

Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

35. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent expenses	222.22	92.82
Communication expenses	229.19	71.04
Printing and stationery expenses	49.71	14.20
Advertisement and publicity expenses	15.95	3.03
Directors' sitting fees	171.00	123.38
Payments to auditor *	75.20	46.03
Legal and professional fees	1,393.88	741.84
Insurance expenses	152.29	46.82
Rates and taxes	598.97	256.35
Computer maintenance and software expenses	580.38	320.39
Marketing and brand promotion expenses	36.95	6.73
Power and fuel expenses	12.97	10.65
Meeting and events expenses	18.02	14.91
Travelling, lodging and boarding expenses	151.81	35.24
Brokerage expenses	2.85	0.09
Miscellaneous expenses	370.52	193.83
CSR expenditure (Refer Note 39)	39.12	19.05
Total	4,121.03	1,996.40

* Payments to auditor includes:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Statutory audit	24.00	23.21
b. Limited review	19.00	15.77
c. Certification matters	30.70	7.05
d. Out-of-pocket expenses	1.50	-
Total	75.20	46.03



Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

36. Earnings per share

Basic and diluted earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per share' :

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders (after adjusting the profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic		
Profit after tax [A]	1,455.06	2,872.75
Weighted average number of equity shares outstanding during the year (Nos.) [B]	7,05,35,715	7,05,28,550
Basic earnings per share Rs. [A/B]	2.06	4.07
Diluted		
Profit after tax [A]	1,455.06	2,872.75
Weighted average number of equity shares outstanding during the year (Nos.)	7,05,35,715	7,05,28,550
Weighted average number of potential equity shares on account of employee stock options and share warrants	5,73,817	-
Weighted average number of shares outstanding for diluted earning per share [B]	7,11,09,532	7,05,28,550
Diluted earnings per share Rs. [A/B]	2.05	4.07
Face value per share Rs.	10.00	10.00

The dilutive effect on the earnings per share is caused by the potential shares that would be issued upon the exercise of the ESOP options. As a result of the dilution, the denominator increased by 5,73,817 shares (Previous year : nil). During the year ended March 31, 2021 the potential equity shares were anti-dilutive in nature, hence the impact of the same was ignored for the purpose of computation of the diluted earnings per share.

37. Contingent liabilities and capital commitments:

a. Contingent liabilities

All tax related liabilities till July 05, 2018 are covered by a deed of indemnity entered by the existing promoters with the erstwhile promoters. Further, there are no other contingent liabilities other than those covered under the deed of indemnity.

b. Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Commitments not provided for :		
- Commitments related to loans sanctioned but partially undrawn	882.60	1,381.88
- Other commitments*	872.99	-
- Amount of contracts remaining to be executed on capital account	185.00	47.00
Total	1,940.59	1,428.88

*Other commitments represent financial guarantees given for Co-lending arrangement entered by the Company during the year.

38. Segment Reporting

There is no separate reportable segment as per the Ind AS 108 "Operating Segments" specified under Section 133 of the Act. The Company operates in a single segment only. There are no operations outside India and hence, there are no reportable geographical segments.



Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

39. Corporate Social Responsibility

The average profit before tax of the Company for the last three financial years was Rs.1,956.03 lakh, basis which the Company was required to spend Rs.39.12 lakh towards Corporate Social Responsibility (CSR) during the current financial year.

a) Amount spent during the year on :

Particulars	31-Mar-22			31-Mar-21		
	Amount Spent	Amount unpaid/provision	Total	Amount Spent	Amount unpaid/provision	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	39.12	-	39.12	19.05	-	19.05

b) In case of Section 135(5) unspent amount :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	39.12	39.12	-

c) In case of Section 135(5) excess amount spent :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	39.12	39.12	-

d) In case of Section 135(6) details of ongoing projects :

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Amount required to be spent during the year
-	-	-	-	-

e) The additional disclosure with regard to CSR activities are summarized below:

- (i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year - Nil
- (ii) The total of previous years' shortfall amounts - Nil
- (iii) The reason for above shortfalls - Not applicable.

f) Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent ₹ 39.12 lakh which was the required amount to be spent under CSR activity. The amount is spent towards healthcare and education of the under-privileged through an NGO.



Notes forming part of the financial statements (continued)
For the year ended March 31, 2022

(Rupees in lakh)

40. Related party

a. List of related parties and their relationship :

(i) Key managerial personnel (KMP) :

- Executive Chairman & Managing Director	Shachindra Nath
- Whole Time Director & Chief Executive Officer (upto 30th April 2021)	Abhijit Ghosh
- Chief Financial Officer (upto 2nd November 2021)	Sandeepkumar Zanvar
- Chief Financial Officer (from 3rd November 2021)	Amit Gupta
- Company Secretary	Aniket Karandikar

(ii) Enterprises over which KMP has control :

- Poshika Financial Ecosystem Private Limited
- Poshika Advisory Services LLP
- Livfin India Private Limited

b. Transactions with related parties are as enumerated below:

Particulars	As at March 31, 2022	As at March 31, 2021
Transactions during the year		
Expenses		
Arranger Fees Paid		
Livfin India Private Limited	20.57	-
Arranger Fees Received		
Livfin India Private Limited	33.81	-
Reimbursement of expenses		
Aniket Karandikar	0.17	-
Amit Gupta	0.99	-
Shachindra Nath	9.43	-
Remuneration paid *		
Shachindra Nath	295.60	269.35
Abhijit Ghosh	11.38	136.52
Kalpeshkumar Ojha	-	65.04
Sandeepkumar Zanvar	44.48	23.87
Amit Gupta	53.68	-
Aniket Karandikar	30.49	23.83

*The above figures do not include provision towards gratuity.

c. Balance outstanding

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial assets		
Livfin India Private Limited	7.89	-

d. ESOPs held with Key Managerial Personnel

Particulars	As at March 31, 2022 (No. of options)	As at March 31, 2021 (No. of options)
Abhijit Ghosh	-	7,24,615
Sandeepkumar Zanvar	-	1,00,000
Amit Gupta	3,00,000	-
Aniket Karandikar	15,000	-

41. Expenditure in foreign currency

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other expenses	79.49	0.87
Total	79.49	0.87

42. Disclosure pursuant to Ind AS 19 'Employee benefits'

a. Defined contribution plans :

Particulars	As at March 31, 2022	As at March 31, 2021
Employer's contribution to provident fund	140.11	84.44
Employer's contribution to national pension scheme	96.61	35.58
Employer's contribution to labour welfare fund	0.05	0.13
Total	236.77	120.15



42. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

b. Defined benefit plan (Gratuity)

The following table sets out the status of the defined benefit plan as per the actuarial valuation by the independent actuary appointed by the Company :

(i). The principal assumptions used for the purposes of the actuarial valuations were as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Discount rate	5.66%	5.18%
Expected rate of return on plan asset	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	22.00%	22.00%
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

(ii). Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	34.50	34.75
Net interest expense	3.69	2.87
Components of defined benefit costs recognised in the Statement of profit or loss	38.19	37.62
Remeasurement on the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.02)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.94)	(5.85)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(23.71)	(13.34)
Components of defined benefit costs recognised in other comprehensive income	(25.67)	(19.19)
Total	12.52	18.43

(iii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	83.65	71.13
Net liability arising from defined benefit obligation	83.65	71.13

(iv). Movements in the present value of the defined benefit obligation is as follows :

Particulars	Gratuity plans	
	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	71.13	52.70
Current service cost	34.50	34.75
Interest cost	3.69	2.87
Remeasurement (gains)	(25.67)	(19.19)
Closing defined benefit obligation	83.65	71.13

(v). Maturity analysis of the benefit payments :

Projected benefits payable in future years	As at March 31, 2022	As at March 31, 2021
1st following year	0.39	0.41
2nd following year	11.55	0.37
3rd following year	14.19	12.70
4th following year	11.81	15.13
5th following year	14.28	12.87
Sum of years 6 To 10	40.89	37.21
Sum of years 11 and above	19.52	16.45

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Such estimates are very long term and are not based on limited past experience / immediate future. Empirical evidence also suggests that in very long term, consistent high salary growth rates are not possible.



42. Disclosure pursuant to Ind AS 19 'Employee benefits' (continued)

(vi). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.81)	4.13	(3.53)	3.83
Future salary growth (1% movement)	3.67	(3.44)	3.37	(3.21)
Attrition rate (1% movement)	(1.88)	1.91	(2.05)	2.09

Note :

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

c. Compensated absences

(i). The principal assumptions used for the purposes of the actuarial valuations towards Privilege Leave liability were as follows :

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Demographic Assumptions		
Mortality Rate:	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate:	22.00% p.a. for all service groups.	22.00% p.a. for all service groups.
Retirement Age:	60 years	60 years
Financial Assumptions		
Salary Escalation Rate:	5.00% p.a.	5.00% p.a.
Discount Rate:	5.66% p.a.(Indicative G.Sec referenced on 31-03-2022)	5.18% p.a.(Indicative G.Sec referenced on 31-03-2021)

(ii). The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	287.52	170.85
Net liability arising from defined benefit obligation	287.52	170.85

Particulars	Compensated absences	
	As at March 31, 2022	As at March 31, 2021
Discontinuance Liability	293.61	171.84
Defined Benefit Obligation	287.52	170.85
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	67.38	38.23
Non-Current Liability	220.14	132.62

The average expected future service is 3.00 years

A distribution of the above liability over different ranges of past service intervals is provided below :

Past Service Interval	Distribution of DBO
9 and below	100%
10 to 19	-
20 to 29	-
30 and above	-

(iii). Sensitivity analysis (defined benefit obligation) :

Particulars	As at March 31, 2022	
	Increase	Decrease
Discount rate (1% movement)	(8.64)	9.36
Future salary growth (1% movement)	9.32	(8.77)
Attrition rate (1% movement)	(0.32)	0.34



Notes forming part of the financial statements (continued)
 For the year ended March 31, 2022

(Rupees in lakh)

43. Disclosure relating to employee stock option scheme

The Company has one stock option scheme 'CSL Employee Stock Option Scheme 2017'. The said scheme was approved by the board of directors on August 13, 2018 and by the shareholders in the EGM dated September 18, 2018. During the year the Company has issued 270,769 (previous year 3,530,759) options representing equal numbers of equity shares of Rs. 10 each.

The activity in the CSL employee stock option scheme 2017 during the year ended March 31, 2022 and March 31, 2021 is set below :

Particulars	As at March 31, 2022		Exercise price range	As at March 31, 2021		Exercise price range
	In numbers			In numbers		
CSL employee stock option scheme 2017 : (face value of Rs. 10 each)						
Options outstanding at the beginning of the year	32,57,033		Rs. 130 - Rs. 180	38,01,528	Rs. 130	
Add: Granted	13,78,039		Rs. 130	5,97,617	Rs. 130	
Less: Exercised	30,769		Rs. 130	-	-	
Less: Lapsed	16,13,206		-	11,42,112	-	
Option outstanding at the end of the year	29,91,097		Rs. 130	32,57,033	Rs. 130 - Rs. 180	
Exercisable at the end of the year	29,91,097			32,57,033		

The Company follows accounting policy of fair value method for employee stock options (ESOPs) valuation. Accordingly, the accumulated expense reversal of Rs. 107.15 lakh (previous year expense Rs. 205.11 lakh) has been credited (previous year debited) to the Statement of profit and loss of the year ended March 31, 2022.

Particulars	CSL employee stock option scheme 2017 - Grant XVI		CSL employee stock option scheme 2017 - Grant XVII		CSL employee stock option scheme 2017 - Grant XVIII		CSL employee stock option scheme 2017 - Grant XIX		CSL employee stock option scheme 2017 - Grant XX	
	Date of the grant	Number of options granted	Date of the grant	Number of options granted	Date of the grant	Number of options granted	Date of the grant	Number of options granted	Date of the grant	Number of options granted
Date of the grant	April 1, 2021	65,000	September 08, 2021	50,000	October 7, 2021	25,90,328	October 21, 2021	35,000	November 1, 2021	40,000
Method of settlement	Equity shares		Equity shares		Equity shares		Equity shares		Equity shares	
Vesting period	Graded vesting - starting from 1 year from the date of the grant		Graded vesting - starting from 1 year from the date of the grant		Graded vesting - starting from 1 year from the date of the grant		Graded vesting - starting from 1 year from the date of the grant		Graded vesting - starting from 1 year from the date of the grant	
Vesting pattern	16.66:16.66:16.66:50		16.66:16.66:16.66:50		50:50:00		50:50:00		50:50:00	
Weighted average remaining contractual life										
Granted but not vested (in years)	2.00		2.44		1.02		1.06		1.09	
Vested but not exercised	Nil		Nil		Nil		Nil		Nil	
Weighted average share price at the date of exercise for stock options exercised during the year	Nil		Nil		Nil		Nil		Nil	
Exercise period	Within a period of three years from the date of vesting		Within a period of three years from the date of vesting		Tranche 1 can be vested within one year and Tranche can be vested within two years from date of vesting		Tranche 1 can be vested within one year and Tranche can be vested within two years from date of vesting		Tranche 1 can be vested within one year and Tranche can be vested within two years from date of vesting	
Vesting conditions	Graded vesting based on fulfillment of IRR target mentioned in the scheme.		Graded vesting based on fulfillment of IRR target mentioned in the scheme.							
Weighted average fair value of options as on grant date (in Rs)	42.11		48.83		33.06		41.31		47.54	



43. Disclosure relating to employee stock option scheme (continued)

Particulars	CSL employee stock option scheme 2017 - Grant XXI	CSL employee stock option scheme 2017 - Grant XXII	CSL employee stock option scheme 2017 - Grant XXIII	CSL employee stock option scheme 2017 - Grant XXIV	CSL employee stock option scheme 2017 - Grant XXV
Date of the grant	December 13, 2021	January 06, 2022	January 21, 2022	January 25, 2022	January 27, 2022
Number of options granted	40,000	40,000	40,000	30,769	60,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant	Graded vesting - starting from 1 year from the date of the grant
Vesting pattern	50:50:00	50:50:00	50:50:00	50:50:00	50:50:00
Weighted average remaining contractual life					
Granted but not vested (in years)	1.20	1.27	1.31	1.32	1.33
Vested but not exercised	Nil	Nil	Nil	Nil	Nil
Weighted average share price at the date of exercise for stock options exercised during the year	Nil	Nil	Nil	Nil	Nil
Exercise period	Tranche 1 can be vested within one year and Tranche 2 can be vested within two years from date of vesting				
Vesting conditions	Graded vesting based on fulfillment of IRR target mentioned in the scheme.				
Weighted average fair value of options as on grant date (in Rs)	106.63	107.53	131.27	133.67	135.32



Notes forming part of the financial statements (continued)
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(Rupees in lakh)

43. Disclosure relating to employee stock option scheme (continued)

Exercise pricing formula

The exercise pricing formula for CSL employee stock option scheme 2017 is as under :

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent valuer if any. The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair value methodology :

The binomial model of valuation is more advanced and involves the use of computational techniques. In this model, the share price is projected from the date of grant to the date of exercise using upward and downward probabilities. The probabilities are estimated from the share price volatility assumption. Keeping in view the multiple rules and events during vesting period, the Company switched to binomial method for valuation of its Share Options as the model is robust model and allows for more complicated rules and events during the vesting period. The fair value of options have been estimated on the date of the grant using Black-Scholes Model (For Grants XVI and XVII) and Binomial model(For Grants XVIII onwards) :

The key assumptions used in Black-Scholes and Binomial models for calculating fair value under CSL employee stock option scheme 2017 with respect to various grants :

Particulars	CSL employee stock option scheme 2017 - Grant XVI	CSL employee stock option scheme 2017 - Grant XVII	CSL employee stock option scheme 2017 - Grant XVIII	CSL employee stock option scheme 2017 - Grant XIX	CSL employee stock option scheme 2017 - Grant XX
Risk-free interest rate	4.80%	4.60%	5.53%	5.53%	5.57%
Expected volatility of share price*	55.50%	53.60%	58.76%	59.17%	59.56%
Time to maturity (in years)	2.50	2.50	3.30	3.30	3.30
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation (in Rs)	106.10 **	116.50 **	130 **	130 **	130 **
*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.					
** The QIP issue price has been considered as the current market price for computing the fair value of ESOP since the market value on the date of grant of ESOP was not representative of the fair value of the share.					

Particulars	CSL employee stock option scheme 2017 - Grant XXI	CSL employee stock option scheme 2017 - Grant XXII	CSL employee stock option scheme 2017 - Grant XXIII	CSL employee stock option scheme 2017 - Grant XXIV	CSL employee stock option scheme 2017 - Grant XXV
Risk-free interest rate	5.46%	6.03%	6.10%	6.09%	6.14%
Expected volatility of share price*	59.37%	56.82%	58.50%	58.43%	58.40%
Time to maturity (in years)	3.30	3.30	3.30	3.30	3.30
Dividend yield	-	-	-	-	-
The price of equity share as on grant date considered for valuation (in Rs.)	130 **	130 **	130 **	130 **	130 **
*The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.					



Notes forming part of the financial statements (continued)
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(Rupees in lakh)

44. Leases (entity as a lessee)

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses. The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU asset has been included after the line "Property, Plant & Equipment" and lease liabilities has been included under "Other Financial Liabilities" in the Balance Sheet.

a. Right of use asset :

Particulars	As at March 31, 2022	As at March 31, 2021
Office Premises :		
At cost at the beginning of the year	1,971.28	1,854.97
Additions during the year	1,914.56	92.10
Remeasurement of assets	10.42	24.21
At cost at the end of the year	3,896.26	1,971.28
Accumulated depreciation as at the beginning of the year	876.97	510.96
Depreciation for the year	481.01	366.01
Accumulated depreciation as at the end of the year	1,357.98	876.97
Net carrying amounts as at the end of the year	2,538.28	1,094.31

b. Amount recognised in Statement of Profit and loss :

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense for the year on right-of-use assets	481.01	366.01
Interest expense for the year on lease liabilities	225.38	171.20
Total expenses recognised in Statement of profit and loss	706.39	537.21

The total cash outflow on account of lease rentals amounting for the current year Rs. 587.61 lakh (previous year : Rs. 447.99 lakh).
The average lease term for the rented office premises is ranging between 5 to 12 years.

c. Lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	2,858.76	1,340.97
Total	2,858.76	1,340.97

d. Maturity analysis of lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	597.97	404.82
Later than 1 year and not later than 5 years	2,185.39	884.64
Later than 5 years	75.40	51.51
Total	2,858.76	1,340.97

The entity has adequate liquidity for payment of lease liabilities. The Company regularly monitors and pays lease rentals on a timely manner as per the terms of the respective lease and license agreement.

The Company has the right to extend lease term as per mutually agreed terms laid down in the respective lease and license agreement. The Company takes into account effect of extended lease term while recording the lease assets and lease liabilities accordingly.



Notes forming part of the financial statements (continued)
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(Rupees in lakh)

45. Disclosure under Clause 28 of the Listing Agreement for Debt Securities :

Particulars	March 31, 2022	March 31, 2021
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which director are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	Not Applicable	Not Applicable



46 Impact of Hedging activities

a) Disclosure of effects of hedge accounting on the financial position:

March 31, 2022

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
	Assets	Liabilities	Assets	Liabilities				
Cashflow Hedge								
Currency Derivative (Cross Currency Interest Rate Swaps)	3,109.43	-	22.29	-	December 06, 2024	22.29	22.29	Borrowings (other than debt securities)

March 31, 2021

Type of hedge and risk	Nominal value		Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instruments	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in the Balance Sheet
	Assets	Liabilities	Assets	Liabilities				
Cashflow Hedge								
Currency Derivative (Cross Currency Interest Rate Swaps)	-	-	-	-	-	-	-	-

b) Disclosure of effects of hedge accounting on the financial performance:

March 31, 2022

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	9.00	-	(61.58)	Finance Cost

March 31, 2021

Type of Hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in the statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
-Foreign exchange risk and interest rate risk	-	-	-	N.A.



47. Summarised classification of financial assets and liabilities :

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total	Amortised cost	At fair value through profit and loss account	At fair value through other comprehensive income	Total
Financial assets								
Cash and cash equivalents	6,574.94	-	-	6,574.94	12,365.55	-	-	12,365.55
Bank balances other than cash and cash equivalents above	12,260.25	-	-	12,260.25	19,238.99	-	-	19,238.99
Derivative financial instruments	-	-	22.29	22.29	-	-	-	-
Loans	2,45,048.34	-	-	2,45,048.34	1,28,269.61	-	-	1,28,269.61
Investments	4,295.88	2,648.11	-	6,943.99	1,508.21	4,014.54	-	5,522.75
Other financial assets (Refer Note 8)	789.62	-	-	789.62	680.88	-	-	680.88
Total	2,68,969.03	2,648.11	22.29	2,71,639.43	1,62,063.24	4,014.54	-	1,66,077.78
Financial liabilities								
Payables :								
(A) Trade payables								
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	-	-	0.08	0.01	-	-	0.01
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	-	-	666.93	218.24	-	-	218.24
(B) Other payables								
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.04	-	-	15.04	107.36	-	-	107.36
Debt securities	70,376.77	-	-	70,376.77	31,557.55	-	-	31,557.55
Borrowings (other than debt securities)	1,09,807.09	-	-	1,09,807.09	45,011.94	-	-	45,011.94
Other financial liabilities (Refer Note 20)	4,497.64	225.17	-	4,722.81	2,118.22	-	-	2,118.22
Total	1,85,363.54	225.17	-	1,85,588.72	79,013.32	-	-	79,013.32



48. Financial risk management

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

- a. Credit Risk
- b. Liquidity Risk
- c. Market Risk
- d. Operational Risk

The Company is exposed to a variety of risks such as credit risk, liquidity risk, market risk, operational risk, etc. The Company has therefore, invested in talent, processes and emerging technologies for building advanced risk and underwriting capabilities. The Board of Directors has constituted a Risk Management Committee to address these risks. The Risk Management Committee's mandate includes periodic review of the risk management policy, risk management planning, implementation and monitoring of the risk management plan and mitigation of key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of risks. The board of directors are responsible for providing overall risk oversight, approving risk appetite, risk management policies and frameworks and providing adequate oversight for the decisions.

a. Credit Risk

Risk Management team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio within the risk appetite of the company. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. Credit underwriting is driven by a deep understanding of the selected segments, which forms proprietary risk models and approaches. The company believes in positive sector/sub-sector selection to source its business. The same is done primarily through analytics and survey. Further, the company has also developed sophisticated sector/sub-sector scorecards, both statistical and expert. The proposals are appraised based on the understanding of these sector/sub-sectors. A fine balance of sector knowledge, data analytics, touch and feel and digital process is used for underwriting the proposals.

Given the dynamic nature of the market, the credit policies are regularly reviewed and amended.

Management of Credit Risk

Write-off policy :

Financial assets are written-off either partially or in their entirety only when the Company has stopped pursuing the recovery. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of profit and loss. The write-off decisions are taken by the management which would be based on suitable justification notes presented by the responsible business / collections team.

Credit quality analysis :

The Company's policies for computation of expected credit loss (ECL) are set out below:

(I) ECL on Loans and advances

ECL is computed for loans and investments portfolio of the Company :

Loan portfolio :

UGRO Capital Ltd is primarily engaged into SME lending and has segmented its lending portfolio based on the homogenous nature of the group of borrowers.

Definition of default :

A default shall be considered to have occurred when any of the following criteria is met:

- a) An asset is more than 90 DPD.
- b) If one facility of borrower is NPA, all the facilities of that borrower are to be treated as NPA.

Significant increase in credit risk (SICR) criteria :

- (a) External credit rating going below investment grade rating.
- (b) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.
- (c) Other Qualitative parameters :
 - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the sector that results in a significant change in the sector's ability to meet its debt obligations.
- (d) Any other qualitative parameter.

Definition of low credit risk :

A case which has scores above cut-off norms as set by the Company from time to time and current status is Stage 1 is termed as low credit risk.

Forward looking factors :

Forward looking factors are considered while determining the significant increase in credit risk.

Staging criteria :

Following staging criteria is used for loans :

- (i) Stage 1: 0-30 DPD;
- (ii) Stage 2: 31-89 DPD and
- (iii) Stage 3: >= 90 DPD

Any deviation to the above classification shall be approved by the audit committee of the board (ACB).



48. Financial risk management (continued)

Probability of Default (PD%)

PDs are determined depending on the risk profile of the pool of loans based on the internal rating models, credit bureau models, corporate ratings, specific market estimates as applicable to the respective portfolio segments.

Loss given default (LGD%)

Loss given default (LGD) represents recovery from defaulted assets.

LGD computation is based on the Foundational-Internal Rating Based (F-IRB) approach or basis cashflows from post default workout and collections, as applicable to the respective portfolio segments.

LGD is determined based on F-IRB approach for Stage 1 and Stage 2 loans. For Stage 3, loans the Company estimates the cash flows expected over a time period.

Exposure at Default (EAD)

Exposure at default represents the outstanding balance at the reporting date plus expected drawdowns on committed facilities. UGRO Capital Ltd has considered the following for EAD computation :

- a. On books principal exposure
- b. Accumulated interest exposure
- c. Excluding FLDG amount, if any

The Company actively participates in co-lending with other NBFC partners. In many of these deals there is a FLDG in the form of FD (or equivalent) or corporate guarantee. In such scenarios, while arriving at EAD, FLDG amount is subtracted. In case of default in such arrangements, if the trigger event occurs for both unsecured and secured loans on the 89th day, the POS plus accumulated interest would be adjusted from the FLDG. The interest accumulation to stop in the accounting books for such assets in case there is no principal outstanding.

(II) ECL on fixed deposits, investments, trade and other receivables

With respect to the Fixed Deposits and Investments held by the Company, ECL provisioning has been computed taking guidance from the RBI's IRB approach. The Company has followed Simplified Approach of ECL provisioning on its Trade and other receivables.

Applicable provisions for NBFCs covered under Ind AS:

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 provides that NBFCs which are required to comply with Indian Accounting Standards (Ind AS) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments. The Company follows the aforesaid circular.

Portfolio default and loss estimates :

To arrive at an early estimation of loss, an internally developed methodology has been adopted.

- i) For term loans, the method combines macroeconomic outlook of the sector demand, entities' cash in hand and losses incurred during/immediately after the lockdown period, to arrive at a projection of delinquency and loss.
- ii) For SCF portfolio, the assessment is based on evaluation of anchors basis personal interviews conducted by the Company officers, focusing on the key business aspects such as capacity utilization, production impact, fixed costs v/s cash flow.
- iii) For onward lending, the estimates are based on a client level assessment.
- iv) For direct assignment, the estimates are based on partner assessment and high-level multipliers.

Further, the management will continue to review the situation and do this analysis at regular intervals during FY 2023 as the Company will have more data points and keep updating the analysis and make appropriate adjustments, as warranted and reflect the same in the financials also considering further regulatory guidance as may be forthcoming.

Impact of Covid - 19 on expected credit loss :

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, impacted loan originations, MSME lending and the efficiency in collection efforts resulting in increase in the delinquency rates and consequent increase in provisions therefor.

India has now emerged from the COVID-19 pandemic and we have witnessed significant revival in the MSME sector in terms of demand resulting in increased disbursements and improved collection efficiency. The extent to which any new wave of COVID-19 will impact the Company's results is estimated to be minimal with the increasing vaccination coverage in the country which will help in mitigating the risks associated with the pandemic and its impact thereof.

In view of the above, the Management estimates that in future there would be minimal impact of the pandemic on the Company.

Management Overlay :

The Company has maintained management overlay of Rs. 273.79 lakh towards its restructured loans and advances as at March 31, 2022.



48. Financial risk management (continued)

A. Movement of expected credit loss on advances :

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Management Overlay	Total
Opening balances as at April 01, 2021	1,197.28	75.03	1,011.00	-	270.00	2,553.31
Changes in the loss allowance during the year :						
Transfer to Stage 1	2.95	(2.44)	(0.51)	-	-	-
Transfer to Stage 2	(64.73)	64.90	(0.17)	-	-	-
Transfer to Stage 3	(887.16)	(34.09)	921.25	-	-	-
New loans originated during the year	2,156.49	28.68	168.15	-	-	2,353.32
Other movements (on account of changes in EAD)	76.83	(38.17)	(884.68)	-	-	(846.02)
Management overlay	-	-	-	-	3.79	3.79
Closing balance as at March 31, 2022	2,481.66	93.91	1,215.04	-	273.79	4,064.40
Opening balance as at April 01, 2020	633.25	52.10	359.68	-	-	1,045.03
Changes in the loss allowance during the year :						
Transfer to Stage 1	2.56	(2.30)	(0.26)	-	-	-
Transfer to Stage 2	(43.87)	43.89	(0.02)	-	-	-
Transfer to Stage 3	(669.50)	(165.61)	835.11	-	-	-
New loans originated during the year	920.10	30.62	56.60	-	-	1,007.32
Other movements (on account of changes in EAD)	354.74	116.33	(240.11)	-	-	230.96
Management overlay	-	-	-	-	270.00	270.00
Closing balance as at March 31, 2021	1,197.28	75.03	1,011.00	-	270.00	2,553.31

B. Movement of expected credit loss (ECL) on loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balances as at April 01, 2021	8.69	-	-	8.69
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	-	-	-	-
Other movements (on account of changes in EAD)	(8.69)	-	-	(8.69)
Closing balance as at March 31, 2022	-	-	-	-
Opening balances as at April 01, 2020	2.77	-	-	2.77
Changes in the loss allowance during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write off	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	8.69	-	-	8.69
Other movements (on account of changes in EAD)	(2.77)	-	-	(2.77)
Closing balance as at March 31, 2021	8.69	-	-	8.69

C. Movement in gross carrying amount of advances :

Particulars	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Opening balance of gross carrying amount as at April 01, 2021	1,24,036.19	3,751.00	3,044.42	-	1,30,831.61
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	430.59	(289.11)	(141.48)	-	-
Transfer to Stage 2	(2,004.44)	2,010.61	(6.17)	-	-
Transfer to Stage 3	(4,175.51)	(277.22)	4,452.73	-	-
New loans originated during the year	1,94,319.04	1,198.16	843.55	-	1,96,360.75
Other movements (on account of changes in EAD)	(72,389.62)	(3,138.10)	(2,551.90)	-	(78,079.62)
Closing balance as at March 31, 2022	2,40,216.25	3,255.34	5,641.15	-	2,49,112.74
Opening balance of gross carrying amount as at April 01, 2020	82,372.14	1,820.71	817.76	-	85,010.61
Changes in the gross carrying amount during the year :					
Transfer to Stage 1	74.76	(64.58)	(10.18)	-	-
Transfer to Stage 2	(1,641.66)	1,651.52	(9.86)	-	-
Transfer to Stage 3	(1,932.42)	(525.88)	2,458.30	-	-
New loans originated during the year	81,548.14	2,023.61	286.61	-	83,858.36
Other movements (on account of changes in EAD)	(36,384.77)	(1,154.38)	(498.21)	-	(38,037.36)
Closing balance as at March 31, 2021	1,24,036.19	3,751.00	3,044.42	-	1,30,831.61

48. Financial risk management (continued)

D. Movement in loan commitments :

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance as at April 01, 2021	1,381.88	-	-	1,381.88
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	882.60	-	-	882.60
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(1,381.88)	-	-	(1,381.88)
Closing balance as at March 31, 2022	882.60	-	-	882.60
Opening balance as at April 01, 2020	593.91	-	-	593.91
Changes in loan commitments during the year :				
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Changes due to modifications that did not result in derecognition	-	-	-	-
New loan commitments originated during the year	1,381.88	-	-	1,381.88
Other changes	-	-	-	-
Other movements (on account of changes in EAD)	(593.91)	-	-	(593.91)
Closing balance as at March 31, 2021	1,381.88	-	-	1,381.88

E. Details of collaterals received against loan portfolio :

Nature of security against advances :

Underlying securities for the assets secured by tangible assets are property, machinery, plant & equipment and book debts. The value of the collaterals for the below calculation is taken at the date of inception of the loan

Advances (LTV band-wise) :

LTV ratio	As at March 31, 2022		As at March 31, 2021	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	1,52,843.22	1,563.92	20,109.68	132.49
51% - 70%	-	-	21,100.79	183.50
71%-90%	-	-	17,935.08	126.71
> 90%	-	-	28,256.91	419.90

Credit impaired advances (LTV band-wise) :

LTV ratio	As at March 31, 2022		As at March 31, 2021	
	Gross carrying amount of advances	Cumulative loss allowance	Gross carrying amount of advances	Cumulative loss allowance
Less than 50%	3,033.97	325.26	374.80	30.30
71%-90%	-	-	99.29	5.08
> 90%	-	-	579.93	89.59

There is no collateral repossessed by the Company during the year.



48. Financial risk management (continued)

b. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line-up of committed credit facilities. The Treasury team actively manages asset and liability positions in accordance with the overall guidelines laid down by the regulator in the Asset Liability Management framework. The Company continues to maintain a positive ALM.

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continuously monitors liquidity in the market and as a part of its ALCO strategy.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2022 :

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	later than three months and not later than one year	later than one year and not later than five years	later than five years
Financial assets (inflow) :							
Cash and cash equivalents	6,574.94	6,574.94	6,574.94	-	-	-	-
Bank balances other than cash and cash equivalents above	12,263.11	12,263.11	562.29	5,061.49	755.98	5,881.92	1.43
Derivative financial instruments	22.29	22.29	-	-	22.29	-	-
Loans	2,49,112.74	2,44,841.52	14,557.20	18,930.32	46,775.13	1,23,644.55	40,934.32
Investments	6,944.83	6,854.27	-	-	2,663.90	4,190.37	-
Other financial assets (Refer Note 8)	792.79	792.79	-	139.20	228.38	425.21	-
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.08	0.08	-	0.08	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	666.93	666.93	-	666.93	-	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.04	15.04	-	15.04	-	-	-
Debt securities	70,376.77	71,924.34	5,479.87	6,255.99	18,438.72	31,049.76	10,700.00
Borrowings (other than debt securities)	1,09,807.09	1,11,572.30	3,242.70	10,458.32	33,111.47	64,509.81	250.00
Other financial liabilities (Refer Note 20)	4,722.81	5,470.75	78.07	1,753.94	639.48	2,902.39	96.87

*Carrying amount reported above is on gross basis.

Undiscounted cash flows by contractual maturities for financial assets and financial liabilities as at March 31, 2021 :

Particulars	Carrying amount*	Gross Nominal	Not later than one month	Later than one month and not later than three months	later than three months and not later than one year	later than one year and not later than five years	later than five years
Financial assets (Inflow) :							
Cash and cash equivalents	12,365.55	12,365.55	12,365.55	-	-	-	-
Bank balance other than cash and cash equivalents	19,238.99	19,987.06	7,110.55	5,054.95	6,835.16	986.40	-
Loans	1,30,831.61	1,61,434.82	3,347.20	8,853.06	30,334.89	82,615.22	36,284.45
Investments	5,522.75	6,033.90	4,055.46	-	66.83	1,397.95	513.66
Other financial assets (Refer Note 8)	680.88	680.88	-	357.77	94.97	222.88	5.26
Financial liabilities (outflow) :							
Payables							
(A) Trade payables							
(I) Total outstanding dues of micro enterprises and small enterprises	0.01	0.01	0.01	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.24	228.20	32.64	62.39	133.17	-	-
(B) Other payables							
(I) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	107.36	107.36	-	-	107.36	-	-
Debt securities	31,557.55	35,885.48	242.92	1,581.38	18,023.08	16,038.10	-
Borrowings (other than debt securities)	45,011.94	48,288.24	1,951.34	3,274.99	14,501.89	28,560.02	-
Other financial liabilities (Refer Note 20)	2,118.22	2,408.11	47.41	498.44	408.22	1,381.66	72.38

*Carrying amount reported above is on gross basis.



48. Financial risk management (continued)

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2022 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	882.60	882.60	-	-
Other commitments	-	872.99	-	872.99	-
Capital commitments (outflow)	-	185.00	185.00	-	-

Undiscounted cash flows by contractual maturities for off-Balance Sheet items as at March 31, 2021 :

Particulars	Carrying Amount	Gross Nominal	Less than one year	Between 1 - 5 years	over 5 years
Loan commitments (outflow)	-	1,381.88	1,381.88	-	-
Other commitments	-	-	-	-	-
Capital commitments (outflow)	-	47.00	47.00	-	-

The Company has disclosed the below information as stated in RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 that enables the market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

(i) Funding concentration based on significant counterparty (both deposits and borrowings) :

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI).
The Company had not raised any public deposit.
The details of the borrowings are given below:

Sr.No.	Number of Significant counterparties	Amount*	% of Total Liabilities
1	35	1,64,579.97	87.19%

* The Principal outstanding amounts as on March 31, 2022 have been considered above.

(ii) Top 20 large deposits (amount in ₹ lakh and % of total deposits) :

The Company is a systemically important non-deposit taking non-banking finance company (NBFC-ND-SI). The Company has not accepted any deposit during the year.

(iii) Top 10 borrowings (amount in ₹ lakh and % of total borrowings) :

Particulars	As at March 31, 2022	As at March 31, 2021
Total borrowings from ten largest lenders	84607.78*	54,775.47*
Percentage of borrowings from ten largest lenders to total borrowings of the Company	46.62%	71.26%

* The amount considered above excludes unamortised borrowing costs.

(iv) Funding concentration based on significant instrument/ product :

Sr No.	Name of instrument/ product	As at March 31, 2022		As at March 31, 2021	
		Amount	% of total liabilities	Amount	% of total liabilities
1	Term loans facilities	1,05,628.37	55.96%	40,925.39	51.26%
2	Cash credit / overdraft facilities	2,567.71	1.36%	4,086.54	5.12%
3	Non-convertible debentures	54,670.00	28.96%	24,670.81	30.90%
4	From liabilities arising out of securitization transactions resulting into recording of borrowings	3,419.61	1.81%	1,616.85	2.02%
5	Commercial paper	12,000.00	6.36%	5,269.88	6.60%
6	External Commercial borrowing	3,131.29	1.66%	-	-
	Total	1,81,416.98	96.11%	76,569.47	95.90%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Commercial papers	6.61%	6.36%	4.20%	5.88%	7.01%	3.20%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets :

The Company does not have borrowings through non-convertible debentures with original maturity of less than one year in the current and previous years.

(c) Other short term borrowings, if any as a % of total public funds, total liabilities and total assets :

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
Cash credit / overdraft facilities	1.42%	1.36%	0.90%	4.29%	5.12%	2.33%

The Principal outstanding amounts as on March 31, 2022 have been considered above.

(vi) Institutional set-up for liquidity risk management :

The Company monitors its inflows and outflows in various buckets and ensures that there are no major mismatches in the assets and liabilities in various buckets. The ALM is tabled and evaluated in the ALCO on a monthly basis. The Company ensures that there is adequate liquidity cushion available in the form of investments in G-Secs/ T-Bills/ Mutual Funds etc. and unavailed Bank lines. The Company issues various instruments including Term Loans, Lines of Credit, Non-Convertible Debentures, External Commercial Borrowings and other market instruments.



48. Financial risk management (continued)

c. Market risk

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company does not have any direct exposure to foreign currency (refer foreign currency risk note below).

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing / lending cost including proportion of fixed and floating rate borrowings / loans so as to manage the impact of changes in interest rates.

Exposure to price risk :

The Company's exposure to price risk arises from investments held by the Company and is classified in the Balance Sheet through fair value through profit and loss account.

Sensitivity :

The table below summarises the impact of increases / decreases of the NAV of the Company's investments in mutual fund schemes on profit for the period.

Sensitivity :	Impact on Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021
Particulars		
Liquid plus scheme - NAV rate - increase by 0.50% respectively at the reporting period *	-	-
Liquid plus scheme - NAV rate - decrease by 0.50% respectively at the reporting period *	-	-
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	-	46.17
Liquid scheme - NAV rate - increase by 1.15% and 1% respectively at reporting period *	-	(46.17)
* Impact on Statement of profit and loss up to 1 year, holding all other variables constant.		

Interest rate risk :

Interest rate risk is the risk where changes in market interest rates might adversely affect the Company's financial conditions. The interest rate risk can be viewed from the two perspectives as mentioned below:
a. Earnings perspective - change in net interest income (NII) or net interest margin (NIM) due to change in interest rates.

b. Economic value perspective - change in market value of the company due to change in the company's assets, liabilities and off-Balance Sheet positions due to variation in interest rates.

The board has established limits on the interest rate gaps for stipulated periods. The management monitors these gaps on a regular basis to ensure that the positions are maintained within the established limits.

The exposure of the Company's borrowings to interest rate changes as at the end of the reporting period are as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	69,642.00	30,331.48
Fixed rate borrowings	1,11,774.98	46,535.94
Total borrowings	1,81,416.98	76,867.42

The Company had the following variable rate borrowings outstanding :

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average cost	9.78%	11.03%
Outstanding balance	69,642.00	30,331.48
% of total borrowings	38.39%	39.46%
Sensitivity :	Impact on profit or loss	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
*Interest rate - increase by 1%	(602.80)	(262.85)
*Interest rate - decrease by 1%	602.80	262.85

* Impact on Statement of profit and loss up to 1 year, holding all other variables constant.

Foreign Currency Risk

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

The company holds the derivative financial instruments such as cross currency interest rate swaps to mitigate the risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on the quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

d. Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Capital Management :

The Company's capital management objective is primarily to safeguard the business continuity. The Company's capital raising policy is aligned to the macro-economic situations and incidental risk factors. The Company's cashflows are regularly monitored in sync with the annual operating plans and the long-term and other strategic investment plans. The operational funding requirements are met through debt and operating cash flows generated. The company believes that this approach would create shareholder value in the long run. Also, the company has adopted a conservative approach for ALM management with primacy to adequate liquidity. At present, a large portion of the company's resource base is equity. Therefore, the company enjoys a low gearing.

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio :

Particulars	As at March 31, 2022	As at March 31, 2021
The gearing ratio at each date were as follows :		
*Debt (I)	1,83,042.62	77,910.47
Less: Cash and cash equivalents (II) (Refer Note 3)	6,574.94	12,365.55
Net debt (I - II)	1,76,467.68	65,544.92
Total equity	96,656.32	95,243.82
Net debt to equity ratio	1.83	0.69

* Debt includes debt securities, borrowings and lease liabilities.

