939.60**	**2,167.61**

* Comprises of charges collected from the customers in the nature of Document storage charges, Cheque dishonour charges and other charges as applicable.

All services that generate revenue from contract with Customers are rendered at a point in time and are rendered in India

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
25	**Net gain on fair value changes**		
	Net gain on financial instruments at fair value through profit or loss (FVTPL)		
	On trading portfolio		
	-Mutual fund investments at FVTPL	2,090.21	1,319.03
		2,090.21	**1,319.03**
	Fair value changes		
	Realised	2,090.21	1,319.03
	Unrealised	-	-
		2,090.21	**1,319.03**
26	**Other income**		
	Recovery of assets written off	185.84	86.88
	Other non-operating income	24.72	64.37
		210.56	**151.25**

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Notes forming part of the financial statements for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
27	**Finance costs**		
	(On financial liabilities measured at amortised cost)		
	Interest on borrowings		
	- term loans from banks	7,807.55	8,859.34
	- cash credits and overdraft	16.04	9.30
	- term loans from others*	9,180.85	7,969.18
	Interest on debt securities	12,735.93	15,501.75
	Interest on lease liability	219.97	179.55
	Other borrowing costs	99.65	-
		30,060.00	**32,519.12**

*Includes interest of INR 6,361.38 lakhs (March 31, 2021 - INR 5,326.45 lakhs) pertaining to borrowings from securitisation arrangements.

28	**Fees expenses**		
	Amortization of Ancillary costs relating to borrowings	-	266.83
		-	**266.83**
29	**Impairment on financial instruments**		
	(On financial assets measured at amortised cost)		
	Impairment loss allowance on loans*	4,551.81	3,517.57
		4,551.81	**3,517.57**

* Includes write-off of INR 2926.39 lakhs (March 31, 2021 - INR 996.83 lakhs)

30	**Employee benefits expense**		
	Salaries, wages and bonus	17,854.07	13,376.13
	Contribution to provident and other funds	1,396.01	1,080.50
	Employee stock option expenses (Refer note 42)	3,544.18	1,509.39
	Staff welfare expenses	817.26	405.76
		23,611.52	**16,371.78**
31	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment (Refer note 12)	476.43	531.25
	Amortisation of intangible assets (Refer note 13)	116.91	52.81
	Depreciation on Right of use asset (Refer note 38)	631.13	554.33
		1,224.47	**1,138.39**
32	**Other expenses**		
	Rent expense	52.86	40.77
	Rates and taxes	42.30	111.34
	Electricity expenses	97.33	92.55
	Repairs and maintenance	348.28	259.89
	Communication costs	620.96	443.73
	Printing and stationery	294.16	238.27
	Advertisement and publicity	7.47	3.23
	Directors fees, allowances and expenses	77.50	14.43
	Auditor's fees and expenses (Refer note 32.1)	149.48	51.46
	Legal and professional charges	1,528.71	1,183.11
	Insurance	16.96	13.33
	Corporate social responsibility expenses (Refer note 32.2)	699.70	428.64
	Travel expenses	226.01	45.47
	Information technology expenses	1,100.94	568.43
	Loss on sale of property, plant and equipment	1.32	2.32
	Bank charges	181.27	140.80
	Collection/Recovery costs	279.18	-
	Miscellaneous expenses	23.78	29.93
		5,748.21	**3,667.70**

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	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
32.1	**Payments to auditors (Refer note)**		
	Statutory audit including limited review	140.76	41.42
	Tax audit	2.18	2.18
	Other services	6.54	5.45
	Reimbursement of expenses	-	2.41
		149.48	**51.46**

Note:
1. Payment to auditors towards statutory audit including limited review above includes INR.40.48 lakhs paid to predecessor auditors during financial year 2021-2022.
2.Excludes remuneration to predecessor auditor during FY 2021-22 for services in connection with proposed initial public offer of equity shares of the Company, which is included under other receivables

32.2 Details of expenditure on corporate social responsibility ("CSR")

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Amount required to be spent by the Company during the period/year	699.43	428.64
(b) Amount of expenditure incurred during the period/year	699.70	278.64
(c) Shortfall at the end of the period/year	-	150.00
(d) Total of previous years shortfall**	100.00	Not Applicable
(e) Reason for shortfall	Not Applicable	*
(f) Nature of CSR activities	Contribution towards projects in the domain of education and healthcare .	Contribution to government relief funds and funds expended towards projects in the domain of education and others.
(g) Details of related party transactions	Nil	Nil

* The reason for shortfall in CSR exepnditure is on account of the fact that the management was in the process of identifying suitable projects and programme which can be identified which would compliment the businessess of the company. Auditors have relied on the reasoning provided by the management

** Against the shortall of INR 100 lakhs for the year ended March 31, 2021, the company pursuant to the approval of the board at it's meeting held on March 22, 2021, has earmarked INR 100 lakhs to be spent on an ongoing project towards welfare of education, under section 135 of the Companies Act 2013

33 Income tax

		Year ended March 31, 2022	Year ended March 31, 2021
i. Current tax			
In respect of current year		15,959.12	12,557.29
In respect of prior years		-	36.83
		15,959.12	**12,594.12**
ii. Deferred tax			
Attributable to–			
Origination and reversal of temporary differences		(892.66)	(849.48)
		(892.66)	**(849.48)**
Tax expense (i)+(ii)		**15,066.46**	**11,744.64**

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	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
33.1	**Deferred tax related to Items recognized in OCI during the Year**		
	Tax impact on Re-measurements of the defined benefit plan	43.20	26.49
	Tax impact due to Cash Flow hedge reserve	31.94	-
	Deferred tax charged to OCI	**75.14**	**26.49**
33.2	**Reconciliation of total tax expense**		
	Profit before tax	60,420.91	47,644.08
	Applicable tax rate	25.17%	25.17%
	Computed tax expense	15,206.73	11,991.06
	Tax effect of :		
	Permanent differences		
	Deduction u/s 80JJAA of the Income Tax Act, 1961	(288.67)	(362.55)
	Disallowance related to CSR expenditure	176.10	108.34
	Others	(27.71)	7.79
	Income tax expense recognised in statement of profit and loss (Pertaining to current year)	**15,066.46**	**11,744.64**
	Effective tax rate	24.94%	24.65%

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	Particulars	As at March 31, 2022	As at March 31, 2021
34	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	162.53	5.98
35	**Contingent liabilities**		
	Claims against the Company not acknowledged as debt		
	- Income tax related matters (excluding penalties and interest)	6.74	6.74

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is Nil.

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

37 Deferred tax assets / (liability):

In relation to :	As at March 31, 2022	As at March 31, 2021
Difference between written down value of fixed assets as per books of accounts and income tax	197.28	134.10
Employee Benefits	640.62	448.51
Cash flow hedge reserve	31.94	-
Impairment allowance	2,277.89	1,987.18
Impact of Effective interest rate adjustment on Financial Assets	1,829.81	1,679.02
Impact of Effective interest rate adjustment on Financial liabilities	(338.92)	(573.29)
Recognition of lease liability and right to use asset	28.12	23.42
	4,666.74	**3,698.94**

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37.1 Deferred tax assets / (liability)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense

	Opening Balance	Recognised in profit of loss	Recognised in other comprehensive income	Closing Balance
For the year ended 31 March, 2022:				
Difference between written down value of fixed assets as per books of accounts and income tax	134.10	63.18	-	197.28
Employee Benefits	448.51	148.91	43.20	640.62
Cash flow hedge reserve	-	-	31.94	31.94
Impairment allowance (including Write-Off)	1,987.18	290.71	-	2,277.89
Unamortised processing fee income	1,679.02	150.79	-	1,829.81
Unamortised processing fee expenses	(573.29)	234.37	-	(338.92)
Recognition of lease liability and right to use asset	23.42	4.70	-	28.12
Total	**3,698.94**	**892.66**	**75.14**	**4,666.74**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense

	Opening Balance	Recognised in profit of loss	Recognised in other comprehensive income	Closing Balance
For the year ended 31 March, 2021:				
Difference between written down value of fixed assets as per books of accounts and income tax	95.19	38.91	-	134.10
Employee Benefits	303.92	118.10	26.49	448.51
Cash flow hedge reserve	-	-	-	-
Impairment allowance (including Write-Off)	1,289.74	697.44	-	1,987.18
Unamortised processing fee income	1,664.02	15.00	-	1,679.02
Unamortised processing fee expenses	(545.07)	(28.22)	-	(573.29)
Recognition of lease liability and right to use asset	15.16	8.26	-	23.42
Total	**2,822.96**	**849.49**	**26.49**	**3,698.94**

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38 Leases

The Company has taken office premises on lease for its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.
Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

i) Movement in carrying value of right of use assets

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	**1,452.63**	**1,488.00**
Additions during the year	1,263.90	683.29
Depreciation	(631.13)	(554.33)
Derecognition on termination of leases	(107.30)	(164.33)
Closing balance	**1,978.10**	**1,452.63**

ii) Movement in lease liabilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	1,529.36	**1,555.33**
Additions during the year	1,272.73	681.94
Interest on lease liabilities	219.97	179.55
Rent payments	(779.72)	(680.80)
Derecognition on termination of leases	(129.02)	(206.66)
Closing balance	**2,113.32**	**1,529.36**

iii) Amounts recognised in statement of profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent expense on short term leases	52.86	40.77
Interest on lease liabilities	219.97	179.55
Depreciation on Right of use asset	631.13	554.33
Gain recognised on derecognition of leases	(21.73)	(42.32)
Rent concession related to COVID-19	-	(19.08)

iv) Future lease commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Future undiscounted lease payments to which leases is not yet commenced	41.14	88.28

v) Cash flows

Particulars	As at March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	832.58	721.57

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

vi) Maturity analysis of undiscounted lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	805.60	608.44
Later than one year and not later than five years	1,554.89	1,156.01
Later than five years	191.88	128.13

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8.50% to 12.50%

39 Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after tax	45,354.45	35,899.44
Weighted Average Number of Equity Shares in calculation of basic earnings per share	28,18,98,756	25,61,81,767
Dilution on account of ESOP and partly-paid up shares	30,29,537	76,67,340
Weighted Average Number of Equity Shares in calculation of diluted earnings per share	28,49,28,293	26,38,49,107
Basic earnings per share	16.09	14.01
Diluted earnings per share	15.92	13.61

During the year ended March 31, 2022, the Board of Directors of the Company in its meeting held on September 8, 2021 and shareholders in the Extraordinary General Meeting held on October 8, 2021 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. The number of shares used for the calculation of earnings per share, and the earnings per share in the above note (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

40 Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chairman and Managing Director ('MD') to make decisions about resources to be allocated to the segments and assess their performance. The MD is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 Operating Segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The Company is primarily engaged in providing loans for business purposes, house renovation / extension purposes and other mortgage purposes. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments. Accordingly, amounts appearing in these financial statements relates to small business loans and loans for house renovations / extensions etc.

The Company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per Ind AS 108 Operating Segments.

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41 Employee benefits - post employment benefit plans

A Defined contribution plans

The Company makes provident fund and employee state insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 889.79 lakhs (year ended March 31, 2021 - INR 672.19 lakhs) for provident fund contributions, and INR 245.20 lakhs (year ended March 31, 2021 - INR 204.48 lakhs) for employee state insurance scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B Defined benefit plans

Gratuity

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as Actuarial risk, Investment risk, Liquidity risk, Market risk, Legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Funding

The Company has funded their gratuity liability with Life Insurance Corporation. Gratuity provision has been made based on the actuarial valuation.

Reconciliation of net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset (liability) and its components.

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligations	1,246.93	811.61
Fair value of plan assets	(907.29)	(556.83)
Asset/ (Liability) recognised in the balance sheet	**(339.64)**	**(254.78)**

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

B Defined benefit plans

Reconciliation of present value of defined benefit obligation	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	811.61	501.04
Benefits paid	(39.47)	(20.91)
Current service cost	253.35	195.97
Interest cost	43.24	28.50
Actuarial (gain)/loss recognized in other comprehensive income		
changes in demographic assumptions	-	-
changes in financial assumptions	(24.43)	14.74
experience adjustments	202.63	92.27
Balance at the end of the year	**1,246.93**	**811.61**
Expense recognized in profit or loss		
Current service cost	253.35	195.97
Net Interest cost	4.50	5.66
	257.85	**201.63**
Remeasurements recognized in other comprehensive income		
Actuarial (gain) loss on defined benefit obligation	178.21	107.01
Return on plan assets excluding interest income	(6.58)	(1.74)
	171.63	**105.27**
Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	556.83	253.94
Expected return on plan assets	38.73	22.84
Contributions	344.62	299.22
Direct Contributions towards direct benefit payments	-	-
Benefits paid and Charges deducted from the fund	(39.47)	(20.91)
Direct Benefit Payments	-	-
Actuarial gain/(loss) on plan assets	6.58	1.74
Fair value of plan assets as at the end of the year	**907.29**	**556.83**
Net defined benefit (asset) liability	**339.64**	**254.78**
Actuarial assumptions		
Discount rate	5.85%	5.46%
Future salary growth	15.00%	15.00%
Attrition rate	25.00%	25.00%

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Discount rate		
-1% increase	(58.71)	(40.84)
-1% decrease	64.51	45.01
Attrition rate		
-1% increase	30.14	23.26
-1% decrease	(32.52)	(25.12)
Future salary growth		
-1% increase	(60.29)	(41.65)
-1% decrease	56.64	38.92

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

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Additional Disclosures required under Ind AS 19

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Average Duration of Defined Benefit Obligations (in Years)	5.70	6.05
Projected undiscounted expected benefit outgo (mid year cash flows) (in lakhs)		
Year 1	149.42	80.33
Year 2	182.02	97.90
Year 3	198.28	115.37
Year 4	172.51	129.71
Year 5	156.24	108.69
Next 5 Years	507.39	340.89
Expected benefit payments for the next annual reporting year (in lakhs)	149.42	80.33

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

42 Share Based Payments

A Description of schemes

The decision to introduce Five-Star Associate Stock Option Scheme, 2015 (hereinafter called "FIVE-STAR ASOP, 2015") was taken by the Board of Directors at the meeting held on September 18, 2015 and was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 12, 2016. The total options issuable under the plan are upto 5,63,000 options.

Later, the Board of Directors issued another scheme, named Five-Star Associate Stock Option Scheme, 2018 (hereinafter called "FIVE-STAR ASOP, 2018") at their meeting held on February 28, 2018 and was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on March 26, 2018. The total options issuable under the plan are upto 5,00,000 options.
Nomination and Remuneration Committee constituted by the Board of Directors of the Company administers the plans. Under these plans, the participants are granted options which vest as per the schedule provided in the Grant Letter given to each of the participants. The time period for exercise of these options is defined in the Scheme document.

i Reconciliation of outstanding share options

	As at March 31, 2022		As at March 31, 2021	
	Weighted average exercise price per option	**Number of options**	**Weighted average exercise price per option**	**Number of options**
Outstanding at beginning of year	56.99	4,69,300	121.63	1,60,150
Addition in number of options on account of share split*	-	42,23,700	-	-
Forfeited during the year	114.96	2,04,000	-	-
Exercised during the year	44.53	17,18,000	46.31	62,850
Granted during the year	76.12	11,37,000	674.40	3,72,000
Outstanding as at end of year	65.01	39,08,000	569.88	4,69,300
Exercisable at March 31	**67.44**	**2,000**	**130.00**	**48,000**

The weighted average share price at the date of exercise of options exercised during the year ended ended March 31, 2022 is INR 375.49 per share (March 31, 2021 : INR 150.12 per share)

During the year ended March 31, 2022, the Board of Directors of the Company in its meeting held on September 8, 2021 and shareholders in the Extraordinary General Meeting held on October 8, 2021 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. Also refer note:39

For the options outstanding at the end of the year:

	As at March 31, 2022	As at March 31, 2021
Weighted average remaining contractual life (in years)	6.63	6.61
Range of exercise prices (INR)	1 - 236.44	10 - 674.40

ii Expense recognised in the statement of profit and loss

	As at March 31, 2022	As at March 31, 2021
Total expense	3,544.18	1,509.39

iii Measurement of fair values

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. As the Company is unlisted, the expected price volatility is based on historical volatility (based on the remaining life of the options) in share prices of a listed proxy. The various inputs considered in the pricing model for the stock options granted by the Company during the year are as follows:

	As at March 31, 2022	Year ended March 31, 2021
Share price on Grant date (INR)	351.80 - 385.49	1,466.24 - 2,187.24
Weighted average share price (INR)	351.80 - 385.49	1,466.24 - 2,187.24
Exercise price (INR)	1 - 236.44	674.4
Fair value of options at grant date (INR)	212.56 - 384.82	932.13 - 1,755.59
Expected volatility	37.67% - 47.78%	34.42% - 38.28%
Option term	3.54 - 7.54 years	3.54 - 7.54 years
Expected dividends	Nil	Nil
Risk free interest rate	5.30% - 5.40%	5.30% - 5.40%

#The above disclosure for March 31, 2022 is after considering the subdivision of shares from ₹ 10 per share to ₹ 1 per share. Also Refer note 39.

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

43 Related party disclosures

a Name of the related parties and nature of relationship:

Key Management Personnel :
D. Lakshmipathy, Chairman and Managing Director
K.Rangarajan, Chief Executive Officer
G. Srikanth, Chief Financial Officer upto May 31, 2021; Chief - Strategy and Finance from June 1, 2021 to March 19, 2022 and Chief Financial Officer from March 20, 2022
Roopa Sampath Kumar, Chief Financial Officer (from June 1, 2021 to March 19 2022)
B. Shalini, Company Secretary

Director and relative of Key Management Personnel / Director
Hema Lakshmipathy, wife of Lakshmipathy Deenadayalan
Shritha Lakshmipathy, Daughter of Lakshmipathy Deenadayalan
Bhama Krishnamurthy, Independent Director
B. Haribabu, Independent Director (upto October 20, 2021)
A. Ramanathan, Independent Director
L.R. Ravi Prasad, Non-executive Director (upto October 20, 2021)
T.T. Srinivasaraghavan, Independent Director (from August 25, 2021)
V. Thirulokchand, Non-executive Director
R Anand, Independent Director
Vikram Vaidyanathan, Non-Executive Director
G V Ravishankar, Non-Executive Director

Entities with Significant Influence over the Company
TPG Asia VII SF Pte. Ltd.
Matrix Partners India Investment Holding II LLC
SCI Investments V

b Key management personnel (KMP) compensation	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits		
D. Lakshmipathy	631.66	501.93
K.Rangarajan	235.60	192.15
G.Srikanth	135.08	111.90
Roopa Sampath Kumar	96.10	-
B.Shalini	11.32	8.16
Post employment benefits		
D. Lakshmipathy	0.22	0.22
K.Rangarajan	0.22	0.22
G.Srikanth	0.22	0.22
Roopa Sampath Kumar	0.20	-
B.Shalini	0.22	0.22
Share based payments		
K.Rangarajan	2,332.49	969.57
G.Srikanth	624.12	328.32
B.Shalini	14.72	-
Directors sitting fees		
R Anand	9.80	6.15
Bhama Krishnamurthy	9.40	6.15
B. Haribabu	4.60	4.95
A. Ramanathan	9.40	5.55
L.R Ravi Prasad	4.60	4.45
V. Thirulokchand	5.00	4.50
T.T. Srinivasaraghavan	4.30	-

Managerial remuneration above does not include gratuity and compensated absences, since the same are provided on actuarial basis for the company as a whole and the amount attributable to the key managerial personnel cannot be ascertained separately.

Compensation to independent and non-executive directors represent commission and sitting fees paid.

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43 Related party disclosures

c Details of related party transactions

Nature of transaction	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Issue of equity shares		
D. Lakshmipathy	30.00	-
K.Rangarajan	12.51	15.64
G. Srikanth	6.53	2.95
Receipt of pending call money of partly paid up shares		
D. Lakshmipathy	137.25	-
K.Rangarajan	5.76	-
G. Srikanth	4.03	-
Receipt of securities premium		
D. Lakshmipathy	35,681.78	-
K.Rangarajan	126.66	-
G.Srikanth	72.19	-

*excludes transfer from Share Based Payment reserve to Securities Premium on exercise of employee stock options

Personal Guarantee received for Borrowings		
D. Lakshmipathy	9,217.18	55,402.99
Balances as at Year Ended 31st March 2022:		
Employee Benefits Payable		
D. Lakshmipathy	125.96	106.75
K.Rangarajan	40.92	33.55
G.Srikanth	12.86	11.42
Director Commission Payable		
R Anand	3.60	2.78
Bhama Krishnamurthy	3.60	2.78
B. Haribabu	1.80	2.78
A. Ramanathan	3.60	2.78
L.R Ravi Prasad	1.80	2.78
V. Thirulokchand	3.60	2.78
T.T. Srinivasaraghavan	3.60	-

In addition to the above note, the Debt Securities and borrowings other than debt securities aggregating to INR 77,228.40 lakhs has been guaranteed by the promoter, Mr. D Lakshmipathy.

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44 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reporting period.

Capital management

The primary capital management objective is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years with regard to capital management. However, they are under constant review by the Board.

i Net Debt to Equity Ratio

Consistent with the others in industry, the company monitors the capital on the basis of gearing ratio (Net Debt divided by Equity). Under the terms of the major borrowing facilities, the company is required to maintain the gearing ratio in line with the RBI guidelines or in a slightly more conservative manner. The actual gearing stipulated differs between the various lending agreements. The company has complied with this covenant through out the year.

	As at March 31, 2022	As at March 31, 2021
Equity	3,71,035.10	2,31,817.22
Debt Securities	1,00,853.38	1,30,378.55
Borrowings other than Debt Securities	1,55,029.75	2,12,141.12
Cash and Cash equivalents	61,316.28	1,26,718.28
Net Debt	1,94,566.85	2,15,801.39
Net Debt to Equity Ratio	**0.52**	**0.93**

ii Regulatory capital

The company has to mandatorily comply with the capital adequacy requirements stipulated by Reserve Bank of India from time to time. Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

	As at March 31, 2022	As at March 31, 2021
Tier I Capital	3,35,814.66	1,96,690.03
Tier II Capital	-	-
Total Capital	**3,35,814.66**	**1,96,690.03**
Total Risk Weighted Assets	4,46,586.18	3,34,165.86
Capital Ratios		
CRAR - Tier I Capital%	75.20	58.86
CRAR - Tier II Capital%	-	-
CRAR%	**75.20**	**58.86**
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Tier I capital comprises of shareholders' equity and retained earnings. Tier II Capital comprises of general provision and loss reserves (12 month expected credit losses). Credit enhancement relating to securitisation transactions have been adjusted against Tier I and Tier II capital in accordance with RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Tier I and Tier II capital have been reported on the basis of Ind AS financial statements. Risk weighted assets represents the weighted sum of company's credit exposures based on their risk as prescribed by RBI guidelines.

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45 Fair Value Measurement

Fair Value Hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

The Following methodologies and and assumptions were used to estimate the fair values of the financial assets or liabilities

i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product

ii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting

iii) The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs

iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.

v) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

Fair Value of financial instruments recognised and measured at fair value

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial liabilities:				
Derivative Financial Instruments	-	138.92	-	**138.92**

For all the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair value, except as stated below. Such estimation is determined based on inputs where one or more unobservable input is significant to the measurement of the instrument as a whole (level 3), except for cash and cash equivalents, bank balances other than cash and cash equivalents and investments where such estimation is determined based on unadjusted quoted prices from active markets for identical assets (level 1). The fair value of investment, Loans, debt securities and borrowings other than debt securities for FY 22 amounted to INR 24,546.47 lakhs, INR 5,17,539.33 lakhs, INR 1,06,291.77 lakhs and INR 1,55,656.75 lakhs respectively.

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Fair Value of Financial Instruments Recognition

Financial instruments by category
The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

Particulars	Carrying amount			
	Amortised cost	Fair value through profit or loss	Other Comprehensive Income	Total carrying value
Financial assets:				
Cash and cash equivalents	61,316.28	-	-	61,316.28
Bank balances other than cash and cash equivalents	26,677.50	-	-	26,677.50
Loans	5,10,241.07	-	-	5,10,241.07
Investments	24,818.38	-	-	24,818.38
Other financial assets	1,797.93	-	-	1,797.93
Total	**6,24,851.16**	-	-	**6,24,851.16**
Financial liabilities:				
Derivative Financial Liability	-	-	138.92	138.92
Trade payables	1,300.31	-	-	1,300.31
Debt securities	1,00,853.38	-	-	1,00,853.38
Borrowings (Other than debt securities)	1,55,029.75	-	-	1,55,029.75
Other financial liabilities	4,146.84	-	-	4,146.84
Total	2,61,330.28	-	138.92	2,61,469.20

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

Particulars	Carrying amount			
	Amortised cost	Fair value through profit or loss	Other Comprehensive Income	Total carrying value
Financial assets:				
Cash and cash equivalents	1,26,718.28	-	-	1,26,718.28
Bank balances other than cash and cash equivalents	8,853.99	-	-	8,853.99
Loans	4,35,874.94	-	-	4,35,874.94
Investments	-			
Other financial assets	474.34	-	-	474.34
Total	**5,71,921.55**	-	-	**5,71,921.55**
Financial liabilities:				
Trade payables	867.17	-	-	867.17
Debt securities	1,30,378.55	-	-	1,30,378.55
Borrowings (Other than debt securities)	2,12,141.12	-	-	2,12,141.12
Other financial liabilities	1,717.01	-	-	1,717.01
Total	3,45,103.86	-	-	3,45,103.86

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

46 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.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	61,316.28	-	61,316.28	1,26,718.28	-	1,26,718.28
Bank balances other than cash and cash equivalents	18,173.58	8,503.92	26,677.50	3.96	8,850.03	8,853.99
Loans	88,263.49	4,21,977.58	5,10,241.07	67,216.71	3,68,658.23	4,35,874.94
Investments	10,798.06	14,020.32	24,818.38			
Other financial assets	1,525.95	271.98	1,797.93	185.68	288.66	474.34
	1,80,077.36	**4,44,773.80**	**6,24,851.16**	**1,94,124.63**	**3,77,796.92**	**5,71,921.55**
Non-financial assets						
Current tax assets (net)	-	220.07	220.07	795.79	-	795.79
Deferred tax assets (net)	-	4,666.74	4,666.74	-	3,698.94	3,698.94
Investment property	-	3.56	3.56	-	3.56	3.56
Property, plant and equipment	-	1,214.45	1,214.45	-	845.60	845.60
Right of use asset	-	1,978.10	1,978.10	-	1,452.63	1,452.63
Other intangible assets	-	88.74	88.74	-	190.30	190.30
Other non-financial assets	1,265.87	17.87	1,283.74	408.49	44.28	452.77
	1,265.87	**8,189.53**	**9,455.40**	**1,204.28**	**6,235.31**	**7,439.59**
Total assets	**1,81,343.23**	**4,52,963.33**	**6,34,306.56**	**1,95,328.91**	**3,84,032.23**	**5,79,361.14**
LIABILITIES AND EQUITY						
Financial liabilities						
Derivative financial instruments	-	138.92	138.92	-	-	-
Payables						
Trade payables						
total outstanding dues of micro and small enterprises	-	-	-	-	-	-
total outstanding dues of creditors other than micro and small enterprises	1,300.31	-	1,300.31	746.93	120.24	867.17
Debt securities	55,798.91	45,054.47	1,00,853.38	33,549.02	96,829.53	1,30,378.55
Borrowings (other than debt securities)	65,013.93	90,015.82	1,55,029.75	71,031.62	1,41,109.50	2,12,141.12
Other financial liabilities	2,700.78	1,446.06	4,146.84	679.33	1,037.68	1,717.01
	1,24,813.93	**1,36,655.27**	**2,61,469.20**	**1,06,006.89**	**2,39,096.95**	**3,45,103.86**
Non-financial liabilities						
Provisions	364.81	535.22	900.03	150.33	569.47	719.80
Other non-financial liabilities	902.23	-	902.23	1,720.27	-	1,720.27
	1,267.04	**535.22**	**1,802.26**	**1,870.61**	**569.47**	**2,440.07**
Total liabilities	**1,26,080.97**	**1,37,190.48**	**2,63,271.46**	**1,07,877.50**	**2,39,666.42**	**3,47,543.92**
Net Assets/ (Liabilities)			3,71,035.10			2,31,817.21

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47 Financial risk management objectives and policies

The Company's principal financial liabilities primarily comprise of borrowings from banks, debentures and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash and cash equivalents that relate directly to its operations.

These activities exposes the Company to a variety of financial risks, as listed below apart from various operating and business risks, and the note below also explains how the Company manages such risks.

Market risk;
Credit risk; and
Liquidity risk
This note explains the sources of risks arising from financial instruments which the entity is exposed to and how the Company manages the risk.

Risk management framework

The Company's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(i) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices which will affect the Companies income or the value of holdings of financial instruments. The company does not have exposure to currency risk and security price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk

Interest rate risk primarily arises from borrowings with variable rates. The company's borrowings are carried at amortised cost. The borrowings with fixed rates are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	As at March 31, 2022	As at March 31, 2021
Fixed rate instruments		
Financial assets	6,17,804.72	5,39,562.50
Financial liabilities	1,67,758.55	2,52,382.61
	7,85,563.28	7,91,945.11
Variable rate instruments		
Financial assets	-	-
Financial liabilities	88,124.58	90,137.07
	88,124.58	90,137.07

Cash flow sensitivity analysis for variable-rate instruments:

	Profit / loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2022				
Variable-rate instruments	(1,104.79)	1,104.79	(826.74)	826.74
Cash flow sensitivity (net)	(1,104.79)	1,104.79	(826.74)	826.74
March 31, 2021				
Variable-rate instruments	(732.35)	732.35	(548.03)	548.03
Cash flow sensitivity (net)	(732.35)	732.35	(548.03)	548.03

The sensitivity analysis above has been determined for borrowings where interest rates are variable. A 100 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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47 Financial risk management objectives and policies

(ii) Credit risk

Loans and advances

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 advances and other financial assets. The carrying amount of financial assets represents the maximum credit exposure. The company has Credit policy approved by the Board of Directors, which is subject to annual review. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including periodical collateral revisions, as defined in the Credit policy. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The disclosure of maximum exposure to credit risk without taking into account any collateral held or other credit enhancements has not been provided for financial assets, as their carrying amount best represent the maximum exposure to credit risk. All the loans provided are secured against mortgage of land and/or building. The fair value of the collateral is determined on the guidelines prescribed in the collateral management policy as approved by the Board of Directors.

Impairment assessment - Expected credit loss ("ECL"):
An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. The Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

Probability of default:
PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Model was used to forecast the PD term structure over lifetime of loans. As per given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out on PD based on the last six years historical data.

The PDs derived from the model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.
The probability of default was calculated for 3 scenarios: best , worst and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

47 Financial risk management objectives and policies

Staging of loans:

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the loan has remained overdue for a period greater than 90 days.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the loan becomes less than or equal to 90 days past due on its contractual obligations. Such cured loans are classified as Stage 1 or 2 depending upon the days past due after such cure has taken place.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months ECL
1-30 Days	Stage 1	12 Months ECL
31-90 Days	Stage 2	Lifetime ECL
90+ Days	Stage 3	Lifetime ECL

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of models.

Loss given default

The credit risk assessment is based on a standardised loss given default (LGD) assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows.

Further recent data and forward-looking economic scenarios are used in order to determine the LGD rate for each of the homogeneous portfolios. When assessing forward-looking information, the expectation is based on multiple scenarios.

Under Ind AS 109, LGD rates are estimated for each of the homogeneous portfolios. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Life-time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

When estimating ECLs on a collective basis for a group of similar assets the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. (Refer Note-6.1 for analysis of changes in the gross carrying amount and the corresponding ECL allowances)

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47 Financial risk management objectives and policies

Grouping financial assets measured on a collective basis

The Company calculates ECL on a collective basis for all asset classes.
The Company combines these exposure into smaller homogeneous portfolios, based on the characteristics of the loans, as described below:

Geographic location
Loan Type (Till March 31, 2021)
Ticket size

ECL computation:
Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial assets.
The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	Provisions	As at March 31, 2022	As at March 31, 2021
Stage 1	12 month provision	0.34%	0.33%
Stage 2	Life time provision	8.77%	13.04%
Stage 3	Life time provision	34.89%	17.96%

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

47 Financial risk management objectives and policies

Analysis of credit concentration risks
The Company's concentrations of risk are managed by counterparty and geography. The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was INR 79.78 Lakhs (March 31, 2021: INR 63.30 Lakhs).

The following table shows the risk concentration of loan portfolio by geography.

Geography	As at March 31, 2022	As at March 31, 2021
Tamil Nadu	1,93,981.67	1,82,290.54
Karnataka	36,807.78	32,192.50
Andhra Pradesh	1,48,432.90	1,25,096.37
Telangana	97,344.41	81,678.27
Others	30,141.01	23,280.41
	5,06,707.77	**4,44,538.09**

Note: The above risk concentration of loan portfolio excludes Inter-Corporate Deposits amounting to Rs. 13,821.88 lakhs as at March 31, 2022.

Cash and bank balances
The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Investments
Investments comprises of mutual funds and government securities in accordance with the investment policy. Govenment securitites have sovereign rating and mutual fund investments are made with counterparties with low credit risk. The credit worthiness is of these counterparties are evaluated on an ongoing basis .

Other Financial Assets
Other financial assets is primarily constituted by security deposits and other receivables. The Company does not expect any losses from non-performance by these counter-parties.

(iii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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47 Financial risk management objectives and policies

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities and assets including interest as at March 31, 2022:

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities					
Derivative Financial Instruments	138.92	-	-	138.92	-
Debt Securities	1,00,853.38	61,573.88	45,065.78	3,908.41	-
Borrowings (Other than Debt Securities)	1,55,029.75	76,292.31	54,564.04	46,375.35	-
Trade Payable	1,300.31	1,300.31	-	-	-
Other financial liabilities	4,146.84	2,839.11	695.67	859.14	191.01
Total (B)	**2,61,469.20**	**1,42,005.61**	**1,00,325.49**	**51,281.82**	**191.01**
Financial Assets					
Cash and cash equivalents	61,316.28	61,316.28	-	-	-
Bank Balances other than cash and cash equivalents	26,677.50	18,434.26	1,168.81	8,417.12	-
Loans	5,10,241.07	2,03,659.57	1,79,905.76	4,09,452.74	77,544.53
Investments	24,818.38	11,169.15	4,344.75	10,938.88	-
Other Financial assets	1,797.93	1,525.95	52.01	188.12	31.85
Total (A)	**6,24,851.16**	**2,96,105.21**	**1,85,471.33**	**4,28,996.86**	**77,576.38**

The table below provides details regarding the contractual maturities of financial liabilities and assets including interest as at March 31, 2021:

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities					
Derivative Financial Instruments	-	-	-	-	-
Debt Securities	1,30,378.55	33,549.02	52,973.11	43,481.42	375.00
Borrowings (Other than Debt Securities)	2,12,141.12	71,031.62	62,064.87	79,044.63	-
Trade Payable	867.17	746.93	50.05	70.19	-
Other financial liabilities	1,717.01	679.32	380.09	554.06	103.54
Total (B)	**3,45,103.85**	**1,06,006.88**	**1,15,468.12**	**1,23,150.30**	**478.54**
Financial Assets					
Cash and cash equivalents	1,26,718.28	1,26,718.28	-	-	-
Bank Balances other than cash and cash equivalents	8,853.99	3.96	787.51	5,838.73	2,223.79
Loans	4,35,874.94	67,216.71	66,958.54	2,28,710.05	72,989.64
Invesments	-	-	-	-	-
Other Financial assets	474.34	185.68	98.41	157.30	32.95
Total (A)	**5,71,921.55**	**1,94,124.63**	**67,844.46**	**2,34,706.08**	**75,246.38**

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(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

47 **(iv) Foreign Currency Risk**

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arise primarily on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps . When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedged exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds a derivative financial instrument of Cross currency swap to mitigate risk of changes in exchange rate in foreign currency

The Counterparty for the contract is a bank. Derivatives are fair valued using inputs that are directly or indirectly observable in market place.

Disclosure of Effects of Hedge Accounting

Cash Flow Hedge

Impact of hedging instrument on balance sheet is, as follows:

As on 31st March 2022

Foreign Exchange Risk on Cash Flow Hedge	No of Contracts		Nominal Value of Hedging Instrument (In Lakhs)	Carrying Value (In Lakhs)	Maturity Date	Changes in Fair Value of Hedging Instrument (in Lakhs)	Changes in Value of Hedged Item used as a Basis for recognising hedge effectiveness(in Lakhs)	Line Item in Balance Sheet
	Asset	Liability	Liability	Liability				
Cross Currency Interest Rate Swap	-	1	7,591.00	138.92	March 30, 2022 to December 27, 2026	138.92	12.00	Borrowings

Cash Flow Hedge	Change in the Value of hedging Instrument recognized in Other Comprehensive Income	Ineffectiveness recognised in Profit and Loss (in lakhs)	Amount reclassified from Cash Flow hedge reserve to Profit or Loss	Line item affected in statement of Profit and Loss because of the reclassification
Foreign Exchange risk and exchange rate risk	(126.92)	-	-	NA

As on 31st March 2021

Foreign Exchange Risk on Cash Flow Hedge	No of Contracts		Nominal Value of Hedging Instrument (In Lakhs)	Carrying Value (In Lakhs)	Maturity Date	Changes in Fair Value of Hedging Instrument (in Lakhs)	Changes in Value of Hedged Item used as a Basis for recognising hedge effectiveness(in Lakhs)	Line Item in Balance Sheet
	Asset	Liability	Liability	Liability				
Cross Currency Interest Rate Swap	-	-	-	-	-	-	-	NA

Cash Flow Hedge	Change in the Value of hedging Instrument recognized in Other Comprehensive Income	Ineffectiveness recognised in Profit and Loss (in lakhs)	Amount reclassified from Cash Flow hedge reserve to Profit or Loss	Line item affected in statement of Profit and Loss because of the reclassification
Foreign Exchange risk and exchange rate risk	-	-	-	NA

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48 Disclosures required as per RBI Circulars/Directives

A Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side				
1 Loans and Advances availed by the non-banking financial company, inclusive of interest accrued thereon but not paid				
a. Debentures				
i. Secured	1,01,293.58	-	1,31,290.80	-
ii. Unsecured				
b. Deferred Credits	-	-	-	-
c. Term Loans*	1,47,586.10	-	2,13,310.11	-
d. Inter-corporate loans and borrowings	-	-	-	-
e. Commercial Paper	-	-	-	-
f. Public Deposits				
g. Other loans				
Loans repayable on demand (secured) - From Banks	765.61	-	196.60	-
Loans from related parties (unsecured)	-	-	-	-
Term loans from others parties (unsecured)	7,584.45	-	-	-
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 party secured debentures i.e debentures where there is	-	-	-	-
c Other public deposits	-	-	-	-

* includes borrowings under securitisation

Particulars	Amount Outstanding as on March 31, 2022	Amount Outstanding as on March 31, 2021
Assets side		
3 Break-up of Loans and Advances, including Bills Receivables		
a. Secured (net of impairment loss allowance)	4,96,419.19	4,35,874.94
b. Unsecured	13,821.88	-
4 Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i) Leased assets including lease rentals under Receivables		
a. Financial lease	-	-
b. Operating lease	-	-
(ii) Stock on hire including hire charges under Receivables		
a. Assets on hire	-	-
b. Repossessed assets	-	-
(iii) Other loans counting towards AFC activities		
a. Loans where assets have been repossessed (net)	-	-
b. Loans other than (i) above	-	-
5 Break-up of Investments		
a Current Investments		
1 Quoted		
i. Shares		
a. Equity	-	-
b. Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities*	10,797.68	-
v. Others	-	-
2 Unquoted		
i. Shares		
a Equity	-	-
b Preference	-	-
ii. Debentures and Bonds	-	-
iv. Government Securities	-	-
v. Others	-	-

* Includes investments in Treasury Bills, Government of India STRIPS and Fixed Rate Bonds.

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48 Disclosures required as per RBI Circulars/Directives

A Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Particulars	Amount Outstanding as on March 31, 2022	Amount Outstanding as on March 31, 2021
b. Long-term Investments		
1 Quoted		
i. Shares		
a Equity	-	-
b Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities*	14,020.70	-
v. Others	-	-
2 Unquoted		
i. Shares		
1 Equity	-	-
2 Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others	-	-

* Includes investments in Treasury Bills, Government of India STRIPS and Fixed Rate Bonds.

6 Borrower group-wise classification of assets financed in 3 and 4 above

Category	Amount [Net of Provisions]			
	As at March 31, 2022		As at March 31, 2021	
	Total	Secured	Total	Secured
a. Related Parties				
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other Related Parties	-	-	-	-
b. Other than Related Parties	5,10,241.07	4,96,419.19	4,35,874.94	4,35,874.94
Total	**5,10,241.07**	**4,96,419.19**	**4,35,874.94**	**4,35,874.94**

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

Category	As at March 31, 2022		As at March 31, 2021	
	Market value / breakup or Fair value or NAV	Book Value (Net of Provisions)	Market value / breakup or Fair value or NAV	Book Value (Net of Provisions)
a. Related Parties				
i. Subsidiaries	-	-	-	-
ii. Companies in the same group	-	-	-	-
iii. Other Related Parties	-	-	-	-
b. Other than Related Parties	24,546.47	24,818.38	-	-
Total	**24,546.47**	**24,818.38**	-	-

8 Other Information

Particulars	As at March 31, 2022	As at March 31, 2021
a. Gross Non-Performing Assets (stage 3 assets)		
i. Related Parties	-	-
ii. Other than Related Parties	5,304.99	4,519.37
b. Net Non-Performing Assets (stage 3 assets)		
i. Related Parties	-	-
ii. Other than Related Parties	3,454.04	3,707.53
c. Assets acquired in satisfaction of debt	-	-

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48 Disclosures required as per RBI Circulars/Directives

Disclosure pursuant to Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

B Derivatives (Forward rate agreement / interest rate swap)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Notional Principal of Swap Accounts	7,591.00	-
(ii) Losses which would be incurred of counter parties failed to fulfill their obligations under the agreement	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from Swaps	-	-
(v) The fair value of the swap Book	138.92	-

-The Company has hedged its foreign currency borrowings through cross currency swaps. For Accounting Policy & Risk Management Policy, (Refer note no. 3.22 and 47(iv))

Exchange traded interest rate derivatives
The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Disclosures on risk exposure in derivatives

Qualitative Disclosure
Details for qualitative disclosure are part of accounting policy as per financial statements. (refer note no. 3.22)

Quantitative Disclosure

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Derivatives (notional principal amount) for hedging	7,591.00	-
(ii) Marked to market positions	-	-
(a) Asset	-	-
(a) Liability	138.92	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

C Investments

Particulars	As at March 31, 2022	As at March 31, 2021
1 Value of Investments		
i Gross value of investments		
a In India	24,818.38	-
b Outside India	-	-
ii Provision for depreciation		
a In India	-	-
b Outside India	-	-
iii Net value of investments		
a In India	24,818.38	-
b Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
i Opening balance	-	-
ii Add : Provisions made during the year	-	-
iii Less : Write-off / write-back of excess provisions during the year	-	-
iv Closing balance	-	-

D Exposure to Real Estate Sector

Particulars	As at March 31, 2022	As at March 31, 2021
1 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	5,06,598.53	4,44,380.60
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.).	109.24	157.49
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total exposure to Real Estate sector (gross)	**5,06,707.77**	**4,44,538.09**

*Represents gross carrying amount as at the reporting date which are secured by underlying mortgaged properties.
Note: The above exposure excludes Inter-Corporate Deposits amounting to INR. 13,821.88 lakhs as at March 31, 2022.

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E Customer Complaints

Particulars	As at March 31, 2022	As at March 31, 2021
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	83	31
No. of complaints redressed during the year	82	31
No. of complaints pending at the end of the year	1	-

F Exposure to Capital Market

The Company does not have any exposure to capital market and hence this disclosure is not applicable.

G Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers	899.70	917.00
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.14%	0.17%

-The above exposure denotes gross carrying amount

Note: The above concentration of advances excludes Inter-Corporate Deposits amounting to INR 13,821.88 lakhs as at March 31, 2022.

48 Disclosures required as per RBI Circulars/Directives

Disclosure pursuant to Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

H Concentration of exposures

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers	707.15	803.12
Percentage of exposures to twenty largest borrowers to Total exposure of the NBFC	0.14%	0.18%

-The above exposure denotes gross carrying amount

Note: The above concentration of exposure excludes Inter-Corporate Deposits amounting to Rs. 13,821.88 lakhs as at March 31, 2022.

I Concentration of NPAs (Stage 3 assets)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top four NPA accounts (Stage 3 assets)	84.72	134.52

J Ratings assigned by Credit Rating Agencies

The Credit Analysis & Research Limited (CARE), CRISIL Limited (CRISIL) and ICRA Limited (ICRA) have assigned ratings for the various facilities availed by the Company, details of which are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial Paper		
- CARE	A1+	A1
Long term Bank Facilities		
- CARE	A+	A
- ICRA	A+	A
Short term bank facilities		
- CARE	A1+	A1
Non Convertible Debentures		
- CARE	A+	A
- ICRA	A+	A

K Sector-wise Gross NPAs (Stage 3 assets)

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31, 2022	As at March 31, 2021
Agriculture & allied activities	-	-
MSME*	0.00%	7.78%
Corporate borrowers	-	-
Services*	1.18%	1.13%
Unsecured personal loans	-	-
Auto loans (commercial vehicles)	-	-
Other personal loans	0.82%	0.70%

* Represents small business loans given to borrowers involved in manufacturing/service sectors.
The above sector-wise NPA and advances is based on the data available with the company.

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L Movement of NPAs (Stage 3 assets)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross NPAs to Net Advances (%)	1.05%	1.02%
Net NPAs to Net Advances (%)	0.68%	0.84%
Movement of NPAs (Gross)		
(a) Opening balance	4,519.37	5,322.63
(b) Additions during the year	4,576.15	1,422.15
(c) Reductions during the year	(864.14)	(1,228.58)
(d) Write off	(2,926.39)	(996.83)
(e) Closing balance	5,304.99	4,519.37
Movement of Net NPAs		
(a) Opening balance	3,707.53	4,380.51
(b) Additions during the year	1,480.15	511.58
(c) Reductions during the year	(1,733.64)	(1,184.56)
(d) Closing balance	3,454.04	3,707.53
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	811.84	942.12
(b) Provisions made during the year	3,095.99	910.57
(c) Write-off / write-back of excess provisions	(2,056.88)	(1,040.85)
(d) Closing balance	1,850.95	811.84

M Other Regulator - Registration details

	Regulator	Registration No.
i	Ministry of Corporate Affairs	U65991TN1984PLC010844
ii	Reserve Bank of India	B-07.00286
iii.	National Housing Bank (NHB)*	05.0134.16

* Certificate of Registration has been surrendered to NHB on June 5, 2020

N Disclosure of penalties imposed by RBI and other regulators

The Company has not paid any penalty during the year ended March 31, 2022 and the year ended March 31, 2021.

O Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

The Company has not exceeded the Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) during the year ended March 31, 2022 and March 31, 2021

P Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint ventures and subsidiaries abroad during the year ended March 31, 2022 and March 31, 2021 and hence this disclosure is not applicable.

Q Details of financing of parent company products

The Company does not have a parent company and hence this disclosure is not applicable.

R Details of non-performing financial assets purchased/ sold

The Company has not purchased any non-performing assets during the financial year ended March 31, 2022 and March 31, 2021.

S Details of unsecured advances

The Company has unsecured Intercorporate deposits amounting to Rs.13,281.88 lakhs as at March 31, 2022 (March 31, 2021 - Rs. Nil). The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc. as collateral security.

T Off-Balance Sheet SPVs sponsored

The Company does not have Off-Balance Sheet SPVs sponsored, which are required to be consolidated as per the accounting norms, during the financial year ended March 31, 2022 and March 31, 2021.

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48 Disclosures required as per RBI Circulars/Directives

Disclosure pursuant to Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

U Remuneration to non-executive directors
The Company has incurred commission of INR 24 Lakhs and sitting fee of INR 47.10 lakhs during the year ended March 31, 2022 (March 31, 2021: Commission - INR 18 lakhs, sitting fee - INR 13.75 lakhs)

V Draw down from reserves
The Company has not made any draw down from reserves during the year ended March 31, 2022 except for utilisation of securities premium towards share issue expenses in accordance with Section 52 of Companies Act 2013 (refer note 22 (iii)).

The Company has not made any draw down from reserves during the year ended March 31, 2021.

W Provisions and Contingencies

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Category-wise Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss (including Other Comprehensive Income)		
Provisions for depreciation on investment	-	-
Provision towards non-performing assets*	3,965.50	866.56
Provision made towards income tax	15,959.12	12,594.12
Provision for compensated absences	512.07	399.18
Provision for gratuity	429.48	306.90
Provision for standard assets #	586.31	2,651.01

* Represents impairment loss allowance on stage 3 assets - Includes write-off of INR 2,929.39 lakhs (March 31, 2020 - INR 996.83 lakhs)
# Represents impairment loss allowance on stage 1 and stage 2 assets.

X Gold Loan Portfolio
The Company has not provided loan against gold during the year ended March 31, 2022 and March 31, 2021.

Y Related Party Transaction
Details of all material transactions with related parties are disclosed in Note 43

Z Net Profit or Loss for the period, prior period items and changes in accounting policies
There are no prior period items that have impact on the current year's profit and loss.

AA Revenue Recognition
There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

AB Ind As 110 – Consolidated Financial Statements (CFS)

The Company does not have any Subsidiary, Associate or Joint venture and hence is not required to prepare Consolidated financial statement.

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48 Disclosures required as per RBI Circulars/Directives

AC Public disclosure on Liquidity Risk

(i) Funding Concentration based on significant counterparty (borrowings)

S. No.	No. of Significant Counterparties	Amount (In lakhs)	% of Total Liabilities
1	22	1,74,294.98	66.20%

(ii) Top 20 large deposits (amount in Rs. and % of total deposits)
Not Applicable

(iii) Top 10 borrowings (amount in Rs. and % of total borrowings)

S. No.	Name of the Facility	Amount (In lakhs)	% of Total Borrowings
1	Total of top 10 borrowings	1,05,879.20	41.38%

(iv) Funding Concentration based on significant instrument/product

S. No.	Name of the Instrument/Product	Amount (In lakhs.)	% of Total Liabilities
1	Non-Convertible Debentures	1,00,853.38	38.31%
2	Term Loan	97,386.21	36.99%
3	Securitisation	49,414.81	18.77%
4	External commercial borrowings	7,471.01	2.84%

(iv) Stock Ratios

S. No.	Name of the Instrument/Product	Percentage
1	Commercial papers as a % of total public funds, total liabilities and total assets	-
2	Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	-
3	Other short-term liabilities, if any as a % of total public funds	48.78%
4	Other short-term liabilities, if any as a % of total liabilities	47.41%
5	Other short-term liabilities, if any as a % of total assets	19.85%

Definitions:
"Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.
"significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.
Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.
Total assets represents total assets as per the Balance Sheet netted off by intangible assets.

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48 Disclosures required as per RBI Circulars/Directives

Disclosure pursuant to Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

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

As at March 31, 2022

Particulars	1-7 Days	8-14 Days	15-31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5	Total
Advances*	6,642.26	2,106.79	3,667.47	5,860.48	5,954.30	19,702.43	44,329.75	1,80,577.27	1,77,341.70	65,944.76	5,12,127.23
Investments	-	-	16.41	16.41	6,083.33	2,573.92	2,107.99	14,020.33	-	-	24,818.38
Borrowings	1,373.05	527.25	4,100.33	7,925.19	10,573.91	36,651.99	59,655.67	1,18,866.94	9,970.96	-	2,49,645.29
Foreign Currency Liabilities	-	-	-	-	-	5.45	-	1,515.80	6,063.20	-	7,584.45

*The above advances excludes Inter-Corporate Deposits amounting to INR 13,821.88 lakhs as at March 31, 2022

As at March 31, 2021

Particulars	0-7 Days	8-15 Days	16-31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5	Total
Advances	4,266.28	2,208.53	2,689.25	4,673.72	4,735.06	15,570.43	34,381.85	1,46,167.08	1,59,311.40	76,393.56	4,50,397.16
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	34.97	650.36	9,758.12	9,033.27	9,424.89	19,279.10	57,574.18	2,03,364.28	35,303.35	375.00	3,44,797.52
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

* Market borrowings include borrowings from all sources other than banks.

Notes
- The balances considered are without netting of impairment loss allowance (for stage 1 and stage 2 assets) and unamortized Borrowing cost and Processing Fee

AE Disclosures in respect of fraud as per the Master Directions DNBS. PPD.01/66.15.001/2016-17, dated September 29, 2016

Particulars	Less than INR 1 Lakh				More than INR 1 Lakh less than INR 25 Lakh		Above INR 25 Lakh		Total	
	Number of Instances			Rs. in lakhs	Number of Instances	Rs. in lakhs	Number of Instances	Rs. in lakhs	Number of Instances	Rs. in lakhs
Person involved:										
Staff**	-			-	3	11.33	-	-	3	11.33
Outsiders	-			-	-	-	-	-	-	-
Total	-			-	3	11.33	-	-	3	11.33
Type of fraud:										
Cash Mishandling**	-			-	3	11.33	-	-	3	11.33
Others	-			-	-	-	-	-	-	-
Total	-			-	3	11.33	-	-	3	11.33

** The amount has been recovered fully and the above frauds have already been disclosed to the RBI, wherever applicable.

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48 Disclosures required as per RBI Circulars/Directives

AF Disclosures Pursuant to Reserve Bank of India Guidelines on Liquidity Risk Management RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03/.10.001/2019-20 dated November 4, 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2020, with the minimum LCR to be 30%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (comprise of cash on hand and demand deposits with Scheduled Commercial Banks and Unencumbered Government Securities)	7,877.00	7,876.71	15,816.00	15,816.46	33,179.16	33,179.16	30,764.11	30,764.11
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	13,839.99	15,915.99	9,440.00	10,856.08	13,533.46	15,563.48	13,603.97	15,644.57
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures an other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss on funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	-	-	-	-	-	-	1,870.23	2,150.77
7	Other contingent funding obligations	20,000.00	23,000.00	20,000.00	23,000.00	20,000.00	23,000.00	20,000.00	23,000.00
8	**Total cash outflows**	**33,839.99**	**38,915.99**	**29,440.00**	**33,856.08**	**33,533.46**	**38,563.48**	**35,474.22**	**40,795.34**
	Cash Inflows								
9	Secured Lending	13,880.63	10,410.55	13,975.00	10,481.33	14,637.62	10,978.22	13,009.18	11,312.33
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	1,13,159.27	84,868.78	1,10,154.00	82,614.85	84,366.46	63,274.85	36,537.01	31,771.31
12	**Total cash inflows**	**1,27,039.90**	**95,279.33**	**1,24,129.00**	**93,096.17**	**99,004.08**	**74,253.07**	**49,546.20**	**43,083.64**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		7,876.71		15,816.46		33,179.16		30,764.11
14	**Total Net cash outflows**		9,729.00		8,464.02		9,640.87		10,198.83
15	**Liquidity Coverage Ratio (%)**		81%		187%		344%		302%

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

48 Disclosures required as per RBI Circulars/Directives

AF Disclosures Pursuant to Reserve Bank of India Guidelines on Liquidity Risk Management RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03/.10.001/2019-20 dated November 4, 2019

	Particulars	Quarter ended 30 June 2020		Quarter ended 30 September 2020		Quarter ended 31 December 2020		Quarter ended 31 March 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**High Quality Liquid Assets** Total High Quality Liquid Assets (comprise of cash on hand and demand deposits with Scheduled Commercial Banks and Unencumbered Government securities)	45,077.52	45,077.52	47,465.99	47,465.99	36,764.77	36,764.77	15,185.85	15,185.85
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	7,817.81	8,990.48	9,303.09	10,698.55	26,794.82	30,814.05	12,254.44	14,092.60
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures an other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss on funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	21,783.33	25,050.83	21,383.33	24,590.83	20,983.33	24,130.83	20,366.67	23,421.67
8	**Total cash outflows**	**29,601.14**	**34,041.31**	**30,686.42**	**35,289.38**	**47,778.15**	**54,944.88**	**32,621.11**	**37,514.27**
	Cash Inflows								
9	Secured Lending	160.06	120.04	7,889.15	5,916.86	11,990.89	8,993.17	12,848.67	9,636.50
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	9,077.33	6,808.00	50,807.74	38,105.80	79,479.00	59,609.25	89,469.11	67,101.83
12	**Total cash inflows**	**9,237.39**	**6,928.04**	**58,696.89**	**44,022.66**	**91,469.89**	**68,602.42**	**1,02,317.78**	**76,738.33**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		45,077.52		47,465.99		36,764.77		15,185.85
14	**Total Net cash outflows**		27,113.27		8,822.35		13,736.22		9,378.57
15	**Liquidity Coverage Ratio (%)**		166%		538%		268%		162%

Notes:

1. The average weighted and unweighted amounts are calculated based on simple average of monthly observations for the quarters ended June 30, 2021, September 30, 2021 and December 31, 2021 and based on simple average of daily observations for the quarter ended March 31, 2022. The weightage factor applied to compute weighted average value is constant for all the quarters.
2. Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines.
3. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4. The disclosures above are based on the information and records maintained and compiled by the management and have been relied upon by the auditors.
5. RBI has mandated minimum liquidity coverage ratio (LCR) of 60% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 302% as of March 31, 2022 as against the LCR of 60% mandated by RBI.

48 Disclosures required as per RBI Circulars/Directives

AF Disclosures Pursuant to Reserve Bank of India Guidelines on Liquidity Risk Management RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03/.10.001/2019-20 dated November 4, 2019

Qualitative information:

1 The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

2 LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

3 HQLAs comprise of cash on hand, demand deposits with Scheduled Commercial Banks and Unencumbered government securities.

4 Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

5 The inflows included under "Secured Lending" for quarter ended June 30, 2020 and September 30, 2020 are after considering the moratorium extended to the customers. "Other cash inflows" include mutual funds and callable fixed deposits maturing within 30 days.

6 The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management Committee (ALCO) oversees the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

7 The Company maintains a funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments. There is no currency mismatch in the LCR. The above is periodically monitored by ALCO.

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

48 Disclosures required as per RBI Circulars/Directives

AG Disclosure as per format prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dated 6 August 2020 for the period ended 31 March 2022 (borrowers who has been provided restructuring under RBI Resolution Framework – 2.0):

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31st March 2022
Personal Loans	2,853.97	4.52	143.19	144.96	2,561.30
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	5,528.97	12.98	412.14	303.23	4,800.62
Total	**8,382.94**	**17.50**	**555.33**	**448.19**	**7,361.92**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** Classification of borrowers is based on the data available with the Company and has been relied upon by the auditors. Above loans are secured wholly by mortgage of property.

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48 Disclosures required as per RBI Circulars/Directives

AH Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

Details of securitisation during the year Securitisation of Assets:

S.No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of Special Purpose Vehicle's (SPV's) sponsored by the NBFC for securitisation transactions (Nos.)	11	12
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	49,538.39	81,815.63
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	25,426.26	32,183.21
	- Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others (Receivables from SPV's for Assets De-recognised)	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others		
5	Sale consideration received for securitised assets and gain or loss on account of sale of Securitisation during the year	-	78,578.96
6	Performance of facility provided (Credit Enhancement)	-	
	(a) Amount Paid		
	(b) Repayment received	-	
	(c) Outstanding Amount	25,426.26	32,183.21
7	Average default rate of portfolio*		
	(a) Loan agaisnt property	0.03%- 0.42%	0.03%-0.11%
8	Additional/top up loan given on the same underlying asset.		
	-Amount (lakhs)	3,189.86	1,772.86
	-Number	2,057.00	1,054.00
9	Investor Complaints		
	(a) Received	-	-
	(b) Outstanding	-	-

The Company had additionally consummated 2 transactions during the financial year ended March 31, 2021 under the partial credit guarantee scheme of the Government of India. The above disclosure does not include the details pertaining to these transactions. The amount payable towards such transactions as at March 2022 aggregates to Rs. 8,695.79 lakhs (As at March 31, 2021 - Rs 14,018.39 lakhs) and first loss credit enhancement towards such transactions as at March 31, 2022 is Rs. 5,621.28 lakhs (As at March 31, 2021 -Rs 5,560.81 lakhs)

*The period considered is from the date of initiation of the securitisation transactions till the period then ended .

AI Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

Details of Assignments during the year

a)The Company has not transferred any loans during year ended March 31, 2022.
b)The Company has not acquired any loans (not in default) through assignment during the financial year ended March 31, 2022
c)The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

The securitised loans disclosed in the above notes (i.e 48-AH) do not qualify for de-recognition under Ind-AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

The Company has neither entered into any assignment transaction nor sold financial assets to Securitisation / Reconstruction Company for Asset Reconstruction. Hence the related disclosures are not applicable.

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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

AJ Disclosure pursuant to Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

Comparison between Ind AS 109 provisions and IRACP norms

As at 31 March 2022

Asset classification as per RBI norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard assets	Stage 1	4,21,696.37	1,448.46	4,20,247.91	2,003.46	(554.99)
	Stage 2	79,706.41	6,989.17	72,717.24	745.23	6,243.94
Subtotal		**5,01,402.78**	**8,437.63**	**4,92,965.15**	**2,748.69**	**5,688.95**
Non -Performing assets*						
Substandard	Stage 3	4,253.95	794.88	3,459.07	373.52	421.36
Doubtful						
Upto 1 year	Stage 3	1,051.05	1,056.07	(5.02)	171.28	884.79
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**1,051.05**	**1,056.07**	**-5.02**	**171.28**	**884.79**
Loss assets	Stage 3	-	-	-	-	-
Subtotal for NPA		**5,305.00**	**1,850.95**	**3,454.04**	**544.80**	**1,306.15**
Total		**5,06,707.77**	**10,288.58**	**4,96,419.19**	**3,293.49**	**6,995.10**

As at 31 March 2021

Asset classification as per RBI norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard assets	Stage 1	3,89,595.08	1,276.53	3,88,318.55	1,558.38	(281.85)
	Stage 2	50,423.65	6,574.78	43,848.86	201.69	6,373.09
Subtotal		**4,40,018.73**	**7,851.31**	**4,32,167.41**	**1,760.07**	**6,091.24**
Non -Performing assets*						
Substandard	Stage 3	2,931.20	552.40	2,378.80	293.01	259.39
Doubtful						
Upto 1 year	Stage 3	1,588.16	259.44	1,328.72	317.63	(58.19)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**1,588.16**	**259.44**	**1,328.72**	**317.63**	**(58.19)**
Loss assets	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,519.36**	**811.84**	**3,707.52**	**610.64**	**201.20**
Total		**4,44,538.10**	**8,663.15**	**4,35,874.94**	**2,370.71**	**6,292.44**

Note:Provision required as per IRACP norms includes provision calculated on Securitised portfolio

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) and accordingly, no amount is required to be transferred to impairment reserve.

AK On November 12, 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On February 15, 2022, RBI had issued circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.248/2021-22, providing time till September 30, 2022. Accordingly, the Company will implement the updated norms under IRACP w.e.f. October 01, 2022.

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(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

49 Analytical ratios

a) Liquidity Coverage Ratio (LCR)

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2020, with the minimum LCR to be 30%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

Particulars	High Quality Liquid Assets ("HQLA")	Net cash outflows	Current period	Previous reporting period	Variance	Reasons for variance (if above 25%)
Quarter ended March 31, 2022	3,076.41	1,019.88	302%	162%	86%	Increase on account of equity infusion during the year and deployment in HQLA assets
Quarter ended March 31, 2021	1,518.58	937.86	162%	130%	25%	

b) Capital adequacy ratios

Particulars	Tier I Capital/ Tier II Capital/ Total Capital	Risk-weighted assets	Current period	Previous reporting period	Variance	Reasons for variance (if above 25%)
As at March 31, 2022						
CRAR	33,581.47	44,658.62	75.20%	58.86%	28%	Increase on account of equity infusion during the intervening period
CRAR - Tier I Capital	33,581.47	44,658.62	75.20%	58.86%		
CRAR - Tier II Capital	-	-	-	-		
As at March 31, 2021						
CRAR	19,669.00	33,416.35	58.86%	53.94%	9%	-
CRAR - Tier I Capital	19,669.00	33,416.35	58.86%	53.94%		
CRAR - Tier II Capital	-	-	-	-		

50 Change in liabilities arising from financing activities

Particulars	Debt securities	Borrowings (other than debt securities)
As at March 31, 2020	**1,07,886.42**	**1,28,482.89**
Cash flows (net)	22,158.93	84,103.62
Others*	333.21	(445.39)
As at March 31, 2021	**1,30,378.55**	**2,12,141.12**
Cash flows (net)	(31,097.32)	(58,192.09)
Others*	1,572.14	1,080.72
As at March 31, 2022	**1,00,853.38**	**1,55,029.75**

* Others column includes the effect of interest accrued but not due, amortization of processing fees etc.

51 Impact of Covid-19 Pandemic

The COVID–19 pandemic resulted in significant volatility in financial markets and a decrease in global and India's economic activities in FY 2021 and early FY 2022. Consequent lockdowns and varying restrictions imposed by the central and various state governments had led to disruptions and dislocations of individuals and businesses. However, with the gradual lifting of the lockdown restrictions during the year, the operations of the Company have returned to normal levels of activity. The Company has been lending actively to its customers and has also implemented its restructuring package based on the Reserve Bank of India's restructuring package announced in this regard. The overall financial metrices of the Company have improved from the prior year and the Company has made adequate expected credit loss provisions on its loan in accordance with accounting principles in India and accordingly in the opinion of the Company the impact of COVID 19 on its financial metrices are no longer significantly uncertain. The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at March 31, 2022 and is of the view that it does not have any material impact on the financial results of the Company on the basis of the facts and events upto the date of approval of these financial statements/results.

However, in view of the dynamic nature of the pandemic, the Company will continue to monitor future events / developments that may result in an adverse effect on the business and operations of the Company.

52 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
(ii) The company does not have transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(iv)The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company borrows funds from various Banks and financial institutions for the purpose of onward lending to end customers as per the terms of such borrowings. These transactions are part of the Company's normal lending activities, which is conducted after exercising proper due diligence including adherence to the terms of credit policies and other relevant guidelines.

Other than the nature of transactions described above.

i. No funds have been advanced or loans or invested by the Company to or in any other person(s) or entity(ies) ("intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
ii. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii) The Company is not declared as wilful defaulter by any bank or financial institution or any other lender.

As per our report of even date
for **S.R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Bharath N S**
Membership No: 210934

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

Place : Chennai
Date : April 27, 2022

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844

D Lakshmipathy
Chairman and Managing Director
DIN: 01723269

R Anand
Independent Director
DIN: 00243485

G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B Shalini
Company Secretary
ACS: A51334

B. Shalini

Place : Chennai
Date : April 27, 2022