# INDEPENDENT AUDITOR'S REPORT

**To the Members of Allium Finance Private Limited**

## Opinion

We have audited the accompanying special purpose financial statements (accompanying financial statements) of Allium Finance Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, 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 than ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Financial Statements"). This Special Purpose Financial Statement is prepared for the purpose of preparation of consolidated financial statements for the year ended March 31, 2019 for Edelweiss Financial Service Limited Reporting (Ultimate Holding Company) under Ind-AS.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose 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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date and the basis of accounting described in Note 2 to the accompanying Special Purpose Financial Statements.

## Basis for Opinion

We conducted our audit of Special Purpose Financial Statements of the Company in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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 and we have fulfilled our other ethical responsibilities in accordance with 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 Special Purpose Financial Statements.

## Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements of the Company

The Company's management is responsible for the preparation of these Special Purpose 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 basis of accounting described in Note 2 to the accompanying Special Purpose Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Company 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements of the Company, 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.

The Management of the Company and those charged with governance are also responsible for overseeing the Company's financial reporting process.

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**Auditor's Responsibility for Special Purpose Financial Statements of the Company**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements of the Company 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 Special Purpose Financial Statements of the Company.

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 Special Purpose Financial Statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Special Purpose 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.

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.

**Other matters - restriction of use**

The Company has prepared a separate set of financial statements for the year ended March 31, 2019 which is prepared in accordance with Division III of Schedule III of the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, on which we issued a separate auditor's report to the members of the Company dated May 10, 2019.

The comparative Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements' prepared in accordance with the Companies (Accounting Standards) Rules, 2006, have been audited by us and have expressed an unmodified opinion on those statements vide report dated April 27, 2018 and May 15, 2017 for the year ended March 31, 2018 and March 31, 2017 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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This report is issued at the request of the Company and is intended solely for the information and use of the Allium Finance Private Limited for its reporting of Consolidated audited financial results for the year ended March 31, 2019 to Edelweiss Financial Service Limited ('Ultimate Parent Company'), and is not intended to be and should not be used for any other purpose or by anyone other than the specified parties without our prior written consent.

**For NGS & Co. LLP**
Chartered Accountants
**Firm Registration No. : 119850W**

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

**R.P.Soni**
Partner
**Membership Number: 104796**

Place: Mumbai
Date: May 10, 2019

## Allium Finance Private Limited

**Balance Sheet**

(Currency : Indian rupees)

| | Note | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Financial assets** | | | | |
| (a) Cash and cash equivalents | 8 | 4,84,973 | 64,04,724 | 41,19,812 |
| (b) Bank balances other than cash and cash equivalents | 9 | 2,79,60,247 | 4,48,33,583 | 4,04,10,274 |
| (c) Loans | 10 | 75,24,67,341 | 29,52,80,041 | 30,08,78,105 |
| (d) Investments | 11 | 8,51,21,590 | 25,84,85,095 | 25,98,48,634 |
| (e) Other financial assets | 12 | - | - | 1,15,000 |
| | | 86,60,34,151 | 60,50,03,443 | 60,53,71,825 |
| **Non-financial assets** | | | | |
| (a) Current tax assets (net) | 13 | 10,55,959 | 4,72,197 | 6,60,641 |
| (b) Deferred tax assets (net) | 14 | 1,30,23,114 | 3,10,78,600 | 3,71,62,562 |
| (c) Other non- financial assets | 15 | 23,93,217 | 18,44,507 | 14,58,838 |
| | | 1,64,72,290 | 3,33,95,304 | 3,92,82,041 |
| **TOTAL ASSETS** | | 88,25,06,441 | 63,83,98,747 | 64,46,53,866 |
| **LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **Financial liabilities** | | | | |
| (a) Payables | | | | |
| (I) Trade payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 15,67,986 | 14,74,265 | 4,82,787 |
| (b) Other financial liabilities | 16 | 4,00,000 | 4,40,000 | 4,40,000 |
| | | 19,67,986 | 19,14,265 | 9,22,787 |
| **Non-financial liabilities** | | | | |
| (a) Current tax liabilities (net) | 17 | 2,91,458 | 2,83,858 | 21,59,692 |
| (b) Provisions | 18 | 37,579 | 18,718 | 1,99,718 |
| (c) Other non-financial liabilities | 19 | 3,94,972 | 3,35,577 | 2,87,405 |
| | | 7,24,009 | 6,38,153 | 26,46,815 |
| **EQUITY** | | | | |
| (a) Equity share capital | 20 | 1,73,43,390 | 1,73,43,390 | 1,73,43,390 |
| (b) Instruments entirely equity in nature | 21 | 5,09,13,850 | 5,09,13,850 | 5,09,13,850 |
| (c) Other equity | 22 | 81,15,57,206 | 56,75,89,089 | 57,28,27,024 |
| | | 87,98,14,446 | 63,58,46,329 | 64,10,84,264 |
| **TOTAL LIABILITIES AND EQUITY** | | 88,25,06,441 | 63,83,98,747 | 64,46,53,866 |

Significant accounting policies and notes to the financial statements. **1 to 57**

As per our report of even date attached.

For **NGS & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

**R.P.Soni**
*Partner*
Membership No: 104796
Mumbai

10 May 2019

**For and on behalf of the Board of Directors**

**Amit Agarwal**
*Director*
DIN : 06396342

**Suneel Vohra**
*Director*
DIN : 00222705

**Ashvini Kaluskar**
*Company Secretary*
Mumbai
10 May 2019

**Allium Finance Private Limited**

**Statement of Profit and Loss**
(Currency : Indian rupees)

| | Note | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 23 | 26,60,31,083 | 59,25,907 |
| Net loss on fair value changes | 24 | (2,65,93,826) | - |
| **Total income** | | 23,94,37,257 | 59,25,907 |
| **Expenses** | | | |
| Finance costs | 25 | 4,00,613 | 29 |
| Impairment on financial instruments | 26 | (10,21,00,200) | (12,058) |
| Employee benefits expense | 27 | 8,90,117 | 16,13,003 |
| Other expenses | 28 | 47,68,736 | 30,01,756 |
| **Total expenses** | | (9,60,40,734) | 46,02,730 |
| Profit before tax | | 33,54,77,991 | 13,23,177 |
| **Tax expenses:** | | | |
| Current tax | | 7,34,48,388 | 4,93,150 |
| Deferred tax | | 1,80,55,486 | 60,83,962 |
| **Profit/(loss) for the year** | | 24,39,74,117 | (52,53,935) |
| **Other Comprehensive Income** | | | |
| Remeasurement gain / (loss) on defined benefit plans (OCI) | | (6,000) | 16,000 |
| **Total Comprehensive Income** | | 24,39,68,117 | (52,37,935) |
| **Earnings per equity share (Face value of ₹ 10 each):** | | | |
| **Basic** | 31 | 140.67 | (3.03) |
| **Diluted** | | 35.74 | (0.77) |

Significant accounting policies and notes to the financial statements. **1 to 57**

As per our report of even date attached.

For **NGS & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 119850W

**R.P.Soni**
*Partner*
Membership No: 104796
Mumbai
*10 May 2019*

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

**For and on behalf of the Board of Directors**

**Amit Agarwal**
*Director*
DIN : 06396342

**Suneel Vohra**
*Director*
DIN : 00222705

**Ashvini Kaluskar**
*Company Secretary*

Mumbai
*10 May 2019*

**Allium Finance Private Limited**

(Currency : Indian rupees)

**Statemnet of Changes in Equity**

A. **Equity share capital**

| Particular | For the year ended 31 March 2019 | | | For the year ended 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | Outstanding as on 01 April 2018 | Issued during the year | Outstanding as on 31 March 2019 | Outstanding as on 01 April 2017 | Issued during the year | Outstanding as on 31 March 2018 |
| Equity Share capital | 1,73,43,390 | - | **1,73,43,390** | 1,73,43,390 | - | **1,73,43,390** |

B. **Other equity**

| | Securities Premium | Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | Retained earnings | Total |
|---|---|---|---|---|
| Balance at 1 April 2017 | 62,48,08,260 | 38,85,373 | (5,58,66,609) | **57,28,27,024** |
| Loss for the year | - | - | (52,53,935) | **(52,53,935)** |
| Other comprehensive income | - | - | 16,000 | **16,000** |
| **Total Comprehensive Income for the year** | - | - | (52,37,935) | **(52,37,935)** |
| **Balance at 31 March 2018 (Ind AS)** | 62,48,08,260 | 38,85,373 | (6,11,04,544) | **56,75,89,089** |
| Profit for the year | - | - | 24,39,74,117 | **24,39,74,117** |
| Other comprehensive income | - | - | (6,000) | **(6,000)** |
| **Total Comprehensive Income for the year** | - | - | 24,39,68,117 | **24,39,68,117** |
| Transfers to / from retained earnings | | 4,87,93,623 | (4,87,93,623) | **-** |
| **Balance at 31 March 2019 (Ind AS)** | **62,48,08,260** | **5,26,78,996** | **13,40,69,950** | **81,15,57,206** |

**Nature and purpose of Reserves**

a. **Securities Premium Reserve**

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

b. **Special Reserve**

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934, a sum not less than twenty per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared.

c. **Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.

As per our report of even date attached.

For **NGS & Co. LLP**
*Chartered Accountants*
Firm's Registration No. 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

**R.P.Soni**
*Partner*
Membership No: 104796
Mumbai
10 May 2019

**For and on behalf of the Board of Directors**

**Amit Agarwal**
*Director*
DIN : 06396342

**Suneel Vohra**
*Director*
DIN : 00222705

**Ashvini Kaluskar**
Company Secretary
Mumbai
10 May 2019

# Allium Finance Private Limited

**Cash Flow Statement**

(Currency: Indian rupees)

| | | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|---|
| **A** | **Cash flow from operating activities** | | |
| | Profit before taxation | **33,54,77,991** | 13,23,177 |
| | *Adjustments for* | | |
| | Provision for gratuity | **13,006** | (10,000) |
| | Provision for compensated absences | **5,855** | (22,000) |
| | Expected credit loss provision | **(10,21,00,200)** | (12,058) |
| | Interest income on fixed deposit | **(4,70,65,998)** | (29,74,184) |
| | **Operating cash flow before working capital changes** | **18,63,30,654** | (16,95,065) |
| | Adjustments for working capital changes | | |
| | (Increase) / Decrease in receivable from financing business | **(35,50,87,101)** | 56,10,122 |
| | (Increase) in other non financial assets | **(5,54,710)** | (2,54,669) |
| | Increase in financial liablities, non financial liabilities and trade payable | **1,13,116** | 8,90,648 |
| | **Cash generated from / (used in) operations** | **(16,91,98,041)** | 45,51,036 |
| | Income taxes paid | **(7,40,24,550)** | (21,80,540) |
| | **Net cash (used in) / generated from operating activities - A** | **(24,32,22,591)** | 23,70,496 |
| **B** | **Cash flow from investing activities** | | |
| | Decrease / (increase) in short term deposits placed with bank | **1,67,48,570** | (41,00,524) |
| | Proceeds from redemption of security receipts | **17,33,63,505** | 13,63,539 |
| | Interest received on fixed deposit | **4,71,90,765** | 26,51,401 |
| | **Net cash generate from / (used in) investing activities - B** | **23,73,02,840** | (85,584) |
| **C** | **Cash flow from financing activities - C** | **-** | - |
| | **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **(59,19,751)** | 22,84,912 |
| | Cash and cash equivalent as at the beginning of the year | **64,04,724** | 41,19,812 |
| | Cash and cash equivalent as at the end of the year (refer note 8) | **4,84,973** | 64,04,724 |

As per our report of even date attached.

**For NGS & Co. LLP**
Chartered Accountants
Firm Registration No.: 119850W

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

**R. P. Soni**
*Partner*
Membership No.: 104796

Mumbai
10 May 2019

**For and on behalf of the Board of Directors**

**Amit Agarwal**
*Director*
*DIN: 06396342*

**Suneel Vohra**
*Director*
*DIN : 00222705*

**Ashvini Kaluskar**
*Company secretary*
Mumbai
10 May 2019

## 1. Corporate information:

Allium Finance Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss rural & corporate services Limited. The Company was incorporated on March 18, 2008 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company's Primary business is advancing loans and financing.

## 2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 49 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR).

## 3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. 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 in "Note 52-Maturity Analysis of assets and liabilities".

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

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# 4. Significant accounting policies

## 4.1 Recognition of interest income and dividend income

### 4.1.1 Effective interest rate (EIR):

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

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

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

### 4.1.2 Interest income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

## 4.2 Financial instruments:

### 4.2.1 Date of recognition:

Financial Assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

### 4.2.2 Initial measurement of financial instruments:

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

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**4.2.3 Day 1 profit and loss:**

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

**4.2.4 Classification & 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:

**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. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting ate. The changes in fair value of financial assets is recognised in statement of profit and loss.

**4.3 Financial assets and liabilities:**

**4.3.1 Amortized cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

**4.3.2 Financial liabilities and equity instruments**

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**4.4 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. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

**4.5 Derecognition of financial Instruments:**

**4.5.1 Derecognition of financial assets**

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement .

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, 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 financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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

### 4.5.2 Derecognition of financial liabilities

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

### 4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when

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contractually due.

**General approach**

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categories its financial assets as follows:

**Stage 1 assets:**
Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

**Stage 2 assets:**
Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

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

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit

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losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**4.7 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

**4.8 Write-offs:**

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

**4.9 Forborne and modified loan:**

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

**4.10 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market

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participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

**Level 2 financial instruments:**
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**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 categorization (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 periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling 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.

**4.11 Operating leases:**

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

**4.12 Earnings per share:**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

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a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, 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. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**4.18 Income tax expenses:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**4.18.1 Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**4.18.2 Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**4.18.3 Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**4.19 Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

## 5. Significant accounting judgements, estimates and assumptions :

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### 4.15 Retirement and other employee benefit:

#### 4.15.1 Provident fund and national pension scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

#### 4.15.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

#### 4.15.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

### 4.16 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

### 4.17 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as

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In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**5.1 Business model assessment :**

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's 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 is 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 that are derecognised prior to their maturity to understand the quantum, 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.

**5.2 Significant increase in credit risk:**

As explained in note 51.D.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

**Key sources of estimation uncertainty:**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**5.3 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,

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estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

**5.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

**5.5 Impairment of Financial assets:**

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 ECL calculations are outputs of 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:

• PD calculation includes historical data, assumptions and expectations of future conditions.
• 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 and the qualitative assessment
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

**5.6 Impairment of Non-Financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**5.7 Provisions and 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 its 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

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the probability of outflow is considered to be remote, or 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.

**5.8 Provisions for Income Taxes:**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

## 6. Standards issued but not yet effective :

**Prepayment Features with Negative Compensation (Amendments to Ind AS 109):**

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

**Annual Improvements to Ind AS (2018):**

**Ind AS 12 Income taxes:**

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019

### Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19):

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

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These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1

April 2019.

**Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12):**

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

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(Currency : Indian rupees)

| | | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|---|
| 8 | **Cash and cash equivalents** | | | |
| | Balances with banks | **4,84,973** | 64,04,724 | 41,19,812 |
| | | **4,84,973** | **64,04,724** | **41,19,812** |
| 9 | **Bank balances other than cash and cash equivalents** | | | |
| | Fixed deposits with banks | **2,79,60,247** | 4,48,33,583 | 4,04,10,274 |
| | - Accrued interest on fixed deposits | **-** | - | - |
| | | **2,79,60,247** | **4,48,33,583** | **4,04,10,274** |
| 10 | **Loans** *(at amortised cost)* | | | |
| | **Term loans;** | | | |
| | Corporate credit | **77,04,21,141** | 41,53,34,041 | 42,09,44,163 |
| | Retail credit | **-** | - | - |
| | **Total gross** | **77,04,21,141** | **41,53,34,041** | **42,09,44,163** |
| | Less: Impairment loss allowance | **(1,79,53,800)** | (12,00,54,000) | (12,00,66,058) |
| | **Total (net)** | **75,24,67,341** | 29,52,80,041 | 30,08,78,105 |
| | Secured by tangible assets (Property including land and building and security) | **3,77,28,835** | 41,53,34,041 | 42,09,44,163 |
| | Unsecured - Group | **73,26,92,306** | - | - |
| | **Total gross** | **77,04,21,141** | 41,53,34,041 | 42,09,44,163 |
| | Less: Impairment loss allowance | **(1,79,53,800)** | (12,00,54,000) | (12,00,66,058) |
| | **Total (net)** | **75,24,67,341** | 29,52,80,041 | 30,08,78,105 |
| | **Loans in india** | | | |
| | Public sector | **-** | - | - |
| | Others | **77,04,21,141** | 41,53,34,041 | 42,09,44,163 |
| | **Total gross** | **77,04,21,141** | 41,53,34,041 | 42,09,44,163 |
| | Less: Impairment loss allowance | **(1,79,53,800)** | (12,00,54,000) | (12,00,66,058) |
| | **Total (net)** | **75,24,67,341** | 29,52,80,041 | 30,08,78,105 |

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(Currency : Indian rupees)

## 10 (i) Credit Quality of Assets

Gross carrying amount of loan assets allocated to Stage I, Stage II and Stage III :

### a Credit Quality of Assets

| Particular | As at 31 March 2019 | | | | As at 31 March 2018 | | | | As at 01 April 2017 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage I | Stage II | Stage III | Total | Stage I | Stage II | Stage III | Total | Stage I | Stage II | Stage III | Total |
| **Performing** | | | | | | | | | | | | |
| High Grade | 73,26,92,306 | - | - | 73,26,92,306 | - | - | - | - | - | - | - | - |
| Standard grade | 77,28,835 | - | - | 77,28,835 | 1,53,34,041 | - | - | 1,53,34,041 | 2,09,44,163 | - | - | 2,09,44,163 |
| Sub-Standard grade | - | - | - | - | - | - | - | - | - | - | - | - |
| **Non-Performing** | | | | | | | | | | | | |
| Individually impaired | - | - | 3,00,00,000 | 3,00,00,000 | - | - | 40,00,00,000 | 40,00,00,000 | - | - | 40,00,00,000 | 40,00,00,000 |
| **Closing Balance** | **74,04,21,141** | **-** | **3,00,00,000** | **77,04,21,141** | **1,53,34,041** | **-** | **40,00,00,000** | **41,53,34,041** | **2,09,44,163** | **-** | **40,00,00,000** | **42,09,44,163** |

### b Reconciliation of changes in gross carrying amount and allowances for loans and advances

**for the year ended 31 March 2019**

| Particular | Non Credit Impaired | | | | Credit Impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Stage I | | Stage II | | Stage III | | | |
| | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | Gross carrying amount | Allowance for ECL |
| **Opening Balance 01 April 2018** | 1,53,34,041 | 54,000 | - | - | 40,00,00,000 | 12,00,00,000 | 41,53,34,041 | 12,00,54,000 |
| Repayment of loan | 66,12,900 | 27,000 | - | - | 37,00,00,000 | 10,50,00,000 | 37,66,12,900 | 10,50,27,000 |
| Fresh loan provided to Group company | 73,17,00,000 | 29,26,800 | - | - | - | - | 73,17,00,000 | 29,26,800 |
| **Closing Balance** | **74,04,21,141** | **29,53,800** | **-** | **-** | **3,00,00,000** | **1,50,00,000** | **77,04,21,141** | **1,79,53,800** |

**for the year ended 31 March 2018**

| | Non Credit Impaired | | | | Credit Impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Stage I | | Stage II | | Stage III | | | |
| | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL |
| **Opening Balance 01 April 2017** | 2,09,44,163 | 66,058 | - | - | 40,00,00,000 | 12,00,00,000 | 42,09,44,163 | 12,00,66,058 |
| Repayment of loan | 56,10,122 | 12,058 | - | - | - | - | 56,10,122 | 12,058 |
| **Closing Balance** | **1,53,34,041** | **54,000** | **-** | **-** | **40,00,00,000** | **12,00,00,000** | **41,53,34,041** | **12,00,54,000** |

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(Currency : Indian rupees)

**11 Investments**

| **Investment in india, at Fair value through Profit or loss** | **As at 31 March 2019** | | | **As at 31 March 2018** | | | **As at 01April 2017** | | |
|---|---|---|---|---|---|---|---|---|---|
| Security receipts | **Face Value** | **Quantity** | **Amount** | **Face Value** | **Quantity** | **Amount** | **Face Value** | **Quantity** | **Amount** |
| - EARC - SAF 1 -Trust | 431 | 2,55,000 | **8,33,67,290** | 1,000 | 2,55,000 | **25,50,00,000** | 1,000 | 2,55,000 | **25,50,00,000** |
| - EARC - SAF 2 -Trust | 175 | 10,000 | **17,54,300** | 349 | 10,000 | **34,85,095** | 485 | 10,000 | **48,48,634** |
| Less : Provision for diminution in value of investments | | | - | | | - | | | - |
| | | | **8,51,21,590** | | | **25,84,85,095** | | | **25,98,48,634** |

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**Allium Finance Private Limited**

**Notes to the financial statements *(Continued)***

| (Currency : Indian rupees) | | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|---|
| **12** | **Other financial assets** | | | |
| | Loans to employees | - | - | 1,15,000 |
| | | - | - | 1,15,000 |
| **13** | **Current tax assets (net)** | | | |
| | Advance income taxes | 10,55,959 | 4,72,197 | 6,60,641 |
| | | 10,55,959 | 4,72,197 | 6,60,641 |
| **14** | **Deferred tax assets (net)** | | | |
| | Expected credit loss provision | **52,28,147** | 3,09,13,905 | 3,71,00,412 |
| | Fair valuation of investments | **77,51,711** | - | - |
| | Disallowances under section 43B of the Income Tax Act, 1961 | **10,943** | 4,820 | 61,713 |
| | Unused tax credits (including but not limited to Minimum Alternate Tax credit) | **32,313** | 1,59,875 | 437 |
| | | **1,30,23,114** | **3,10,78,600** | **3,71,62,562** |
| **15** | **Other non-financial assets** | | | |
| | Input tax credit | **22,98,369** | 17,90,404 | 14,37,518 |
| | Prepaid expenses | **83,612** | 37,867 | 10,084 |
| | Vendor advances | **11,236** | 11,236 | 11,236 |
| | Advances recoverable in cash or in kind or for value to be received | - | 5,000 | - |
| | | **23,93,217** | 18,44,507 | 14,58,838 |

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**Allium Finance Private Limited**

**Notes to the financial statements *(Continued)***

(Currency : Indian rupees)

| | | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|---|
| **16** | **Other financial liabilities** | | | |
| | Accrued salaries and benefits | **4,00,000** | 4,40,000 | 4,40,000 |
| | | **4,00,000** | **4,40,000** | **4,40,000** |
| **17** | **Current tax liabilities (net)** | | | |
| | Provision for taxation | **2,91,458** | 2,83,858 | 21,59,692 |
| | | **2,91,458** | **2,83,858** | **21,59,692** |
| **18** | **Provisions** | | | |
| | Gratuity | **25,724** | 12,718 | 1,71,718 |
| | Compensated leave absences | **11,855** | 6,000 | 28,000 |
| | | **37,579** | **18,718** | **1,99,718** |
| **19** | **Other non-financial liabilities** | | | |
| | Others | **73,956** | 732 | 732 |
| | Withholding taxes and other taxes payable | **3,21,016** | 3,34,845 | 2,86,673 |
| | | **3,94,972** | **3,35,577** | **2,87,405** |

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Allium Finance Private Limited

**Notes to the financial statements *(Continued)***

(Currency : Indian rupees)

| | | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|---|
| 20 | **Equity share capital** | | | |
| | **Authorised :** | | | |
| | 2,100,000 (Previous year: 2,100,000) Equity shares of ₹ 10 each | 2,10,00,000 | 2,10,00,000 | 2,10,00,000 |
| | 55,00,000 (Previous year: 55,00,000) Preference shares of ₹ 10 each | 5,50,00,000 | 5,50,00,000 | 5,50,00,000 |
| | | 7,60,00,000 | 7,60,00,000 | 7,60,00,000 |
| | **Issued, subscribed and paid up:** | | | |
| | 1,734,339 (Previous year: 1,734,339) Equity shares of ₹ 10 each, fully paid-up | 1,73,43,390 | 1,73,43,390 | 1,73,43,390 |
| | | 1,73,43,390 | 1,73,43,390 | 1,73,43,390 |

*a.* ***Movement in share capital :***

| *(i) Equity Shares* | 31 March 2019 | | 31 March 2018 | | 01 April 2017 | |
|---|---|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 17,34,339 | 1,73,43,390 | 17,34,339 | 1,73,43,390 | 17,34,339 | 1,73,43,390 |
| Shares issued during the year | - | - | - | - | - | - |
| Outstanding at the end of the year | 17,34,339 | 1,73,43,390 | 17,34,339 | 1,73,43,390 | 17,34,339 | 1,73,43,390 |

| *(ii) 0.01% Complsorily Convertiable Non Cumulative Prefernce Share-"Series A* | 31 March 2019 | | 31 March 2018 | | 01 April 2017 | |
|---|---|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 50,91,385 | 5,09,13,850 | 50,91,385 | 5,09,13,850 | 50,91,385 | 5,09,13,850 |
| Shares issued during the year | - | - | - | - | - | - |
| Outstanding at the end of the year | 50,91,385 | 5,09,13,850 | 50,91,385 | 5,09,13,850 | 50,91,385 | 5,09,13,850 |

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share held. 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.

b. **Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

| | 31 March 2019 | | As at 31 March 2018 | | As at 01April 2017 | |
|---|---|---|---|---|---|---|
| **(i) Equity Share** | No of shares | % | No of shares | % | No of shares | % |
| **Holding company** | | | | | | |
| Edelweiss Rural & Corporate Services Limited* | 8,00,000 | 46.13% | 8,00,000 | 46.13% | 8,00,000 | 46.13% |
| **(ii) Preference Share** | | | | | | |
| **Holding company** | | | | | | |
| Edelweiss Rural & Corporate Services Limited* | 29,86,994 | 58.67% | - | - | - | - |
| **Fellow subsidiary** | | | | | | |
| Edelcap Securities Limited | 9,91,056 | 19.47% | 9,91,056 | 19.47% | 9,91,056 | 19.47% |
| | 47,78,050 | 124.27% | 17,91,056 | 65.59% | 17,91,056 | 65.59% |

**Details of shares held by Equity shareholders holding more than 5% of the aggregate shares in the Company**

c.

| | 31 March 2019 | | As at 31 March 2018 | | As at 01April 2017 | |
|---|---|---|---|---|---|---|
| | No of shares | % | No of shares | % | No of shares | % |
| Edelweiss Rural & Corporate Services Limited* | 8,00,000 | 46.13% | 8,00,000 | 46.13% | 8,00,000 | 46.13% |
| RMS Automation Systems Limited | 8,00,000 | 46.13% | 8,00,000 | 46.13% | 8,00,000 | 46.13% |
| EW India Special Assets Fund Pte. Limited | 1,34,339 | 7.75% | 1,34,339 | 7.75% | 1,34,339 | 7.75% |
| | 17,34,339 | 100.00% | 17,34,339 | 100% | 17,34,339 | 100% |

| | | | | |
|---|---|---|---|---|
| 21 | **Instruments entirely equity in nature** | | | |
| | 5,019,385 (Previous year: 5,019,385) 0.01% - Compulsorily Convertible Non-cumulative Preference shares - "Series A" of ₹ 10 each, fully paid up | 5,09,13,850 | 5,09,13,850 | 5,09,13,850 |
| | | 5,09,13,850 | 5,09,13,850 | 5,09,13,850 |

**Details of shares held by Preference shareholders holding more than 5% of the aggregate shares in the Company**

| | March 31, 2019 | | As at 31 March 2018 | | As at 01April 2017 | |
|---|---|---|---|---|---|---|
| | No of shares | % | No of shares | % | No of shares | % |
| Edelcap Securities Limited | 9,91,056 | 19.47% | 9,91,056 | 19.47% | 9,91,056 | 19.47% |
| EW India Special Assets Fund Pte. Limited | 11,13,335 | 21.87% | 41,00,329 | 80.53% | 41,00,329 | 80.53% |
| Edelweiss Rural & Corporate Services Limited* | 29,86,994 | 58.67% | - | - | - | - |
| | 50,91,385 | 100.00% | 50,91,385 | 100% | 50,91,385 | 100% |

**Note :**

* Edelweiss Rural & Corporate Services Limited earlier known as Edelweiss commodities services limited.

**Terms/rights attached to 0.01% - Compulsorily Convertible Non- cumulative Preference shares - "Series A" (CCPS-A)**

The Preference Shares of the face value of ₹ 10 each were issued at the rate of ₹ 125 per share. The Preference Shares are Compulsorily Convertible. The Preference Shares carry a Non-cumulative dividend of 0.01%. During the term of the CCPS- A, the shareholder can convert any or all the CCPS-A into 1 equity share of ₹ 10 each.

**1,44,224** Preference Shares were alloted on February 7, 2012. The Shares remaining outstanding as at January 31, 2022, shall be compulsorily converted into 1 equity shares of ₹ 10 each.

**4,947,161** Preference Shares were alloted on December 13, 2012. The Shares remaining outstanding as at December 31, 2022, shall be compulsorily converted into 1 equity shares of ₹ 10 each.

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**Allium Finance Private Limited**

**Notes to the financial statements *(Continued)***

(Currency : Indian rupees)

**22 Other Equity**

| | As at 31 March 2019 | As at 31 March 2018 | As at 01 April 2017 |
|---|---|---|---|
| Securities Premium | 62,48,08,260 | 62,48,08,260 | 62,48,08,260 |
| | 62,48,08,260 | 62,48,08,260 | 62,48,08,260 |
| Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 * | 38,85,373 | 38,85,373 | 38,85,373 |
| Add : Additions during the year | 4,87,93,623 | - | - |
| | 5,26,78,996 | 38,85,373 | 38,85,373 |
| **Retained Earnings** | | | |
| Opening balance | (6,11,04,544) | (5,58,66,609) | (3,72,66,304) |
| Add: Profit / (Loss) for the year | 24,39,74,117 | (52,53,935) | (1,86,01,305) |
| Add: Other comprehensive income for the year | (6,000) | 16,000 | 1,000 |
| **Amount available for appropriation** | 18,28,63,573 | (6,11,04,544) | (5,58,66,609) |
| Appropriations: | | | |
| Transfer to Special Reserve under Section 45-IC of the Reserve | 4,87,93,623 | - | - |
| | 13,40,69,950 | (6,11,04,544) | (5,58,66,609) |
| | 81,15,57,206 | 56,75,89,089 | 57,28,27,024 |

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| Interest income | For the year ended 31 March 2019 | | | | For the year ended 31 March 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | On financial assets measured at fair value through OCI | On financial assets measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | Total | On financial assets measured at fair value through OCI | On financial assets measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | Total |
| Interest on loans | - | 21,84,74,316 | - | 21,84,74,316 | - | 24,05,924 | - | 24,05,924 |
| Interest income from investments | - | - | - | - | - | - | - | - |
| Interest on deposits with banks | - | 4,70,65,998 | - | 4,70,65,998 | - | 29,74,183 | - | 29,74,183 |
| Other interest income | - | - | 4,90,769 | 4,90,769 | - | - | 5,45,800 | 5,45,800 |
| **Total** | - | **26,55,40,314** | **4,90,769** | **26,60,31,083** | - | **53,80,107** | **5,45,800** | **59,25,907** |

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## Allium Finance Private Limited

**Notes to the financial statements (Continued)**

| (Currency : Indian rupees) | | **for the year ended 31 March 2019** | for the year ended March 31, 2018 |
|---|---|---|---|
| **24** | **Net gain on fair value changes** | | |
| | **Net gain/ (loss) on financial instruments at fair value through profit or loss** | | |
| | Security receipts | **(2,66,19,888)** | - |
| | Profit on sale of long term investment | **26,062** | - |
| | **Total Net gain/(loss) on fair value changes** | **(2,65,93,826)** | - |
| | **Fair value changes:** | | |
| | **- Realised** | **26,062** | - |
| | **- Unrealised** | **(2,66,19,888)** | - |

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(Currency : Indian rupees)

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| Finance costs | For the year ended 31 March 2019 | | | For the year ended 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | Total |
| Other interest expense | - | 4,00,613 | 4,00,613 | - | 29 | 29 |
| **Total** | **-** | **4,00,613** | **4,00,613** | **-** | **29** | **29** |

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## Allium Finance Private Limited

### Notes to the financial statements (Continued)

| (Currency : Indian rupees) | for the year ended 31 March 2019 | for the year ended 31 March 2018 |
|---|---|---|
| **26 Impairment on financial instruments** | | |
| Loans | **(10,21,00,200)** | (12,058) |
| | **(10,21,00,200)** | (12,058) |
| **27 Employee benefit expenses** | | |
| Salaries and wages | **8,30,213** | 15,62,383 |
| Contribution to provident and other funds | **40,080** | 33,845 |
| Staff welfare expenses | **19,824** | 16,775 |
| | **8,90,117** | 16,13,003 |

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## Allium Finance Private Limited

### Notes to the financial statements (Continued)

| (Currency : Indian rupees) | | for the year ended 31 March 2019 | for the year ended 31 March 2018 |
|---|---|---|---|
| **28** | **Other expenses** | | |
| | Auditors' remuneration *(refer note below)* | **75,000** | 75,000 |
| | Communication | **-** | (403) |
| | Legal and professional fees | **10,40,373** | 24,03,704 |
| | Printing and stationery | **-** | 233 |
| | Rates and taxes | **3,940** | 3,943 |
| | Rent | **1,75,722** | 1,87,853 |
| | Electricity charges | **15,690** | 18,106 |
| | Computer expenses | **48,580** | 60,918 |
| | Clearing and custodian charges | **13,691** | - |
| | Membership and subscription | **-** | (9,042) |
| | Office expenses | **30,45,667** | 1,31,742 |
| | ROC expenses | **2,400** | 610 |
| | Goods and service tax expenses | **3,22,840** | 1,35,998 |
| | Travelling and conveyance | **24,833** | (6,906) |
| | | **47,68,736** | 30,01,756 |

**Note :**

| | | |
|---|---|---|
| **Auditors' remuneration:** | | |
| As auditor | **75,000** | 75,000 |
| | **75,000** | 75,000 |

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(Currency : Indian rupees)

29 ***Income tax***

A. **The components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:**

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Current tax | **7,34,48,388** | **4,93,150** |
| Deferred tax relating to origination and reversal of temporary differences | 1,79,27,924 | 62,43,400 |
| Deferred tax asset recognised on unused tax credit or unused tax losses | - | (1,59,438) |
| Deferred tax asset reversed on unused tax credit or unused tax losses | 1,27,562 | - |
| **Total tax charge** | **9,15,03,874** | **65,77,112** |
| Current tax | 7,34,48,388 | 4,93,150 |
| Deferred tax | 1,80,55,486 | 60,83,962 |

B. **Reconciliation of total tax charge**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Accounting profit before tax as per financial statements | 33,54,77,991 | 13,23,177 |
| Tax rate (in percentage) | 29.12% | 25.75% |
| Income tax expense calculated based on this tax rate | 9,76,91,191 | 3,40,718 |
| Others | (23,82,629) | (2,01,371) |
| Others | 1,16,257 | - |
| Minimum alternate tax on book profits (incremental portion) | - | 1,59,438 |
| Recognition of available tax credits (for example, Minimum Alternate Tax credit) | - | (1,59,438) |
| Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit) | 1,27,562 | |
| Impact of tax rate changes (between two accounting periods) | (40,48,507) | 61,93,687 |
| Others* | - | 2,44,078 |
| **Tax charge for the year recorded in P&L** | 9,15,03,874 | 65,77,112 |

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C. **The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:**

| | Opening deferred tax asset / (liability) as per Ind AS | Movement for the period<br>Recognised in statement of profit or loss | Total movement | Closing deferred tax asset / (liability) as per Ind AS |
|---|---|---|---|---|
| Deferred taxes in relation to: | | | | |
| Employee benefits obligations | 4,820 | 6,123 | 6,123 | 10,943 |
| Fair valuation of Derivatives | - | 77,51,711 | 77,51,711 | 77,51,711 |
| ECL Provision | 3,09,13,905 | (2,56,85,758) | (2,56,85,758) | 52,28,147 |
| Unused tax credits (including but not limited to Minimum Alternate Tax credit) | 1,59,875 | (1,27,562) | (1,27,562) | 32,313 |
| **Total** | **3,10,78,600** | **(1,80,55,486)** | **(1,80,55,486)** | **1,30,23,114** |

| | Opening deferred tax asset / (liability) as per Ind AS | Movement for the period<br>Recognised in statement of profit or loss | Total movement | Closing deferred tax asset / (liability) as per Ind AS |
|---|---|---|---|---|
| Deferred taxes in relation to: | | | | |
| Employee benefits obligations | 61,713 | (56,893) | (56,893) | 4,820 |
| ECL Provision | 3,71,00,412 | (61,86,506) | (61,86,506) | 3,09,13,905 |
| Unused tax credits (including but not limited to Minimum Alternate Tax credit) | 437 | 1,59,438 | 1,59,438 | 1,59,875 |
| **Total** | **3,71,62,562** | **(60,83,962)** | **(60,83,962)** | **3,10,78,600** |

| **Break-up of recognition of current tax** | **31 March 2019** | **31 March 2018** |
|---|---|---|
| In P&L | 7,34,48,388 | 4,93,150 |
| **Total** | - | - |

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# Allium Finance Private Limited

**Notes to the financial statements *(Continued)***
*(Currency: Indian rupees)*

## 30 Related parties transactions

**Disclosure as required by Indian Accounting Standard 24 AS – "Related Party Disclosure"**

**List of related parties and relationship:**

| | |
|---|---|
| **Name of related parties by whom control is exercised** | Edelweiss Financial Services Limited, Ultimate holding company |
| | Edelweiss Rural & Corporate Services Limited (formerly Edelweiss commodities Services Limited) |

**(ii) Transactions with related parties:**

| Nature of transaction | Related party name | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|---|
| Cost reimbursements to | Edelweiss Financial Services Limited | **26,004** | 10,595 |
| | Edelweiss Rural & Corporate Services Limited | **1,91,412** | 67,042 |
| Enterprise service charge paid to | Edelweiss Financial Services Limited | **-** | 45,346 |
| | Edelweiss Rural & Corporate Services Limited | **27,82,660** | 18,64,312 |
| Short term loans given to (Refer note 2) | Edelweiss Rural & Corporate Services Limited | **73,17,00,000** | - |
| Interest income on short term loan from | Edelweiss Rural & Corporate Services Limited | **11,02,562** | - |
| **Balance with related parties for the year ended 31 March 2019** | | | |
| Short term loans given to (including accrued interest but not due) | Edelweiss Rural & Corporate Services Limited | **73,26,92,306** | - |
| Interest accrued but not due on borrowings | Edelweiss Rural & Corporate Services Limited | | - |
| Trade payables to | Edelweiss Financial Services Limited | **48,620** | 71,657 |
| | Edelweiss Rural & Corporate Services Limited | **15,26,729** | 8,522 |

**Note :**

1. Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

2. Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. 01 August 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly.

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(Currency: Indian rupees)

### *31. Earnings per share*

The following tables shows the income and share data used in the basic and diluted EPS calculations.

| | Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|---|
| a) | Net amount attributable to equity shareholders (as per statement of profit and loss) | **24,39,74,117** | (52,53,935) |
| | Calculation of weighted average number of equity shares of ₹ 10 each: | | |
| | – Number of shares at the beginning of the year | **17,34,339** | 17,34,339 |
| | – Shares issued during the year (number of shares issued) | - | - |
| | Total number of equity shares outstanding at the end of the year | **17,34,339** | 17,34,339 |
| b) | Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | **17,34,339** | 17,34,339 |
| c) | Number of dilutive potential equity shares | **50,91,385** | 50,91,385 |
| d) | Basic earnings per share (in ₹) (a/b) | **140.67** | (3.03) |
| e) | Diluted earnings per share (in ₹) {a / (b+c)} | **35.74** | (0.77) |

The Company has issued compulsorily convertible non-cumulative preference shares which have been considered for the purpose of computing diluted earnings per share.

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# Allium Finance Private Limited
## Notes to the financial statements *(continued)*

(Currency: Indian rupees)

**32.** ***The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.***

*(Amount in ₹ Lakhs)*

| | | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| | **Liabilities side :** | | |
| (1) | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures : Secured | - | - |
| | : Unsecured (other than falling within the meaning of public deposits *) | - | - |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-Corporate Loans and Borrowing | - | - |
| | (e) Commercial Paper | - | - |
| | (f) Other loans: | - | - |
| | (g) Loan from holding company | - | - |
| | (* Please see Note 1 below) | | |
| | | | **Amount Outstanding** |
| | **Assets side :** | | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | | |
| | (a) Secured | | **377.29** |
| | (b)Unsecured | | **7,326.92** |
| (3) | Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors : | | |
| | (a) Financial Lease | | - |
| | (b) Operating Lease | | - |
| | (ii) Stock on hire including hire charges under sundry debtors: | | |
| | (a) Assets on Hire | | - |
| | (b) Repossessed Assets | | - |
| | (iii) Hypothecation loans counting towards EL / HP activities : | | |
| | (a) Loans where assets have been repossessed | | - |
| | (b) Loans other than (a) above | | - |

(Currency: Indian rupees)

**32.** ***The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended . (Continued)***

*(Amount in ₹ Lakhs)*

| | | Amount Outstanding |
|---|---|---|
| (4) | Break-up of Investments | |
| | Current Investments: | |
| | 1. Quoted : | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted : | - |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | - |
| | (iv) Government Securities | - |
| | (v) Others (Debt instruments) | - |
| | | - |
| | Long Term investments : | |
| | 1. Quoted : | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted : | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | - |
| | (iv) Government Securities | - |
| | (v) Others (securities receipts issued by trusts) | **851.22** |

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:
(Please see Note 2 below)

| **Category** | **Amount (net of provisions)** | | |
|---|---|---|---|
| | **Secured** | **Unsecured** | **Total** |
| 1. Related Parties** | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | - | 7,297.66 | **7,297.66** |
| 2. Other than related parties | 227.02 | - | **227.02** |
| **Total** | **227.02** | **7,297.66** | **227.02** |

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**32.** ***The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended. (Continued)***

*(Amount in ₹ Lakhs)*

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

| Category | Market value / Break-up or fair value or NAV | Book value (net of provisions) |
|---|---|---|
| 1. Related parties** | | |
| (a) Subsidiaries | - | - |
| (b) Companies in the same group | - | - |
| (c) Other related parties | - | - |
| 2. Other than related parties | **851.22** | **851.22** |
| **Total** | **851.22** | **851.22** |

(7) **Other information**

| **Particulars** | **Amount** |
|---|---|
| (i) Gross non-performing assets | |
| (a) Related party | - |
| (b) Other than related parties | **300** |
| (ii) Net non-performing assets | - |
| (a) Related party | - |
| (b) Other than related parties | **150** |
| (iii) Assets acquired in satisfaction of debts | - |

**33.** ***Capital to Risk Assets Ratio (CRAR)***

| | | 2019 | 2018 |
|---|---|---|---|
| i) | CRAR (%) | **105.57%** | **89.54%** |
| ii) | CRAR - Tier I capital (%) | **104.18%** | **89.53%** |
| iii) | CRAR - Tier II Capital (%) | **1.39%** | **0.01%** |
| iv) | Amount of subordinated debt raised as Tier-II capital | - | - |
| v) | Amount raised by issue of Perpetual Debt Instruments | - | - |

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## Notes to the financial statements *(continued)*

(Currency: Indian rupees)

***34. Investments*** *(₹ in Lakhs)*

| | | | 2019 | 2018 |
|---|---|---|---|---|
| 1) | Value of investments | | | |
| | i | Gross value of investments | | |
| | | a) In India | **851.22** | **2,584.85** |
| | | b) Outside India | - | - |
| | Ii | Provisions for depreciation | | |
| | | a) In India | - | - |
| | | b) Outside India | - | - |
| | Iii | Net value of investments | | |
| | | a) In India | **851.22** | **2,584.85** |
| | | 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 | - | - |

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### *35. Exposure to real estate sector, both direct and indirect*

*(₹ in Lakhs)*

| | | | 2019 | 2018 |
|---|---|---|---|---|
| A | Direct Exposure | | | |
| | (i) | Residential mortgages - | - | - |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: | - | - |
| | | - Individual housing loans up to ₹. 15 Lakh | - | - |
| | | - Individual housing loans above ₹. 15 Lakh | - | - |
| | | | | |
| | (ii) | Commercial real estate - | | |
| | | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits. | 377.29 | 4,153.34 |
| | | Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | | |
| | | - Residential | - | - |
| | | - Commercial real estate | - | - |
| | | | | |
| B | Indirect exposure | | | |
| | | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | - |

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### *36. Movements in Non Performing Advances:*

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

*(₹ in Lakhs)*

| | | 2019 | 2018 |
|---|---|---|---|
| i | Net NPAs to Net advances (%) | **1.99%** | 95.43% |
| | | | |
| ii | Movement of NPAs (Gross) | | |
| | a) Opening balance | **4,000** | 4,000 |
| | b) Additions during the year | **-** | - |
| | c) Reductions during the year | **3,700** | - |
| | d) Closing balance | **300** | 4,000 |
| | | | |
| iii | Movement of NPAs (Net) | | |
| | a) Opening balance | **2,800** | 2,800 |
| | b) Additions during the year | **-** | - |
| | c) Reductions during the year | **2,650** | - |
| | d) Closing balance | **150** | 2,800 |
| | | | |
| iv | Movement of Provisions for NPAs (excluding provision on Standard assets) | | |
| | a) Opening balance | **1,200** | 1,200 |
| | b) Additions during the year | **-** | - |
| | c) Reductions during the year | **1,050** | - |
| | d) Closing balance | **150** | 1,200 |

### *37. Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss*

*(₹ in Lakhs)*

| | | 2019 | 2018 |
|---|---|---|---|
| i) | Provisions for depreciation on Investment | - | - |
| ii) | Provision towards NPA | (1050.00) | - |
| iii) | Provision made towards Income tax | 734.48 | **4.93** |
| iv) | Provision for standard assets | 29.00 | **(0.12)** |
| v) | Other provision and contingencies | | |
| | Provision for gratuity | (0.13) | **(0.10)** |
| | Provision for compensated absences | (0.06) | **(0.22)** |

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### *38. Concentration of Deposits, Advances, Exposures and NPAs*

***(₹ in Lakhs)***

| | | | |
|---|---|---|---|
| A) | Concentration of advances | **2019** | 2018 |
| | Total Advances to twenty largest borrowers | **7,704.21** | 4,153.34 |
| | % of Advances to twenty largest borrowers to total advances | **100%** | 100% |
| B) | Concentration of exposures | | |
| | Total Exposures to twenty largest borrowers / Customers | **7,704.21** | 4,153.34 |
| | % of Exposures to twenty largest borrowers / Customers to total advances | **100%** | 100% |
| | | | |
| C) | Concentration of NPAs | | |
| | Total exposures to top four NPAs | **300.00** | 4,000.00 |
| | | | |
| D) | Sector-wise NPAs | | |
| | | % of NPAs to Total Advances in that sector | |
| 1 | Agriculture and allied activities | **0%** | 0% |
| 2 | MSME | **0%** | 0% |
| 3 | Corporate borrowers | **100%** | 100% |
| 4 | Services | **0%** | 0% |
| 5 | Unsecured personal loans | **0%** | 0% |
| 6 | Auto loans | **0%** | 0% |
| 7 | Other personal loans | **0%** | 0% |

### *39. Asset Liability Management*

***Maturity pattern of certain items of assets and liabilities as at 31 March 2019*** ***(₹ in Lakhs)***

| | **1 day to 30/31 days (One month)** | **Over One month to 2 months** | **Over 2 months upto 3 months** | **Over 3 months to 6 months** | **Over 6 months to 1 year** | **Over 1 year to 3 years** | **Over 3 years to 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | - | - | 77.29 | - | 7,626.92 | - | - | - | 7,704.21 |
| Investments | - | - | - | 851.22 | - | - | - | - | 851.22 |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

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(Currency: Indian rupees)

*Maturity pattern of certain items of assets and liabilities as at 31 March 2018* *(₹ in Lakhs)*

| | 1 day to 30/31 days (One month) | Over One month to 2 months | Over 2 months upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | - | - | - | - | 67.50 | 85.84 | - | 4,000.00 | 4,153.34 |
| Investments | - | - | - | - | - | - | - | 2584.85 | 2584.85 |
| Borrowings | - | - | - | - | - | - | - | - | - |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | - | - | - | - | - | - |

**40.** ***Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:***

During the year ended 31 March 2019 and 31 March 2018, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**41.** ***Capital market exposure***

The Company did not have any capital market exposure as at 31 March 2019 and 31 March 2018.

**42.** ***Customer complaints***

| | Particulars | 2019 | 2018 |
|---|---|---|---|
| (a) | No. of complaints pending at the beginning of the year | - | - |
| (b) | No. of complaints received during the year | - | - |
| (c) | No. of complaints redressed during the year | - | - |
| (d) | No. of complaints pending at the end of the year | - | - |

**43.** ***Details of dues to micro, medium and small enterprises***

Trade payables includes ₹. Nil (Previous year: ₹. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

**44.** ***Capital commitment and contingent liability***

The Company has no capital commitments and contingent liabilities as at balance sheet date (Previous year: ₹ Nil)

**45.** ***Foreign currency***

The Company has not earned/ incurred any income/ expenditure in foreign currency during the year (Previous year: ₹ Nil)

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## 46. *Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits*

### A) *Defined contribution plan (provident fund):*

Amount of ₹ 40,044 (previous year: ₹ 33,809) is recognised as expenses and included in "Employee benefit expenses".

### B) *Defined benefit plan (gratuity):*

The following tables summarize the components of the net employee benefit expenses recognised in the statement of profit and loss and amount recognised in the balance sheet for the gratuity benefit plan

*Statement of profit and loss*

*Net employee benefit expenses (recognized in employee cost)*

| **Particulars** | **2018-19** | **2017-18** |
|---|---|---|
| Current service cost | **7,000** | **5,000** |
| Interest on defined benefit obligation | **1,000** | **2,000** |
| Expected return on plan assets | - | - |
| Net actuarial losses/(gains) recognized in the year | - | - |
| Past service cost | - | - |
| **Total included in 'Employee benefit expense'** | **8,000** | **7,000** |

*Balance Sheet*

*Details of provision for gratuity*

| **Particulars** | **As at 31 March 2019** | As at 31 March 2018 |
|---|---|---|
| Liability at the end of the year | **25,724** | **12,718** |

## 47. *Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)*

*Changes in the present value of the defined benefit obligation are as follows:*

| **Particulars** | **As at 31 March 2019** | As at 31 March 2018 |
|---|---|---|
| Liability at the beginning of the year | **12,718** | 171,718 |
| Transfer in / (out) | - | (149,000) |

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| | | |
|---|---|---|
| Interest cost | **1,000** | 2,000 |
| Current service cost | **6,006** | 5,000 |
| Past service cost (non vested benefit) | **-** | - |
| Past service cost (vested benefit) | **-** | - |
| Benefits Paid | **-** | - |
| Actuarial (gain)/loss | **6,000** | (17,000) |
| **Liability at the end of the year** | **25,724** | 12,718 |

*Principal actuarial assumptions at the balance sheet date:*

| **Particulars** | **2019** | 2018 |
|---|---|---|
| Discount rate | **7%** | **7.30%** |
| Salary escalation | **7%** | **7%** |
| Employee attrition rate | **13%-25%** | **13%-25%** |

*Amount recognised in the balance sheet::*

| **Particulars** | **2019** | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Liability at the end of the year | **25,724** | 12,718 | 171,718 | 218,000 | 117,000 |
| Fair value of plan assets at the end of the year | **-** | - | - | - | - |
| Amount recognized in balance sheet – asset /(liability) | **25,724** | 12,718 | 171,718 | 218,000 | 117,000 |

*Experience adjustment :*

| **Particulars** | **2019** | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| On plan liabilities: (Gain)/ Loss | **6000** | (16000) | (1,000) | 51,000 | 13,000 |

***Movement in other comprehensive income***

| | *31 March 2019* | *31 March 2018* |
|---|---|---|
| Balance at Start of the year ( Loss) / Gain | **Nil*** | **Nil*** |
| Re-measurements on DBO | | |
| a. Actuarial (Loss)/ Gain from changes in financial assumptions | **-** | **1,000** |
| b. Actuarial (Loss)/ Gain from experience over the past year | **(6,000)** | **16,000** |

** Ind AS 19 is being adopted from FY 2018-19 and date of transition being April 1, 2018, so prior years' disclosures are for comparative purposes only*

## *48. Cost Sharing*

Edelweiss Financial Services Limited, being the ultimate holding company and Edelweiss Rural & corporate Services Limited, the holding company incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications, etc.

## *49. First Time adoption*

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

**Exemptions applied**

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**De-recognition of financial assets and liabilities:**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

**Impairment of financial assets:**

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

**Past business combinations:**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

**Classification and measurement of financial assets:**

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The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**Deferred Tax**

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

**Valuation of Investments**

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Stock in trade and long term investment based on intent of holding period and realisablity Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

**Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

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## 50 Risk Management framework:-

### a) Governance

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

### b) Approach to capital management

Company's objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

### c) Market risks

Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

**Total market risk exposure**

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses.

| | 31 March 2019 | | | 31 March 2018 | | | 01 April 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Carrying amount** | **Traded risk** | **Non-traded risk** | **Carrying amount** | **Traded risk** | **Non-traded risk** | **Carrying amount** | **Traded risk** | **Non-traded risk** |
| **Assets** | | | | | | | | | |
| Cash and cash equivalent and other bank balances | 2,84,45,219 | - | 2,84,45,219 | 5,12,38,307 | - | 5,12,38,307 | 4,45,30,086 | - | 4,45,30,086 |
| Investment at FVTPL | 8,51,21,590 | - | 8,51,21,590 | 25,84,85,095 | - | 25,84,85,095 | 25,98,48,634 | - | 25,98,48,634 |
| Loans | 75,24,67,341 | - | 75,24,67,341 | 29,52,80,041 | - | 29,52,80,041 | 30,08,78,105 | - | 30,08,78,105 |
| **Total** | **86,60,34,151** | **-** | **86,60,34,151** | **60,50,03,443** | **-** | **60,50,03,443** | **60,52,56,825** | **-** | **60,52,56,825** |
| | | | | | | | | | |
| **Liability** | | | | | | | | | |
| Trade payables | 15,67,986 | - | 15,67,986 | 14,74,265 | - | 14,74,265 | 4,82,787 | - | 4,82,787 |
| Other financial liabilities | 4,00,000 | - | 4,00,000 | 4,40,000 | - | 4,40,000 | 4,40,000 | - | 4,40,000 |
| **Total** | **19,67,986** | **-** | **19,67,986** | **19,14,265** | **-** | **19,14,265** | **9,22,787** | **-** | **9,22,787** |

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**(Currency: Indian rupees)**

**50 Risk Management framework:- (Continued)**

**d) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected.

A. **Analysis of non-derivative financial liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at year end.
Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

| As at 31 March 2019 | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade payables | - | - | - | 14,20,376 | 1,47,610 | - | - | - | - | - | 15,67,986 |
| Other financial liabilities | - | - | - | | - | - | 4,00,000 | - | - | - | 4,00,000 |
| **Total undiscounted non-derivative financial liabilities** | **-** | **-** | **-** | **14,20,376** | **1,47,610** | **-** | **4,00,000** | **-** | **-** | **-** | **19,67,986** |

| As at 31 March 2018 | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade payables | - | 8,525 | 12,89,824 | 1,75,916 | - | - | | - | - | - | 14,74,265 |
| Other financial liabilities | - | - | - | - | - | - | 4,40,000 | - | - | - | 4,40,000 |
| **Total undiscounted non-derivative financial liabilities** | **-** | **8,525** | **12,89,824** | **1,75,916** | **-** | **-** | **4,40,000** | **-** | **-** | **-** | **19,14,265** |

| As at 1 April 2017 | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Trade payables | - | - | 2,41,394 | 2,41,394 | - | - | - | - | - | - | 4,82,787 |
| Other financial liabilities | - | - | - | - | - | - | 4,40,000 | - | - | - | 4,40,000 |
| **Total undiscounted non-derivative financial liabilities** | **-** | **-** | **2,41,394** | **2,41,394** | **-** | **-** | **4,40,000** | **-** | **-** | **-** | **9,22,787** |

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**B. Analysis of non-derivative financial assets by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at year end.

| As at 31 March 2019 | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalent and other bank balances | 4,84,973 | - | - | 1,30,44,408 | 1,49,15,839 | - | - | - | - | - | 2,84,45,220 |
| Loans | - | - | - | - | 2,27,01,835 | - | 72,97,65,506 | - | - | - | 75,24,67,341 |
| Investments at fair value through profit or loss | - | - | - | - | - | 8,51,21,590 | - | - | - | - | 8,51,21,590 |
| **Total** | **4,84,973** | **-** | **-** | **1,30,44,408** | **3,76,17,674** | **8,51,21,590** | **72,97,65,506** | **-** | **-** | **-** | **86,60,34,151** |

| As at 31 March 2018 | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalent and other bank balances | 64,04,724 | | 1,51,79,887 | 1,67,64,621 | 1,28,89,075 | - | - | - | - | - | 5,12,38,307 |
| Loans | - | - | - | - | 30,00,000 | - | 67,50,000 | 55,30,041 | | 28,00,00,000 | 29,52,80,041 |
| Investments at fair value through profit or loss | - | - | - | - | - | - | - | - | 25,84,85,095 | | 25,84,85,095 |
| **Total** | **64,04,724** | **-** | **1,51,79,887** | **1,67,64,621** | **1,58,89,075** | **-** | **67,50,000** | **55,30,041** | **25,84,85,095** | **28,00,00,000** | **60,50,03,443** |

| As at 1 April 2017 (i.e. 31-Mar-2017) | On demand | 1 to 14 days | 15 days to 1 month | 1 month to 2 months | 2 months to 3 months | 3 months to 6 months | 6 months to 1 year | 1 year to 3 years | 3 years to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalent and other bank balances | 8,53,297 | | 1,47,17,251 | 1,62,48,263 | 1,27,11,275 | - | - | - | - | - | 4,45,30,086 |
| Loans | - | - | - | - | 53,73,673 | - | - | 1,55,04,432 | - | 28,00,00,000 | 30,08,78,105 |
| Investments at fair value through profit or loss | - | - | - | - | - | - | - | - | 25,98,48,634 | - | 25,98,48,634 |
| Other financial assets | - | - | - | - | | - | 1,15,000 | - | - | - | 1,15,000 |
| **Total** | **8,53,297** | **-** | **1,47,17,251** | **1,62,48,263** | **1,80,84,948** | **-** | **-** | **1,55,04,432** | **25,98,48,634** | **28,00,00,000** | **60,53,71,825** |

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51 **Analysis of risk concentration**

**Industry analysis - Risk concentration for 31 March 2019**

| Particulars | Financial services | Retail and wholesale | Construction | Oil & gas | Services | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalent and other bank balances | 2,84,45,219 | - | - | - | - | 2,84,45,219 |
| Investment carried at fair value through profit and loss | 8,51,21,590 | - | - | - | - | 8,51,21,590 |
| Loans | - | 1,50,00,000 | - | - | 73,74,67,341 | 75,24,67,341 |
| **Total** | **11,35,66,810** | **1,50,00,000** | - | - | **73,74,67,341** | **86,60,34,151** |

**Industry analysis - Risk concentration for 31 March 2018**

| Particulars | Financial services | Retail and wholesale | Construction | Oil & gas | Services | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalent and other bank balances | 5,12,38,307 | - | - | - | - | 5,12,38,307 |
| Investment carried at fair value through profit and loss | 25,84,85,095 | - | - | - | - | 25,84,85,095 |
| Loans | | 28,00,00,000 | - | - | 1,52,80,041 | 29,52,80,041 |
| **Total** | **30,97,23,402** | **28,00,00,000** | - | - | **1,52,80,041** | **60,50,03,443** |

**Industry analysis - Risk concentration for 01 April 2017 (i.e. 31 March 2017)**

| Particulars | Financial services | Retail and wholesale | Construction | Oil & gas | Services | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalent and other bank balances | 4,45,30,086 | - | - | - | - | 4,45,30,086 |
| Investment carried at fair value through profit and loss | 25,98,48,634 | - | - | - | - | 25,98,48,634 |
| Other financial assets | - | - | - | - | 1,15,000.00 | 1,15,000.00 |
| Loans | | 28,00,00,000 | - | - | 2,08,78,105 | 30,08,78,105 |
| **Total** | **30,43,78,720** | **28,00,00,000** | - | - | **2,09,93,105** | **60,53,71,825** |

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### 52 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.

***Maturity analysis of assets and liabilities***

| | 31 March 2019 | | | 31 March 2018 | | | 01 April 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Within 12 months** | **After 12 months** | **Total** | **Within 12 months** | **After 12 months** | **Total** | **Within 12 months** | **After 12 months** | **Total** |
| **Financial assets** | | | | | | | | | |
| Cash and cash equivalents | 4,84,973 | | 4,84,973 | 64,04,724 | | 64,04,724 | 41,19,812 | - | 41,19,812 |
| Other bank balances | 2,79,60,247 | | 2,79,60,247 | 4,48,33,583 | | 4,48,33,583 | 4,04,10,274 | - | 4,04,10,274 |
| Loans | 75,24,67,341 | | 75,24,67,341 | 85,57,099 | 28,67,22,942 | 29,52,80,041 | - | 30,08,78,105 | 30,08,78,105 |
| Investments | 8,51,21,590 | | 8,51,21,590 | | 25,84,85,095 | 25,84,85,095 | - | 25,98,48,634 | 25,98,48,634 |
| Other financial assets | - | - | - | - | - | - | 1,15,000 | - | 1,15,000 |
| | **86,60,34,151** | **-** | **86,60,34,151** | **5,97,95,406** | **54,52,08,037** | **60,50,03,443** | **4,46,45,086** | **56,07,26,739** | **60,53,71,825** |
| **Non-financial assets** | | | | | | | | | |
| Current tax assets (net) | 5,83,453 | 4,72,506 | 10,55,959 | - | 4,72,197 | 4,72,197 | 3,68,140 | 2,92,501 | 6,60,641 |
| Deferred tax assets (net) | 1,30,23,114 | - | 1,30,23,114 | - | 3,10,78,600 | 3,10,78,600 | - | 3,71,62,562 | 3,71,62,562 |
| Other non-financial assets | 23,93,217 | - | 23,93,217 | 18,44,507 | | 18,44,507 | 14,58,838 | - | 14,58,838 |
| | 1,59,99,784 | 4,72,506 | 1,64,72,290 | 18,44,507 | 3,15,50,797 | 3,33,95,304 | 18,26,978 | 3,74,55,063 | 3,92,82,041 |
| **Total assets** | **88,20,33,935** | **4,72,506** | **88,25,06,441** | **6,16,39,913** | **57,67,58,834** | **63,83,98,748** | **4,64,72,064** | **59,81,81,802** | **64,46,53,866** |

| | 31 March 2019 | | | 31 March 2018 | | | 01 April 2017 | | |
|---|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Within 12 months** | **After 12 months** | **Total** | **Within 12 months** | **After 12 months** | **Total** | **Within 12 months** | **After 12 months** | **Total** |
| **Financial liabilities** | | | | | | | | | |
| Trade payables | 15,67,986 | - | 15,67,986 | 14,74,265 | - | 14,74,265 | 4,82,787 | - | 4,82,787 |
| Other financial liabilities | 4,00,000 | - | 4,00,000 | 4,40,000 | - | 4,40,000 | 4,40,000 | - | 4,40,000 |
| | **19,67,986** | **-** | **19,67,986** | **19,14,265** | **-** | **19,14,265** | **9,22,787** | **-** | **9,22,787** |
| **Non-financial liabilities** | | | | | | | | | |
| Current tax liabilities (net) | 2,91,458 | - | 2,91,458 | 2,83,858 | - | 2,83,858 | 21,59,692 | - | 21,59,692 |
| Provisions | 37,579 | - | 37,579 | 1,000 | 17,718 | 18,718 | 34,000 | 1,65,718 | 1,99,718 |
| Other non-financial liabilities | 3,94,972 | - | 3,94,972 | 3,35,577 | - | 3,35,577 | 2,87,405 | - | 2,87,405 |
| | 7,24,009 | - | 7,24,009 | 6,20,435 | 17,718 | 6,38,153 | 24,81,097 | 1,65,718 | 26,46,815 |
| **Total liabilities** | **26,91,995** | **-** | **26,91,995** | **25,34,700** | **17,718** | **25,52,418** | **34,03,884** | **1,65,718** | **35,69,602** |

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## 53 Capital management

The primary objectives of the capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise 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. However, they are under constant review by the Board.

**Regulatory capital**

| Particulars | 31 March 2019 | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| Common Equity Tier1 (CET1) capital | 2,206.86 | 6,048.90 | 6,039.12 |
| Other Tier 2 capital instruments | 29.54 | 0.54 | 0.66 |
| Total capital | 2,236.40 | 6,049.44 | 6,039.78 |
| Risk weighted assets | 2,118.31 | 6,756.26 | 6,823.57 |
| CET1 capital ratio (Tier I capital) | 104.18% | 89.53% | 88.50% |
| CET2 capital ratio (Tier II) | 1.39% | 0.01% | 0.01% |
| Total capital ratio | 105.57% | 89.54% | 88.51% |

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## 54 Disclosure related to collateral

**Following table sets out availability of Group financial assets to support funding**
**Disclosure related to collateral**

| 31 March 2019 | Pledge as collateral | others 1 | Available as collateral | others 2 | Total carrying amount |
|---|---|---|---|---|---|
| Cash and cash equivalent including bank balance | - | - | 2,79,60,247 | 4,84,973 | 2,84,45,219 |
| loans | - | - | 75,24,67,341 | - | 75,24,67,341 |
| Investments | - | - | 8,51,21,590 | - | 8,51,21,590 |
| **Total assets** | - | - | **86,55,49,178** | **4,84,973** | 86,60,34,151 |

| 31 March 2018 | Pledge as collateral | others 1 | Available as collateral | others 2 | Total carrying amount |
|---|---|---|---|---|---|
| Cash and cash equivalent including bank balance | - | - | 4,48,33,583 | 64,04,724 | 5,12,38,307 |
| loans | - | - | 29,52,80,041 | - | 29,52,80,041 |
| Investments | - | - | 25,84,85,095 | - | 25,84,85,095 |
| **Total assets** | - | - | **59,85,98,719** | **64,04,724** | 60,50,03,443 |

| 01 April 2017 | Pledge as collateral | others 1 | Available as collateral | others 2 | Total carrying amount |
|---|---|---|---|---|---|
| Cash and cash equivalent including bank balance | - | - | 4,36,76,789 | 8,53,297 | 4,45,30,086 |
| loans | - | - | 30,08,78,105 | - | 30,08,78,105 |
| Investments | - | - | 25,98,48,634 | - | 25,98,48,634 |
| **Total assets** | - | - | **60,44,03,528** | **8,53,297** | 60,52,56,825 |

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**55 Fair Values of Financial Instruments**

(i) The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

| | 31 March 2019 | | | |
|---|---|---|---|---|
| **Particulars** | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value on a recurring basis** | | | | |
| **Investments** | | | | |
| Security receipts | - | - | 8,51,21,590 | **8,51,21,590** |
| **Total investments measured at fair value** | - | - | **8,51,21,590** | **8,51,21,590** |
| **Total financial assets measured at fair value on a recurring basis** | - | - | **8,51,21,590** | **8,51,21,590** |

| | 31 March 2018 | | | |
|---|---|---|---|---|
| **Particulars** | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value on a recurring basis** | | | | |
| **Investments** | | | | |
| Security receipts | - | - | 25,84,85,095 | **25,84,85,095** |
| **Total investments measured at fair value** | - | - | **25,84,85,095** | **25,84,85,095** |
| **Total financial assets measured at fair value on a recurring basis** | - | - | **25,84,85,095** | **25,84,85,095** |

| | 1 April 2017 | | | |
|---|---|---|---|---|
| **Particulars** | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value on a recurring basis** | | | | |
| **Investments** | | | | |
| Security receipts | - | - | 25,98,48,634 | **25,98,48,634** |
| **Total investments measured at fair value** | - | - | **25,98,48,634** | **25,98,48,634** |
| **Total financial assets measured at fair value on a recurring basis** | - | - | **25,98,48,634** | **25,98,48,634** |

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**Movement in level 3 financial instruments measured at fair**

(ii) The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

| | Financial assets | | | | | | | Financial liabilities | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | Derivative financial assets | Stock-in-trade | Investments in security receipts | Investments in units of AIF | Investments in unquoted equity shares categorised at Level 3 | Other investments classified as FVTPL | Investments classified as FVTOCI | Derivative financial liabilities | Other financial liabilities | Total |
| At 1 April 2018 | - | - | **25,84,85,095** | - | - | - | - | - | - | **25,84,85,095** |
| Purchase | - | - | - | - | - | - | - | - | - | - |
| Redemption | - | - | (14,67,43,616) | - | - | - | - | - | - | **(14,67,43,616)** |
| Issuances | - | - | - | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | - | - | - | - |
| Transfer into level 3 | - | - | - | - | - | - | - | - | - | - |
| Transfer from level 3 | - | - | - | - | - | - | - | - | - | - |
| Gains / (losses) for the period (2018-19) recognised in profit or loss | - | - | (2,66,19,888) | - | - | - | - | - | - | **(2,66,19,888)** |
| Gains / (losses) for the period (2018-19) recognised in other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| **At 31 March 2019** | - | - | **8,51,21,591** | - | - | - | - | - | - | **8,51,21,591** |
| Unrealised gains / (losses) related to balances held at the end of the period | - | - | (2,66,19,888) | - | - | - | - | - | - | **(2,66,19,888)** |

| | Financial assets | | | | | | | Financial liabilities | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | Derivative financial assets | Stock-in-trade | Investments in security receipts | Investments in units of AIF | Investments in unquoted equity shares categorised at Level 3 | Other investments classified as FVTPL | Investments classified as FVTOCI | Derivative financial liabilities | Other financial liabilities | Total |
| At 1 April 2017 | - | - | 25,98,48,634 | - | - | - | - | - | - | **25,98,48,634** |
| Purchase | - | - | - | - | - | - | - | - | - | - |
| Redemption | - | - | (13,63,539) | - | - | - | - | - | - | **(13,63,539)** |
| Issuances | - | - | - | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | - | - | - | - |
| Transfer into level 3 | - | - | - | - | - | - | - | - | - | - |
| Transfer from level 3 | - | - | - | - | - | - | - | - | - | - |
| Gains / (losses) for the period (2017-18) recognised in profit or loss | - | - | - | - | - | - | - | - | - | - |
| Gains / (losses) for the period (2017-18) recognised in other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| **At 31 March 2018** | - | - | **25,84,85,095** | - | - | - | - | - | - | **25,84,85,095** |
| Unrealised gains / (losses) related to balances held at the end of the period | - | - | - | | | - | - | - | - | - |

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**Unobservable inputs used in measuring fair value categorised within Level 3**

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

| Type of Financial Instruments | Fair value of asset as on 31 March 2019 | Fair value of liability as on 31 March 2019 | Valuation Techniques | Significant Unobservable input | Range of estimates (weighted-average) for unobservable input | Increase in the unobservable input (% or as the case may be) | Change in fair value | Decrease in the unobservable input (% or as the case may be) | Change in fair value |
|---|---|---|---|---|---|---|---|---|---|
| Investments in security receipts | 8,51,21,590 | - | Net asset value method | Recovery rates | 175.43 to 431.32 | 5% | 42,56,080 | 5% | (42,56,080) |

| Type of Financial Instruments | Fair value of asset as on 31 March 2018 | Fair value of liability as on 31 March 2018 | Valuation Techniques | Significant Unobservable input | Range of estimates (weighted-average) for unobservable input | Increase in the unobservable input (% or as the case may be) | Change in fair value | Decrease in the unobservable input (% or as the case may be) | Change in fair value |
|---|---|---|---|---|---|---|---|---|---|
| Investments in security receipts | 25,84,85,095 | - | Net asset value method | Recovery rates | 348.51 to 750 | 5% | 1,29,24,255 | 5% | (1,29,24,255) |

| Type of Financial Instruments | Fair value of asset as on 1 April 2017 | Fair value of liability as on 1 April 2017 | Valuation Techniques | Significant Unobservable input | Range of estimates (weighted-average) for unobservable input | Increase in the unobservable input (% or as the case may be) | Change in fair value | Decrease in the unobservable input (% or as the case may be) | Change in fair value |
|---|---|---|---|---|---|---|---|---|---|
| Investments in security receipts | 25,98,48,634 | - | Net asset value method | Recovery rates | 484.86 to 750 | 5% | 1,29,92,432 | 5% | (1,29,92,432) |

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## Allium Finance Private Limited

### Notes to the financial statements (Continued)

56 ***Disclosure of Restructured Accounts***

**(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)**

| Sl No | Type of Restructuring | | Others | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification | | Standard | Sub-standard | Doubtful | Loss | Total | Standard | Sub-standard | Doubtful | Loss | Total |
| | Details | | | | | | | | | | | |
| 1 | Restructured accounts as on 1st April, 2018 (Opening figures) | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| | | | | - | | | | | | | | |
| 2 | Fresh restructuring during the year * | No. of borrowers | - | 1 | - | - | 1 | - | 1 | - | - | 1 |
| | | Amount outstanding | - | 3,00,00,000 | - | - | 3,00,00,000 | - | 3,00,00,000 | - | - | 3,00,00,000 |
| | | Provision thereon | - | 1,50,00,000 | - | - | 1,50,00,000 | - | 1,50,00,000 | - | - | 1,50,00,000 |
| | | | | | | | | | | | | |
| 3 | Upgradations of restructured accounts to Standard category | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| | | 5% new provision on standard assets | | | | | | | | | | |
| | | | | | | | | | | | | |
| 4 | Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| 5 | Downgradations of restructured accounts during the year | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| 6 | Write-offs of restructured accounts during the year | No. of borrowers | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| 2 | Restructured accounts as on 31st Mar, 2019 (Closing figures)* | No. of borrowers | - | 1 | - | - | 1 | - | 1 | - | - | 1 |
| | | Amount outstanding | - | 3,00,00,000 | - | - | 3,00,00,000 | - | 3,00,00,000 | - | - | 3,00,00,000 |
| | | Provision thereon | - | 1,50,00,000 | - | - | 1,50,00,000 | - | 1,50,00,000 | - | - | 1,50,00,000 |
| | | | | | | | | | | | | |

Note :

*includes recovery made during the year from the Sub-standard restructure accounts.

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

(Currency: Indian rupees)

***57. Previous year comparatives***

Previous year's numbers have been regrouped and rearranged wherever necessary to confirm current year's presentation.

As per our report of even date attached.

**For NGS & Co. LLP**
Chartered Accountants
Firm Registration No.: 119850W

**R. P. Soni**
*Partner*
Membership No.: 104796

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai
10 May 2019

**For and on behalf of the Board of Directors**

**Amit Agarwal**
*Director*
DIN: 01056455

**Suneel Vohra**
*Director*
DIN: 00222705

**Ashvini Kaluskar**
*Company secretary*
Mumbai
10 May 2019