27TH ANNUAL REPORT
OF
SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED
FOR FY 2020-2021

Shapoorji Pallonji Finance Private Limited
Registered & Corporate Office – SP Centre, Courtyard 10B, 41/44 Minoo Desai Road, Colaba, Mumbai – 400005
Tel No.- +91 22 67490000 Fax No. +91 22 66338176 website: https://www.shapoorjipallonjifinance.com/

CIN:U65920MH1994PTC077480

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED
CIN:-U65920MH1994PTC077480

Board of Directors
Mr. Shapoorji Pallonji Mistry, Non-Executive Director (DIN-00010114)
Mr. Subranmania Kuppuswamy, Non-Executive Director (DIN-00058836)
Mr. Mahesh Tahilyani, Non-Executive Director (DIN-01423084)
Mr. Manish Jain, Non-Executive Director (DIN- 02578269) *upto March 31, 2021*
Mr. Jai Mavani, Non-Executive Director (DIN-05260191)
Mr. Sanjay Hinduja, Managing Director & CEO (DIN-00388123)
Mr. Sharad Bajpai, Non-Executive Director (DIN- 07716111) *upto March 31, 2021*

Key Managerial Personnel
Mr. Sanjay Hinduja, Managing Director & CEO
Mr. Pankaj Gupta, Chief Financial Officer
Ms. Preeti Chhabria, Company Secretary & Compliance Officer

Auditors	**Secretarial Auditors**
M/s. Walker Chandiok & Co. LLP Corp & Regd. Off.- 11th Floor, Tower II, One International Center, SB Marg, Prabhadevi (West), Mumbai - 400013	Shah Kinjal and Associates Practicing Company Secretary Add:-11 Raj Palace, 11th Road, Khar (West) Mumbai – 400052.

Debenture Trustee
Beacon Trusteeship Limited
Corp. & Regd Office
4C&D Siddhivinayak Chambers, Gandhi Nagar
Opp. MIG Cricket Club, Bandra (E),
Mumbai – 400 051
Phone No.-022-26558759, email id – contact@beacontrustee.co.in
Website:- www.beacontrustee.co.in

Bankers

Axis Bank	Indusind Bank
Bank of Baroda	Kotak Mahindra Bank
Barclays Bank Plc	State Bank of India
Yes Bank	Punjab National Bank
ICICI Bank	

Branch Office
Office No: 1222
Regus Business Centre, Regus Cyber City,
Level 12, Tower C, Building Number 8,
DLF Cyber City Complex, DLF City Phase II
Gurgaon, Haryana 122002.

Board's Report

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business, operations and state of affairs of the Company and the Accounts for the Financial Year ended March 31, 2021.

1. **Financial summary or highlights/Performance of the Company**
   The financial results / highlights of the Company for the financial year ended March 31, 2021 and March 31, 2020 are as under:-

Amount in Rupees (in lakhs)

Particulars	2020-2021	2019-2020
Total Revenue	15,036.38	18,316.23
Total Expenses	13,190.83	15,432.12
Profit after tax for the year	1,344.10	2,203.76
Other Comprehensive Income/ (Loss)	(2.24)	(7.86)
Less: Amount transfer to reserve u/s 45IC	268.82	440.75
Add: Profit/ (Loss) carried forward from previous year	5,350.53	3,595.38
Balance carried forward to Balance Sheet	6,423.57	5,350.53
Loan Book	69,402.16	97,966.74
Capital Adequacy Ratio	41.01%	23.44%

2. **Dividend**
   In order to conserve the resources of the Company, your Directors do not recommend dividend for the year under review.

3. **Reserves**
   During the year under review, the Company has transferred Rs.268.82 lakhs to Special Reserve in accordance with Section 45-IC of the Reserve Bank of India Act, 1934.

4. **Deposits**
   The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

5. **Information on the State of Affairs of the Company**
   During the year under review, your Company has generated revenues from operations amounting to Rs. 15,036.38 lakhs as compared to Rs. 18,313.04 lakhs for the financial year ended March 31, 2020. Total Revenue including other Income for the even period stood at Rs. 15,036.38 lakhs.

   The total expenses for the period under review was Rs. 13,190.83 lakhs which included finance cost of Rs. 6,561.97 lakhs and impairment on financial instruments of Rs. 4,189.23 lakhs.

   Net result for the year was Profit (after tax) of Rs. 1,344.10 lakhs.

6. **Share Capital & Capital Adequacy**
   As on March 31, 2021, Shapoorji Pallonji Group (including SPCPL) and SSG holds 53.12% and 46.87% respectively of the paid up capital of the Company. The paid-up capital of the Company as on March 31, 2021 is Rs. 2,899,762,960/- divided into 289,976,296 Equity Shares of the face value of Rs. 10/- each. Consequent to March 31, 2021, there has been transfer of 72,494,074 equity shares (representing 25% of the paid up capital of the Company) from SSG to Farmride Private Limited, an Affiliate of Shapoorji Pallonji Group.

The Capital Adequacy Ratio of the Company as on March 31, 2021 was 41.01% higher than the statutory limit of 15% prescribed by the Reserve Bank of India. The breakup of Capital Adequacy Ratio as on even date was Tier I Capital at 39.77% and Tier II Capital at 1.24%.

7. **Subsidiary and Associate Company**
As on March 31, 2021, the Company did not have any Subsidiary nor any Associate company.

8. **Finance**
During the period under review, your Company has borrowed funds primarily from Bank through issue of Non-convertible Debentures. CRISIL has assigned to the Company CRISIL A-/ Rating watch with Negative Implications (pronounced CRISIL A minus rating) and Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. CRISIL has assigned to the Company CRISIL A-/ Rating watch with Negative Implications (pronounced CRISIL A minus rating) to the long term rating to the Bank loan facilities upto Rs. 1000 Crores and has also assigned CRISIL A-/ Rating watch with Negative Implications (pronounced CRISIL A minus rating) for the Non-convertible Debentures issuance upto Rs. 500 Crores.

The total outstanding borrowing of the Company as on March 31, 2021 is Rs. 53,509.76 lakhs which includes Term Loans from Banks of Rs. 32,820.38 lakhs, Working capital Facility from banks of Rs. 13,076.43 lakhs and through issue of Non-convertible Debentures to bank of Rs. 7,612.95 lakhs.

9. **Internal Financial Control Systems and their adequacy**
The Company endeavors to have adequate system of Internal Controls that commensurate with its size and nature of business to safeguard and protect the Company from losses, unauthorized use or disposition of its assets. The Company has also appointed Internal Auditors for review of financial and operating controls at regular intervals which are presented to and reviewed by the Audit Committee of the Board. All the transactions are properly authorized and reported to the Management. The Company is following all the applicable Accounting Standards for proper maintenance of the books of accounts and ensuring timely reporting of financial statements. Further, the Company follows the RBI Master Directions for NBFCs not accepting / holding public deposits.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, safeguarding of its assets, prevention and detection of fraud, error, reporting mechanisms, accuracy and completeness of the Accounting Records, and timely preparation of reliable financial disclosure.

The Company has initiated various steps to strengthen the policies and processes, internal financial controls including several digitisation drives for robust operational control and risk management. The Company has also taken additional steps to strengthen the meticulous compliance with various applicable Rules and Regulations.

10. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**
No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

11. **Change in nature of business**
During the year under review, there has been no change in the nature of business of the Company.

12. **Risk Management**
Your Company endeavours to have an effective Risk Management Framework in place which provides for risk identification, risk assessment, risk evaluation, monitoring, tracking, mitigating and feedback mechanism and framework to identify, evaluate business risks and opportunities. The

Risk Management framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Risk Management and mitigation is a continuous process and is integrated with all the areas of the Company's business operations and culture.

Further, the Board has initiated various steps to further enhance and strengthen the controls on risk management. The Company plans to undertake various initiatives to strengthen the policies and processes, internal controls.

13. <u>Vigil Mechanism</u>

The Company has in place the Vigil Mechanism / Whistle Blower Policy for its Directors and Employees to report their concerns or grievances in accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. During the period under review no cases were reported under the Vigil Mechanism.

14. <u>Sexual Harassment of Women at Workplace</u>

The Company is committed to providing and promoting a safe and healthy work environment for all its Employees. The Company has framed a Policy on 'Prevention of Sexual Harassment at Workplace' which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, is in place. Your Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the constitution of the Committee is in accordance with POSH Act and the Committee includes external member with relevant expertise. During the FY 2020-2021, no cases reported under the provisions of the POSH Act and the Policy framed thereunder.

15. <u>Human Resources</u>

We, at Shapoorji Pallonji Finance Private Limited (SPFPL) are committed to fostering a collaborative, transparent, and participatory organizational culture. Our human resource management is focused on helping our employees to advance in their careers and enhance their talents. The primary goal was to ensure successful employee engagement, well-being, and long-term motivation levels in the new hybrid work paradigm.

Centered on the health and well-being of its employees SPFPL took a number of efforts to keep the employees productive and engaged. Mental health & wellbeing awareness sessions; and other measures aimed at increasing employee resilience were at the core of this fiscal year.

Recognizing merit and sustaining high performance with respect and concern for all employees, including providing secure access and cutting-edge collaboration with various technologies; meetings with industry experts from within the Shapoorji Pallonji Group to industry leaders. Upskilling and reskilling with the plethora of online tools & courses widely available, interested our people to engage themselves and keep them motivated during these trying times of Covid-19 pandemic, which resulted in a large and deep pool of expertise. Employees were encouraged to enroll in programs offered by Top Business Schools leading to gaining knowledge and experience of the best industry practices.

SPFPL began on a digital transformation journey to guarantee that our employees could work in collaboration along with peers and our clients in the remote working "new normal". Planning and deployment of few more projects are in the pipeline to enhance productivity and efficiency. A concept of in-house Knowledge Sharing sessions led by our own employees, inspired the team to keep them abreast with the latest news and changes. This educated the team about the changing laws & regulations bought by the Government due to the pandemic, giving an opportunity to our employees to be in house industry experts.

Pandemic Support

The pandemic caused the most interruption to regular living this year. However, amid these difficult times, SPFPL prioritized the safety and security of our employees, and several efforts were launched to assist our staff. Employee health and well-being remained a top concern in FY2020-2021. In addition to the company's current health care coverage, which are of industry standards, the company initiated numerous efforts to assist employees with pulse oximeters, face shields, face masks, receiving quick medical assistance like, hospital admission aid and home healthcare services extended to both the employees and their family members.

The focus on digitization in the new normal has enabled the Company to further increase the width and depth of our various interventions. The employee strength of your Company as on March 31, 2021 is 24 (Twenty-four).

16. Directors and Key Managerial Personnel

In view of execution of Share Purchase Agreement amongst SPCPL, SSG, Farmride Private Limited (Farmride) and the Company for transfer of 72,494,074 equity shares (representing 25% of the paid up capital of the Company) from SSG to Farmride, SSG withdrew the nomination of Mr. Sharad Bajpai and Mr. Manish Jain, Non-Executive Directors (SSG Nominee) from the Board of the Company w.e.f. March 31, 2021.Consequently, Mr. Sharad Bajpai and Mr. Manish Jain, SSG Nominee Directors resigned from the office of the Director of the Company with effect from March 31, 2021.

The Board places on record its appreciation of the valuable services rendered by Mr. Sharad Bajpai and Mr. Manish Jain during their tenure as Directors of the Company.

During the period under review, there was no change in the Key Managerial Personnel ("KMP") of the Company. As on March 31, 2021 the Board of your Company comprised Mr. Shapoorji Pallonji Mistry, Mr. Mahesh Tahilyani, Mr. Kuppuswamy Subramania, Mr. Jai Mavani and Mr. Sanjay Hinduja.

The following were the KMPs of the Company as on March 31, 2021:

Mr. Sanjay Hinduja – Managing Director & CEO
Mr. Pankaj Gupta – Chief Financial Officer
Ms. Preeti Chhabria – Company Secretary & Compliance Officer.

17. Number of Meetings of the Board of Directors

The Board of Directors duly met 5 (five) times during the year under review viz. April 30, 2020, October 26, 2020, December 09, 2020, March 03, 2021, and March 31, 2021.

The number of Board Meetings attended by each Director of the Company is as under:-

Name of the Director	No. of Meetings	
	Held during the tenure	Attended by the Director
Mr. Shapoorji Pallonji Mistry, Non- Executive Director	5	1
Mr. Mahesh Tahilyani, Non- Executive Director	5	3
Mr. Kuppuswamy Subramania, Non-Executive Director	5	3
Mr. Jai Mavani, Non- Executive Director	5	5
Mr. Sanjay Hinduja, Managing Director & CEO	5	5
Mr. Sharad Bajpai, Non- Executive Director *	4	4
Mr. Manish Jain, Non- Executive Director *	4	4

**Mr. Sharad Bajpai and Mr. Manish Jain (SSG Nominees) ceased to be Directors w.e.f. March 31, 2021 respectively.*

18. **Corporate Governance**

The Company have been following the Corporate Governance Guidelines for NBFCs laid down by the Reserve Bank of India from time to time. In accordance with the Corporate Governance guidelines, the various Committees have been constituted by the Board of Directors of the Company and the Board has ensured best corporate practices to increase the investors' and other stakeholders' confidence.

A summary of the Corporate Governance measures adopted by the Company are provided in the Corporate Governance Report annexed to this Report as Annexure B.

19. **Extract of the annual return**

The Annual Return referred in Section 92 (3) of the Companies Act, 2013 is available at the website of the Company https://www.shapoorjipallonjifinance.com/stakeholders-information/

20. **Particulars of Employees**

The Company being a Private Limited Company, the provisions of Section 197 of the Companies Act, 2013 read along with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

21. **Statement of Declaration by Independent Directors**

The provisions of Section 149(4) of the Companies Act, 2013 ('the Act') pertaining to the appointment of Independent Directors do not apply to the Company and, hence, no declaration under Section 149(7) of the Act was required during the financial year ended March 31, 2021.

22. **Management and Discussion Analysis**

Information on the operational and financial performance amongst others, is also given in the Management and Discussion Analysis annexed to this Report as Annexure A and is in accordance with the RBI Master Directions for Non-Banking Financial Companies not accepting / holding Public Deposits.

23. **Corporate Social Responsibility initiatives taken during the year**

As per the provisions of the Section 135 of the Companies Act, 2013, the Board of the Company has adopted the Corporate Social Responsibility ("CSR") Policy. The Annual Report on the CSR is annexed as Annexure C *inter alia* covering the initiatives undertaken by the Company towards CSR**.** Further, the CSR Policy of the Company can be accessed from https://www.shapoorjipallonjifinance.com/stakeholders-information/.

The Corporate Social Responsibility Committee of the Board comprised following Directors of the Company as its Members:-

Mr. S. Kuppuswamy	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO.

24. **Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

The Company being a Non-Banking Financial Company, the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

25. **Maintenance of Cost Records**

The Company being a Non-Banking Financial Company, the provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company.

26. **Particulars of contracts or arrangements with Related Parties**

Related party transactions that were entered during the financial year were on an arm's length basis and in the ordinary course of business and in accordance with the Related Party Transaction Policy of the Company. The details of Related Party Transactions as required to be disclosed by AS-18 on ‘Related Party Disclosures’ specified under the Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in the Notes to the Financial Statements. All related party transactions of the Company are approved by the Audit Committee of the Board of Directors of the Company. The Material Related Party Transactions are disclosed in Form AOC-2 as Annexure D to this Report. The Related Party Transaction Policy of the Company is enclosed and can be accessed from https://www.shapoorjipallonjifinance.com/stakeholders-information/.

27. **Compliance**

The Company has taken appropriate steps to comply with the applicable regulations of RBI including appropriate disclosures on Liquidity Risk Management, moratorium related on account of Covid-19 pandemic, impact of Covid-19 pandemic on the affairs of the Company in the respective Note No. 45 & 46 of Notes to Accounts of the Financial Statements of FY 2020-2021. Further, your Company has drawn the financial statements in accordance with Ind-AS and is in compliance with the applicable Secretarial Standards as specified by the Institute of Company Secretaries of India.

28. **Significant & Material Orders**

During the year under review no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

29. **Reporting of Frauds by Auditors**

During the year under review, neither the Statutory Auditors nor the Internal Auditors has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be reported in the Boards’ Report.

30. **Statutory Auditors.**

During the period under review there was a change in the Statutory Auditors of the Company due to the resignation of M/s. Price Waterhouse Chartered Accountants LLP from the office of the Auditors of the Company and thereby resulting into the casual vacancy. M/s. Walker Chandiok & Co LLP, were appointed as the Auditors of the Company in accordance with the provisions of Section 139 of the Act to fill the casual vacancy caused by the resignation of M/s. Price Waterhouse Chartered Accountants LLP, who holds office until the conclusion of the ensuing Annual General Meeting (‘27th AGM’).

31. **Auditors’ Report**

The Report of the Statutory Auditors to the Members of the Company for the financial year 2020-2021 contains adverse opinion and the response of the Board to the basis of adverse opinion is as under:-

Response to Point No. 8 of Independent Auditor’s Report on Internal Financial Control with reference to Financial Statements:
The Board has taken note of these observations and has suggested steps to be taken to enhance and strengthen the controls with respect to credit appraisal and sanctioning of loans. The Company has taken the suggested steps to enhance and strengthen the controls relating to credit appraisal and sanctioning of loans.

32. **Secretarial Audit**

The Board had appointed M/s Kinjal Shah & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2020-2021. The Auditor had conducted the audit and their report thereon was placed before the Board. The report of the Secretarial Auditor is annexed herewith as “Annexure – E” to this report.

The Report of the Secretarial Auditor to the Members of the Company for the financial year 2020-2021 contains observations on delay in fianlisation of audited annual accounts for FY 2019-2020 and its consequential impact on the non-listing of the Non-convertible Debentures issued by the Company. The response of the Board to the Observations are as under:-

The Board has taken note of and appropriate steps have been taken to ensure that the audited annual accounts of FY 2020-2021 are finalised within the statutory timeline. Further, Compliance Monitoring System has been put in place to monitor that the returns / submissions / filings are made in timely manner.

33. Information Technology

At Shapoorji Pallonji Finance Private Limited, we are constantly evolving our systems to use the best possible technology solutions available. These include availability of all our applications on our managed private cloud with remote synchronisation to another datacentre in case of any disaster, securing data by using state of the art firewalls, ensuring ready availability by using redundant lease lines. The Company has been able to successfully minimise the impact of covid forced work from home by using tools like secure VPN for remote working, securing data leakage on devices by using MDM and MAM Technologies, backing up all the data from servers and devices to a highly secure managed cloud service and industry level data encryption on all laptops. Also, the Company has introduced systems like workflow based Digital signatures, V-CIP, Credit Rating System, Regulatory Compliance Management System and Leave Management System. The Company is currently in the final process of releasing our end-to-end digitalisation for Loan Origination System and Loan Management System, which will provide all external customers with a portal to apply, manage and analyse their loans.

34. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Given the nature of activities of the Company, the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with regard to conservation of energy are not relevant and no particulars arise in the Company's case.

For Technology Absorption- Kindly refer Point No. 33 of the Boards' Report on Information Technology

During the year under review, the foreign exchange earned in terms of actual inflows was Nil and the Foreign Exchange Outgo in terms of actual outflows was Rs. 33.64 Lakhs (converted in Indian Rupees).

35. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 relating to Directors' Responsibility Statement, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) the directors had prepared the annual accounts on a going concern basis; and
(e) the directors had devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

36. Acknowledgements

The Board place on record its sincere thanks to the Reserve bank of India, Registrar of Companies and other Government and Regulatory Agencies. It also wishes to place on record its sincere appreciation for the continued support which the Company has received from its Promoters, Strategic Investor, lenders, bankers, customers, consultants and all other business associates. The Board also place on record their appreciation for the commitment, commendable efforts, team work and professionalism of all the employees of the Company.

For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123

Jai Mavani
Non-Executive Director
DIN: 05260191

June 30, 2021

Annexure A

Management Discussion and Analysis

Industry Overview

NBFCs play an important role in the Indian financial intermediation space by complementing bank credit, undertaking niche financing and promoting financial inclusion. Although NBFC Sector had witnessed a favourable operating environment since the end of the global financial crisis in 2008, they faced serious headwinds from September 2018 with the credit default event in IL&FS Group. This had a severe impact on the financial flexibility and liquidity position of the NBFC sector at large, constraining their growth and profitability. As the economy went into a slowdown mode in FY 2019-20, splits had started to appear in their erstwhile healthy asset portfolio position, specifically in the wholesale and SME segments. However, the Government and RBI took significant measures to improve the NBFCs' access to funding such as the partial credit guarantee mechanism to facilitate securitisation transactions.

While the liquidity position of the NBFC Sector with a long track record and a solid business franchise had started to return to comfortable levels in H2FY20, the Covid-19 outbreak hit both the global and the Indian economy with an unprecedented lockdown scenario and wide spread economic disruption. The impact of Covid-19 on the overall NBFC sector will not only be limited to their liquidity position and their ability to manage debt servicing in the short term but there also will be a longer term impact of the shutdown on their asset quality, business volumes and profitability levels.

Impact of Covid-19 Pandemic

As the COVID-19 pandemic disrupted economic activities significantly, Non-Banking Financial Companies (NBFCs) were hit hard. The ferocity of the COVID-19 second wave has overwhelmed India and the world. War efforts have been mounted to stop the second surge in its tracks. Real economy indicators moderated through April-May 2021.The biggest toll of the second wave is in terms of a demand shock - loss of mobility, discretionary spending and employment, besides inventory accumulation, while the aggregate supply is less impacted. The resurgence of COVID-19 has dented but not debilitated economic activity in the first half of Q1: 2021-22.

The performance of select NBFCs during Q2 and Q3: 2020-21:-

- The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3:2020-21. However, NBFCs were able to continue credit intermediation, albeit at a lower rate, reflecting the resilience of the sector.
- The Reserve Bank and the Government undertook various liquidity augmenting measures to tackle COVID-19 disruptions, which facilitated favourable market conditions as indicated by the pick-up in debenture issuances.
- Among sectors NBFCs lend to, industrial sector, particularly micro and small and large industries, were the hardest hit by the pandemic as they posted decline in credit growth.
- NBFCs in the retail loan sector stayed ahead of the curve aided by their relatively low delinquency.
- Profitability of the sector improved marginally in Q2 and Q3:2020-21 as NBFCs' expenditures registered a steeper fall than income.
- The asset quality of NBFCs improved in Q2 and Q3:2020-21, vis-à-vis Q4:2019-20, on account of regulatory forbearance to mitigate the impact of COVID-19.
- Mutual funds showed renewed interest in NBFC commercial papers, while banks' subscription of the same increased at a steady pace after Q1 FY21.

(Source – RBI Bulletin, Rating Agency Research Report, News Articles Business Today)

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations and the efficiency in collection efforts. This may lead to a rise in the number of borrowers defaults and consequently an increase in corresponding provisions. The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available, upto the date of approval of these financial statements. In order to cover the impact of COVID-19 on the future expected credit losses, the Company has made a provision of Rs. 6,257.09 lakhs as on March 31, 2021. (Provision for the year ended March 31, 2020: Rs. 3,403.11 lakhs).

The Asset quality of NBFCs witnessed improvement in 2020-21 till the third quarter. Nevertheless, the true extent of NPAs in the sector may be gauged in the upcoming quarters as the interim order by the Supreme Court on asset classification standstill was lifted in March 2021. While the NBFC sector continued to grow during the first wave of coronavirus pandemic, the impact of the second will unfold only in the future.

Opportunities and Threats:

Opportunities

- Under-penetration of financial services / products in India.
- Initiatives of the Reserve Bank of India on Policy alignment and latent credit demand in certain segments not catered by the Banks. RBI implements major changes in a structured manner providing companies operating in NBFC Sector adequate time to adapt and adjust.
- Introduction of array of new products to meet the varied requirements of customers.
- In order to revive the economy, the Reserve Bank of India had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth. The Regulator has increased the credit offtake to both Micro, Small & Medium enterprises and Consumer segments.

Threats / Challenges

- In the current year, the challenges for NBFCs have moved from liquidity to asset quality with the COVID -19 outbreak and the impact on customers repayment capacity to repay loans.
- Liquidity covers of the NBFCs are largely dependent on the repayments that they receive from their customers. In first half of FY 2020-21, collections were impacted, due to the announcement of lock down,
- The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues for retail and MSME segments.
- The Company needs to be equipped to quickly adapt the constant changes in Regulations and competitive landscape and ability to partner / collaborate with Technology

Financial Performance:

Your Company is engaged in wholesale lending with a focus on providing innovative debt solutions to corporates, enterprises, etc in various sectors including Real Estate; Promoter Funding & Loan against Securities; etc.

Your Company's balance sheet size at the end of FY 2020-2021 stood at Rs. 96,492.67 lakhs as compared to Rs. 101,025.63 lakhs for FY 2019-2020. On the asset side, the Company's loan book, which was at Rs. 97,966.74 lakhs in FY 2019-2020, has decrease to Rs. 69,402.16 lakhs in FY 2020-2021.

For the FY 2020-2021, the revenues of the Company were at Rs. 15,036.39 lakhs as compared to Rs. 18,316.23 lakhs for FY 2019-2020. The Profit after tax for FY 2020-2021 was Rs. 1,402.67 lakhs.

As on March 31, 2021, the Net worth of the Company stood at Rs. 41,643.79 lakhs. The total outstanding borrowing of the Company as on March 31, 2021 is Rs. 53,509.76 lakhs which includes Redeemable Non-Convertible Debentures of Rs. 7,612.95 lakhs, Term Loans from Banks of Rs. 32,820.38 lakhs and Working capital Facility from banks of Rs. 13,076.43 lakhs.

As on March 31, 2021, the impairment loss allowance was provided for Rs. 6,257.09 lakhs (Previous Year: Rs. 3,403.11 lakhs) as per Ind AS 109.

Operational Performance:
Your Company has adequate Capital to Risk-weighted Assets Ratio (CRAR) due to its robust capitalisation profile aided by low debt. The CRAR of the Company for the financial year ended on March 31, 2021 is at 41.03 %, which is above the limit prescribed by the Reserve Bank of India.

Risks:
The Company's risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. While it is exposed to various types of risks, the most important among them are credit risk, market risk (which includes liquidity risk and price risk) and operational risk. The measurement, monitoring and management of risks remains a key focus area of the Company.

Your Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked against best practices in the market.

The Board of Directors have an oversight on all the risks assumed by the Company. For credit risk, distinct policies and processes are in place. Management of credit risk is carried out through credit assessment, mitigation, etc; portfolio diversification, credit appraisal and approval processes, internal ratings, post sanction monitoring, operations control, fraud control, collection processes and remedial management procedures. For every product, underwriting standards, security structures, etc are specified to ensure consistency of credit patterns. All the credit proposals are approved by the Credit Committee of the Board or the delegation framework approved by the Board from time to time.

Further, the Board has taken note of the audit observations and has initiated steps to enhance and strengthen the controls on risk management. The Company has undertaken various initiatives to strengthen the policies and processes, internal controls.

Internal Financial Control Systems and their adequacy:

Kindly refer Para 9 of the Boards' Report

Human Resources:

Kindly refer Para 15 of the Boards' Report

Outlook:

NBFCs have been playing a very important role from the macroeconomic perspective and as a core catalyst in the Indian Financial System. NBFCs are certainly emerging as better alternatives to the conventional banks for meeting the financial needs of various sectors. However, to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavor to search for new products and services in order to survive in this ever-competitive financial market.

The NBFC segment is a catalyst to the economic development of the country. The RBI is constantly striving to bring necessary changes in the NBFC Regulatory space to proactively provide regulatory support to the segment and also to ensure financial stability in the long run.

The outlook of the Company for the year ahead is to drive profitable growth across all products and to improve its asset quality across its offerings. The Company as a whole, will focus on balanced measured growth, asset quality and cross selling opportunities.

For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123

Jai Mavani
Non-Executive Director
DIN: 05260191

June 30, 2021

Annexure B

CORPORATE GOVERNANCE REPORT

The Company recognizes its role as a Corporate Citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, Government and others. The activities of the Company are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting best practices.

The Company believes that good Corporate Governance practices enables the Management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of the Company of maximizing the value for all of its stakeholders. The Company complies with the applicable laws including the corporate and disclosure requirements under the Companies Act, 2013, the RBI Master Directions on Systemically Important Non-Banking Financial Company not accepting public deposits, 2016, etc in pursuit of corporate governance and follows a system whereby all the Acts, Rules and Regulations applicable to the Company are identified and compliance with such Acts, Rules and Regulations is monitored by dedicated teams on a regular basis. The consolidated compliance certificate and compliance MIS based on the compliance status received from the Functional Heads of the Company in respect of various laws, Rules and Regulations applicable to the Company is placed before and reviewed by the Board and Audit Committee on regular basis. The Company has made adequate disclosures and adopted various Policies like Policy on Related Party Transactions, Vigil Mechanism, CSR Policy and undertaken various CSR Initiatives, etc. The same are available on the website of the Company and can be accessed from https://www.shapoorjipallonjifinance.com/

The Board of Directors along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board commensurates with the size and business of the Company. At present, the Board comprises 5 (five) Directors viz, Mr. Shapoorji Pallonji Mistry, Non-Executive Director, Mr. S Kuppuswamy, Non-Executive Director, Mr. Mahesh Tahilyani, Non-Executive Director, Mr. Jai Mavani, Non-Executive Director and Mr. Sanjay Hinduja, Managing Director and CEO.

The Board of Directors duly met 5 (five) times during the year under review viz. April 30, 2020, October 26, 2020, December 09, 2020, March 03, 2021, and March 31, 2021.

The number of Board Meetings attended by each Director of the Company is as under:-

Name of the Director	No. of Meetings	
	Held during the tenure	**Attended by the Director**
Mr. Shapoorji Pallonji Mistry	5	1
Mr. Mahesh Tahilyani	5	3
Mr. Kuppuswamy Subramania	5	3
Mr. Jai Mavani	5	5
Mr. Sanjay Hinduja	5	5
Mr. Sharad Bajpai*	4	4
Mr. Manish Jain*	4	4

**Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a Directors w.e.f. March 31, 2021 respectively.*

COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee; etc. The Composition of various committees along with their terms of reference are as under:-

A) Audit Committee
As on March 31, 2021, the Audit Committee (the Committee) comprised the following Directors of the Company as its Members:-

Mr. Mahesh Tahilyani	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO.

The terms of reference of the Committee includes the roles and responsibilities as envisaged under Section 177 of the Companies Act, 2013 and as specified by the Reserve Bank of India in its Master Directions on Non-Banking Financial Company not accepting / holding Public Deposits *inter alia* review of financial statements and auditors' report, approval and subsequent modification of related party transaction, appointment / reappointment of Auditors, review of effectiveness of audit, etc; During the year under review, the Committee met 3 (three) times i.e. on December 03 & 09, 2020, March 03, 2021 and March 31, 2021. The Audit Committee Meeting held on December 03, 2020, was adjourned to December 09, 2020.

The number of Committee Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure$	**Attended by the Director**
Mr. Mahesh Tahilyani#	4	2
Mr. Jai Mavani	4	4
Mr. Sanjay Hinduja	4	4
Mr. Sharad Bajpai*	3	3
Mr. Manish Jain*	3	3

$ For the purpose of capturing the attendance the Meeting on December 03 and December 09 are shown as two separate meetings.
 # Mr. Mahesh Tahilyani did not attend the Meeting on December 03, 2020 but attended the adjourned Meeting on December 09, 2020.
** Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a member of the Audit Committee w.e.f. March 31, 2021, respectively.*

B) Nomination & Remuneration Committee
As on March 31, 2021 the Nomination & Remuneration Committee (the Committee) comprised the following Directors of the Company as its Members:-

Mr. Shapoorji Pallonji Mistry	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO.

The terms of reference of the Committee *inter alia* includes ensuring fit and proper status of the existing / proposed Directors, recommending the Fit & Proper Criteria Policy, etc. During the year under review, the Committee met twice i.e. on April 30, 2020, and December 09, 2020.

The number of Committee Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure	**Attended by the Director**
Mr. Shapoorji Pallonji Mistry	2	1
Mr. Jai Mavani	2	2
Mr. Sanjay Hinduja	2	2

Mr. Sharad Bajpai*	2	1
Mr. Manish Jain*	2	2

**Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a member of the Nomination & Remuneration Committee w.e.f. March 31, 2021, respectively.*

C) Corporate Social Responsibility Committee

As on March 31, 2021, the Corporate Social Responsibility Committee of the Board (CSR Committee) comprised following Directors of the Company as its Members:-

Mr. S. Kuppuswamy	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO.

The terms of reference of the CSR Committee *inter alia* includes recommending the amount of CSR expenditure, monitoring of CSR policy, consideration and approval of Annual CSR Plan, monitoring and implementation of CSR Projects / Programs etc. During the year under review, the CSR Committee met twice i.e. on December 09, 2020 and March 31, 2021.

The number of Committee Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure	**Attended by the Director**
Mr. S. Kuppuswamy	2	2
Mr. Jai Mavani	2	2
Mr. Sanjay Hinduja	2	2
Mr. Sharad Bajpai*	1	1
Mr. Manish Jain*	1	1

**Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a member of the Corporate Social Responsibility Committee w.e.f. March 31, 2021, respectively.*

D) Risk Management Committee

As on March 31, 2021, the Risk Management Committee comprised the following persons as its members:-

Mr. S. Kuppuswamy	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO
Ms. Dipti Advani	Head – Credit
Mr. Pankaj Gupta	Chief Financial Officer
Ms. Tripti Navani	Director – Credit & Markets.

The terms of reference of the Risk Management Committee *inter alia* includes evaluation of the Risk Management Systems, managing integrated risk at entity level, to put in place a progressive Risk Management System, Policy and Strategy; etc; During the year under review, the Committee met twice i.e. on October 26, 2020 and March 31, 2021.

The number of Risk Management Committee (RMC) Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure	**Attended by the Director**
Mr. S. Kuppuswamy	2	2
Mr. Jai Mavani	2	2
Mr. Sanjay Hinduja	2	2
Mr. Sharad Bajpai*	1	1

Mr. Manish Jain*	1	1
Ms. Dipti Advani	2	1
Mr. Pankaj Gupta	2	2
Ms. Tripti Navani	2	2

**Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a member of the Risk Management Committee w.e.f. March 31, 2021, respectively.*

E) <u>Asset – Liability Management Committee</u>

As on March 31, 2021, the Asset – Liability Management Committee comprised the following as its members:-

Mr. S. Kuppuswamy	Non-Executive Director
Mr. Jai Mavani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO
Ms. Dipti Advani	Head – Credit
Mr. Pankaj Gupta	Chief Financial Officer
Ms. Tripti Navani	Director – Credit & Markets.

The terms of reference of the Asset – Liability Management Committee (ALM Committee) *inter alia* includes to formulate ALM Guidelines and review of ALM Reports and the mismatches / gaps, if any; to consider product pricing for advances basis desired maturity profile and mix of the incremental assets and liabilities; to ensure liquidity and interest risk management in accordance with the regulatory framework; etc. During the year under review, the Committee met twice i.e. on October 26, 2020 and March 31, 2021.

The number of Asset-Liability Management Committee Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure	**Attended by the Director**
Mr. S. Kuppuswamy	2	2
Mr. Jai Mavani	2	2
Mr. Sanjay Hinduja	2	2
Mr. Sharad Bajpai*	1	1
Mr. Manish Jain*	1	1
Ms. Dipti Advani	2	1
Mr. Pankaj Gupta	2	2
Ms. Tripti Navani	2	2`

**Mr. Sharad Bajpai and Mr. Manish Jain ceased to be a member of the Asset-Liability Management Committee w.e.f. March 31, 2021, respectively.*

F) <u>IT Strategy Committee</u>

As on March 31, 2021, the IT Strategy Committee comprised the following as its members:-

Name	**Designation**
Mr. Mahesh Tahilyani	Non-Executive Director
Mr. Sanjay Hinduja	Managing Director & CEO
Mr. Haresh Motwani	Chief Technology Officer
Mr. Shankar Krishnan	SP Group Head – Strategy
Mr. Delzad Mirza	SP Group -CISO.

Pursuant to the RBI Directions on IT Framework, the Board of Directors have also approved the IT Policy. The terms of reference, roles and responsibilities of the IT Strategy Committee are as under:-

i) To approve IT Strategy and policy documents and ensure that the management has put an effective strategic planning process in place;
ii) To ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business;
iii) To ensure IT Investments represent a balance of risks and benefits and that budgets are acceptable;
iv) To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
v) To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
vi) To carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.
vii) In respect of outsourced IT Operations the role and responsibilities as envisaged in the RBI Master Directions on IT Framework dated June 08, 2017 and as amended from time to time."

During the year under review, the Committee met twice i.e. on September 16, 2020 and March 15, 2021. The number of Committee Meetings attended by the Members during the year ended March 31, 2021 is as under:-

Name of the Committee Member	**No. of Meetings**	
	Held during the tenure	**Attended by the Director**
Mr. Mahesh Tahilyani	2	2
Mr. Sanjay Hinduja	2	2
Mr. Haresh Motwani	2	2
Mr. Delzad Mirza	2	2
Mr. Shankar Krishnan	2	2

Besides the aforesaid Committees, the Board of Directors of the Company has constituted Committees comprising Board Members, Senior Management and Functional Heads for day to day operations of the Company viz. Operating Committee, Credit Committee, Securities Committee, IT Steering Committee, Grirevance Redressal Committee, etc.

For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123

Jai Mavani
Non-Executive Director
DIN: 05260191

June 30, 2021

Annual Report on CSR Activities *Annexure C*

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 and as amended]

1. Brief outline on CSR Policy of the Company.

Shapoorji Pallonji Finance Private Limited (SPFPL) took up a variety of projects in FY2020-2021. The projects focused on education delivering vocational skills to enhance employment rate in the country. Provided health care facilities, mid-day meals and scholarships to aid to the lower strata of the society. Contributions towards the ongoing fight against COVID-19 was taken up by SPFPL to support the various institutes who struggled and managed to keep the country safe. From purchase to ventilators to inventor batteries, to purchase of PPE kits, injections, pulse oximeters and masks. SPFPL in collaboration with its parent company Shapoorji Pallonji Company And Pvt. Ltd. is working towards women empowerment in partnership with two NGO's IBDATA based in Ajmer, Rajasthan & with Swayam Shikshan Prayog (SSP) in Osmanabad (Washi block) and Latur (Deoni block) districts in Maharashtra. They are helping the SPFPL in promoting projects like "Women Entrepreneurship for Better Livelihoods and Economic Self-Sufficiency" and "Promoting Grassroots Women Empowerment through Entrepreneurship & Leadership Program".

Activities like setting up individual micro-enterprises/shops, collective farm and non-farm based enterprises coupled with improving data keeping and accounting skills of women aiming at developing rural women as entrepreneurs. The projects are planned to take-up 5 activities viz. 1. Backyard Poultry 2.Cow Induction 3.Vegetable Production 4.Individual Enterprises 5. Carpet Weaving. Backyard Poultry, Carpet Weaving and Cow Induction were new activities for Ibtada while Vegetable Production and Individual Enterprises were the successful activities; Ibtada had done in earlier projects with other donors. Backyard poultry kicked off very well and is an activity with lots of potential for Ibtada.

Outcomes of various interventions and entrepreneurship skills training:

Enterprise/Trade	No. of members	Indicative Avg. annual income	Total Income recorded on-field
Backyard Poultry	138	49000	6762000
Vegetable Cultivation	190	81000	15390000
Cow Induction	26	21600	561600
Individual Microenterprise	67	72000	4824000
Total	**421**	**65409.98**	**27537600**

SSP on the other hand is helping to bring out economic aspirations and enhancement in business skills women entrepreneurs. These successful entrepreneurs thereby share their success strategies and become mentors and role models for the aspiring as well as struggling entrepreneurs. As a woman stabilizes and grows her enterprise, she is provided with mentorship support to emerge as advanced business leaders in their communities. This in turn strengthens further economic and social as well as political empowerment in their families and communities. Secondly, SSP and women's networks create a robust local community-driven eco-system that includes access to a WELI block resource center to sustain their enterprises through mentorship, market, and finance linkages.

SPFPL's objectives to support these 2 (two) programs are:-

- To equip women as first-generation entrepreneurs with knowledge and skills to tap opportunities in emerging sectors such as trading, services, production to launch their enterprises.
- Establish resource networks to provide entrepreneurship training and business support including domain-specific skills, knowledge and develop linkages for seed-fund / capital to expand or set up micro-enterprise units.
- To create a cadre of women mentors who will offer entrepreneurial leadership and resource support for women-led models for community development.
- Included hands on training on: Recording processes, accounting of expense and sales, calculating the profits earned.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Kuppuswamy	Non-Executive Director	2	2
2.	Mr. Jai Mavani	Non-Executive Director	2	2
3.	Mr. Sharad Bajpai*	Non-Executive Director	1	1
4.	Mr. Manish Jain*	Non-Executive Director	1	1
5.	Mr. Sanjay Hinduja	Managing Director & CEO	2	2

*Mr. Sharad Bajpai and Mr. Manish Jain ceased to be Director of the Company w.e.f. March 31, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - https://www.shapoorjipallonjifinance.com/stakeholders-information/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – **Not Applicable**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	2017-18	N.A.	N.A.
2	2018-19	16,72,182	N.A.
3	2019-20	24,76,442	N.A.
	TOTAL	41,48,624	

6. Average net profit of the company as per section 135(5). Rs. 48,63,14,222/-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 97,26,284/-

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years- N.A.

   (c) Amount required to be set off for the F.Y. 2020-21, if any – N.A.

   (d) Total CSR obligation for the F.Y. 2020-21 (7a+7b- 7c). Rs. 97,26,284/-

8. (a) CSR amount spent or unspent for the F.Y. 2020-21:

Total Amount Spent for the Financial Year. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	**Date of transfer**	**Name of the Fund**	**Amount.**	**Date of transfer**
95,23,317	N.A.	N.A.	PM CARES Fund	2,05,000*	27th June 2021

*due to amendment in the Companies (Corporate Social Responsibility) Rules, 2014, the Implementing Agency cease to comply with the eligibility criteria as specified in amended Rules and owing this the amount was transferred to PM Cares Fund.

(b) Details of CSR amount spent against **ongoing projects** for the F.Y. 2020-21:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SL.No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (in Rs.).**	***Amount spent in the current financial Year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation – Through Implementing Agency**	
				State.	**District.**						**Name**	**CSR Registration number.**
1.	Promoting Grassroots Women's Empowerment through Women Entrepreneurship and Leadership Initiative	(ii) & (iii)	Yes	Maharashtra	Latur & Osmanabad	3 Yrs	1,47,00,000	18,50,000	NA	No	Swayam Shikshan Prayog	CSR00002783
2.	Promoting Women Entrepreneurship for Better Livelihoods and Economic Self Sufficiency	(ii) & (iii)	No	Rajasthan	Alwar	3 Yrs	1,74,62,588	27,81,317	NA	Yes	IBDATA	CSR00002333
	TOTAL						3,21,62,588	46,31,317				

*Due to outbreak of COVID-19 pandemic, the allocated budget was modified during the year

(c) Details of CSR amount spent against **other than ongoing projects** for the F.Y. 2020-21:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes / No).**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1.	Covid Relief – Medical supplies	Promoting health care including preventive health care	Yes	Maharashtra	Latur Ratnagiri Pune	4,20,000 4,20,000 10,000	No	Central Chinmaya Mission Trust	CSR00008084
2.	Corona Virus Pandemic Support to the organization	Promoting Health Care including Preventive Health Care	Yes	Maharashtra	Mumbai	6,00,000	No	Global Hospital and Research Centre Managing BSES MG Hospital.	CSR00005359
3.	Aid to weaker section of the Society in form of cash and food grain ,medical aid ,Education aid and feeding to Elders at Elders home, etc.	Promoting Health Care and Education	Yes	Maharashtra	Thane & Mumbai	500000	No	Janta Janardhan Parishad	CSR00010204
4.	Skilling the BFSI jobs sector	Employment enhancing vocational skills	Yes	Maharashtra	Thane, Mumbai & Navi Mumbai	494000	No	Shahani Academy & Global Empowerment Foundation	CSR00004604
5.	Parivaar Seva Kutir in Madhya Pradesh	(i) Eradicating hunger, poverty and	No	Madhya Pradesh	Sehore	1248000	No	Parivaar Education Society	CSR00000052

		malnutrition (ii) Promoting education							
6.	(i) Food grain kits to needy family (ii) Medical help to needy patients (iii) Help for education expenses	(i) Eradicating hunger (ii) Promoting health care (iii) Promoting education	No	Gujarat	Ahmedabad	(i) 99,150 (ii) 70,000 (iii)330850	No	Sant Hirdaram Swami Basantram Sewa Trust	Applied for
7.	(i) Aid to poor (ii) Scholarships to needy students	(i) Eradication of hunger, poverty and malnutrition (ii) Promoting education	No	Rajashthan	Ajmer	(i)4,15,000 (ii)2,85,000	No	Sudhar Sabha	CSR00008697
	TOTAL					48,92,000			

(d) Amount spent in Administrative Overheads – Not Applicable

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

(f) Total amount spent for the F.Y. 2020-21 (8b+8c+8d+8e) – Rs. 97,28,317/-

(g) Excess amount for set off, if any

Sl. No.	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	97,26,284/-
(ii)	Total amount spent for the F.Y. 2020-21	97,28,317/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,033/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,033/-

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	TOTAL						

(b) Details of CSR amount spent in the F.Y. 2020-21 for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1.	SSP-SPFPL-1219-WE	Promoting Grassroots Women's Empowerment through Women Entrepreneurship and Leadership Initiative	FY 2019-2020 (Commencement of the project- January 2020)	3 years	1,47,00,000	18,50,000	43,50,000	Ongoing
2.	Ibtada-SPFPL-1219-WE	Promoting Women Entrepreneurship for Better Livelihoods and Economic Self Sufficiency	FY 2019-2020 (Commencement of the project- January 2020)	3 years	1,74,62,588	27,81,317	40,31,317	Ongoing
	TOTAL				3,21,62,588	46,31,317	83,81,317	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **Not Applicable**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Kindly refer point 8(a) above.

For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123

Jai Mavani
Non-Executive Director (CSR Committee Chairman)
DIN: 05260191

June 30, 2021

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transaction including the value, if any (Rs. in lakhs)	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
Khvafar Property Developers Private Limited	Loan given to	180 days	2,500.00	07-Feb-20	N.A.
Khvafar Property Developers Private Limited	Loan given to	180 days	800.00	07-Feb-20	N.A.
Bengal Shapoorji Infrastructure Development Private Limited	Loan given to	180 days	2,500.00	07-Feb-20	N.A.
Bengal Shapoorji Infrastructure Development Private Limited	Loan given to	180 days	1,000.00	07-Feb-20	N.A.
Stonesteel Prefab Infra Private Limited	Loan given to	100 days	1,750.00	07-Feb-20	N.A.
Stonesteel Prefab Infra Private Limited	Loan repaid by	165 days	1,750.00	07-Feb-20	N.A.
Stonesteel Prefab Infra Private Limited	Loan repaid by	100 days	1,750.00	07-Feb-20	N.A.
Stonesteel Prefab Infra Private Limited	Loan repaid by	165 days	700.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan given to	180 days	1,100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan given to	180 days	100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan given to	180 days	1,100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan given to	180 days	300.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan given to	180 days	2,100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	600.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	500.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	300.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	800.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	1,100.00	07-Feb-20	N.A.
Shapoorji Pallonji Real Estate Private Limited	Loan repaid by	180 days	100.00	07-Feb-20	N.A.

For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123
June 30, 2021

Jai Mavani
Non-Executive Director
DIN: 05260191

RELATED PARTY TRANSACTION POLICY

PREAMBLE

*Shapoorji Pallonji Finance Private Limited ("**The Company**" or "**SPFPL**") is registered with the Reserve Bank of India ('**RBI**') as a Non – Banking Financial Company not accepting or holding deposits. As stipulated by RBI, the Board of Directors of SPFPL ("**Board**") has laid down the following Internal Guidelines on Corporate Governance, including this policy on Related Party Transactions This Policy has been framed in order to comply with the directions of the RBI along with the effective compliance with the provisions of the Companies Act, 2013. This policy provides a framework for governance and reporting of Related Party Transactions.*

*SPFPL is subsidiary of Shapoorji Pallonji And Co. Pvt. Ltd., the Holding Company of the Company. SPFPL is committed in conducting its business in accordance with applicable laws, rules and regulations with the highest standards of business ethics and ethical conduct. Corporate Governance is about maximizing shareholders' value on a sustainable basis and ensuring fairness to all other stakeholder of the Company. During the course of business operations of the Company, there are likely to be transactions between parties, who under various regulations, particularly the Companies Act, 2013 ('**the Act**') and Rules framed thereunder and the Accounting Standards on Related Party Disclosures ('Accounting Standard 18') as notified from time to time, will be considered to be transactions with Related Parties.*

*The Board, in order to ensure transparency, shareholder confidence and in adherence to the rules for Related Party Transactions ("**RPT**") have adopted the following policy and procedures with respect to Related Party Transactions of the Company.*

PURPOSE

This Policy is framed as per the requirement of applicable provisions of the Act and the Rules framed thereunder and RBI Guidelines issued in this regard and intend to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

The Company is required to disclose each year in the Financial Statements, transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

DEFINITIONS

1. *"**Act**" means the Companies Act, 2013, and the Rules framed thereunder including any modifications, amendments, clarifications, circulars or re-enactments thereof from time to time.*

2. *"**Arm's length transactions**" means transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.*

3. *"**Associate**" means an enterprise in which the Company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture company and the term "**Associate Company**" shall be interpreted accordingly. For the purpose of this definition, "**Significant Influence**" means control of at least 20% (twenty percent) of total voting power or control or participation in business decisions under an Agreement*
   *"**Joint Venture**" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement*

4. *“**Audit Committee**” means the Audit Committee of the Board of Directors of the Company constituted under the provisions of the RBI Guidelines issued in this regard and shall have the similar meaning as defined under Section 177 of the Companies Act, 2013 to the extent applicable to the Company.*

5. *“**Board**” means Board of Directors of the Company*

6. *“**Company Secretary**” means a person who is appointed by the Company to perform the functions of the Company Secretary under provisions of the Companies Act, 2013;*

7. *“**Key Managerial Personnel**” means -*
   (a) the Chief Executive Officer or the Managing Director or the Manager;
   (b) the Company Secretary;
   (c) the Whole - Time Director(s);
   (d) the Chief Financial Officer;
   (e) such other officer, not more than one level below the directors who is in whole-time employment, designated as Key managerial personnel by the Board; and
   (f) such other officer as may be prescribed under Section 2(51) of the Act or Rules framed thereunder.

8. ***“Material Related Party Transaction / Contract / Arrangement”** means any one of the following transactions with the Related Party which individually or taken together with previous transactions during a financial year in the ordinary course of business, on arms’ length basis and fulfilling the criteria of threshold limit as specified respective transaction:-*
   a) *sale, purchase or supply of any goods or materials, directly or through appointment of agent - amounting to 10% or more of the turnover of the company*
   b) *selling or otherwise disposing of, or buying, property of any kind; directly or through appointment of agent - amounting to 10% or more of net worth of the company*
   c) *leasing of property of any kind- amounting to 10% or more of the turnover of the Company*
   d) *availing or rendering of any services; - directly or through appointment of agent, amounting to 10% or more of the turnover of the company*
   e) *such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company - at a monthly remuneration exceeding Rs. 2,50,000/-;*
   f) *underwriting the subscription of any securities or derivatives thereof, of the company – Remuneration for underwriting exceeding 1% of the net worth; and*
   g) *payments with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into, exceed 2% of the annual turnover of the Company.*

The Turnover or Net worth referred above shall be computed on the basis of the audited financial statement of the preceding financial year.

9. ***“Ordinary course of business”** for the purpose of this Policy will cover the business of the Company and usual transactions, customs and practices of a business and would include activities to be carried out incidental to or to facilitate the ordinary course of business of the Company and is usual or customary to the Company and / or providing the necessary support (financial or otherwise) to its Holding Company, Associate Company, Subsidiaries, Fellow Subsidiaries (subsidiary of the Holding Company to which Company is also a subsidiary) etc,*

10. *“office or place of profit” means any office or place—*
    (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
    (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

11. *“**Related Party Transaction**” or “**RPT**” means any transaction between the Company on one side and the Related Party of the Company on other side.*

12. *“**Related Party**” with reference to a company, means -*
    (a) a director or his Relative;
    (b) a Key Managerial Personnel or his Relative;
    (c) a firm, in which a Director, Manager or his Relative is a partner;
    (d) a private company in which a Director or Manager or his relatives is a member or director;
    (e) a public company in which a Director or Manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
    (f) any body corporate whose Board of Directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager unless the advice, directions or instructions are given in a professional capacity;
    (g) any person under whose advice, directions or instructions a Director or Manager is accustomed to act unless the advice, directions or instructions are given in a professional capacity;
    (h) Director or Key Managerial Personnel of the Holding Company or his relative other than the Independent Director;

    (i) any body corporate which is
    1. *a Holding, subsidiary or an associate Company of such Company*
    2. *A subsidiary of a holding company to which it is also a subsidiary; or*
    3. *An investing company or the venture of the company, which means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate;*

    (j) any other person that may be prescribed under Section 2(76) of the Act; and
    (k) Related Party as per Accounting Standard 18.

13. *“**Relative**” means relative as defined under Section 2(77) of the Act and includes anyone who is related to another in any of the following manner –*
    (a) they are members of a Hindu Undivided Family;
    (b) they are husband and wife;
    (c) father (including step-father);
    (d) mother (including step-mother);
    (e) son (including step-son);
    (f) son’s wife;
    (g) daughter;
    (h) daughter’s husband;
    (i) brother (including step-brother); and
    (j) sister (including step-sister).

14. *“**Transaction**” with a Related Party shall be construed to include any contract or arrangement or transaction, whether single or as a group of transaction and for the purpose of applying thresholds as specified in Section 188 of the Act and the relevant Rules it shall include previous transaction(s) during the financial year with the said Related Party.*

Approval process

I. Audit Committee

All Related Party Transactions which are in the ordinary course of business and on arms’ length basis must be referred to the Audit Committee for its prior approval and any subsequent modification of Related Party Transaction shall also require the approval of the Audit Committee. The Audit Committee shall consider all requisite factors while considering *a related party transaction for its approval.*

To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, name of the Related Party, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, nature and duration of the transaction and justification / rational for arms' length and any other relevant information.

The Audit Committee may make omnibus approval for related party transactions which are repetitive in nature subject to the following conditions:

a) *The Audit Committee shall satisfy itself on the need for omnibus approval and that such approval is in the interest of the Company;*
b) *The omnibus approval shall contain the name of the related party(ies), nature and duration of the transaction, maximum amount of transaction that can be entered into, justification / rational for arms' length, if any, and such other conditions, as the Audit Committee may deem fit;*
   Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may make omnibus approval for such transactions subject to their value not exceeding INR 1 crore per transaction.
c) *Omnibus approval shall be valid for a period not exceeding 1 (One) Financial Year and shall require fresh approval after the expiry of such Financial Year;*
d) *Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.*
e) *The Audit committee shall review, the details of the RPTs entered into by the Company pursuant to the omnibus approval given on a yearly basis.*

II. Board of Directors

In case any Related Party Transactions are referred by the Audit Committee to the Board for its approval due to the transaction being-

(i) *not in the ordinary course of business, or*
(ii) *not at an arm's length price,*

the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering such transaction, the thresholds, etc. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

III. Shareholders

If a Related Party Transaction is not in the ordinary course of business, and / or not at arm's length price and exceeds certain thresholds prescribed under Section 188 of the Act and relevant rules, it shall require shareholders' approval.

IDENTIFICATION OF RELATED PARTIES

Every Director and Key Managerial Personnel of the Company is required and responsible to disclose the details of any person or entity that would be regarded as Related Party in accordance with the provisions of the Act, Rules framed thereunder and this Policy. Such Disclosure shall include disclosure of the Director, Key Managerial Personnel's and his/ her relative's concern or interest in any company or companies or bodies corporate, firms or such other association of individuals which shall include the shareholding, directorship, membership, partnership, etc.

The list of Related Parties as envisaged in this Policy shall be prepared and reviewed at least on an annual basis.

RELATED PARTY TRANSACTIONS NOT APPROVED PREVIOUSLY

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board or the Shareholders as may be required in accordance with the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and this Policy and for review and ratification. The Audit Committee or the Board or the Shareholders shall consider all relevant facts and circumstances in relation to such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Audit Committee or Board or the Shareholders deems appropriate under the circumstances.

OUTSOURCING TO A RELATED PARTY

In case the Company decides to outsource or intends to outsource any of its financial activities and any such other services to a related party, it shall do so in accordance with the Outsourcing Policy of the Company framed in accordance with the RBI Directions applicable to the Company and the Directions issued by RBI in this regard from time to time.

IMPLEMENTATION

This Policy is effective from the date as approved by the Board of Directors of the Company.

REVIEW

This Policy shall be reviewed by the Board / Audit Committee of the Company at least on an annual basis.

DISCLOSURE

The Policy is made available on the website of the Company and a web link thereto shall be provided in the Company's Annual Report. The Company shall disclose the Material Related Party Transaction / Agreement / Contract, if any, in the Annual Report of the Company.

LIMITATION

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules or regulations, thereof, the Act, Rules and such regulations shall prevail over this Policy and any subsequent amendment to the applicable laws in this regard shall be automatically applicable to this Policy.

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For and on behalf of the Board
Shapoorji Pallonji Finance Private Limited

Sanjay Hinduja
Managing Director & CEO
DIN: 00388123

Jai Mavani
Non-Executive Director
DIN: 05260191

June 30, 2021

Form No.MR-3

Secretarial Audit Report for the Financial Year ended 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Shapoorji Pallonji Finance Private Limited,
SP Centre, Courtyard 10B,
41/44 Minoo Desai Road,
Colaba, Mumbai - 400005

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shapoorji Pallonji Finance Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintainedby the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

SHAH KINJAL AND ASSOCIATES
ACS21903
CP : 8949

(v) Other laws applicable specifically to the Company namely:

(1) The Reserve Bank of India Act, 1934
(2) The Directions, Guidelines, Circulars, Notifications, etc issued by the Reserve Bank of India and applicable to the Company.
(3) The Indian Contract Act, 1872
(4) The Depositories Act, 1996
(5) The Maharashtra Stamp Act, 1958
(6) The Indian Stamp Act, 1899
(7) SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011
(8) The Indian Registration Act, 1908
(9) The Income tax Act 1961
(10) The Goods and Service Tax (GST)
(11) The Maharashtra Profession Tax Act
(12) The Maharashtra Shops and Establishment act, 2017
(13) The Maternity Benefit Act, 1961
(14) The Payment of Bonus Act, 1965
(15) The Employee Provident Fund and Miscellaneous Act, 1952
(16) The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013
(17) The (National & Festival Holidays) Act 1963

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the Secretarial Standard and Articles of Association of the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

KINJAL AND ASSOCIA
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Decisions at the Board Meetings were taken by simple majority.

We further report that the Company is required to enhance the existing process and systems employed for monitoring compliance with the applicable laws, rules, regulations and guidelines .

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(a) Issue of Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating Rs. 75 Crores (NCDs)

(b) The Company has entered into a Share Purchase Agreement dated March 31, 2021 with Farmride Private Limited Shapoorji Pallonji And Co. Pvt. Limited and Investment Opportunities IV Pte. Ltd. (SSG) for transfer of 72494074 Equity Shares of face value of Rs. 10/- each of the Company (representing 25% of the paid up capital) by SSG to Farmride Private Limited.

(c) COVID-19 pandemic has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns and other factors. The Reserve Bank of India has introduced various measures for dealing with COVID-19 pandemic including moratorium, Resolution Framework for Covid-19 related stress, scheme of grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers, etc. Further, as informed by the Management that the Company has assessed the recoverability and carrying value of its assets and the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

(a) Due to outbreak of Covid-19 pandemic, the timeline for finalization of Audited Annual Financial Statements of Non-Banking Financial Companies for FY 2019-2020 was extended from June 30, 2020 to July 31, 2020 by the Reserve Bank of India vide Circular No. RBI/2020-21/11 DoR (NBFC) (PD) CC. No. 114/03.10.001/2020-21 dated July 06, 2020. Owing to challenges and operational difficulties posed by resultant lockdown because of COVID-19 and migration to IND-AS the audit of annual accounts for FY 2019-2020

KINJAL AND ASSOCIATES
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CP : 8949

was delayed and the annual accounts were finalised on 9th December 2020 instead of 31st July 2020. Consequent to the finalization of Audited Annual Financial Statements of the Company for FY 2019-2020 on 9th December 2020, there was delay in submission of the Returns related to the Audited Annual financial statements for FY 2019-2020 to the Reserve Bank of India namely ND-SI 500, NBS-7, DNBS-04A, DNBS-04B, DNBS-13, Audited Financial Statements & SAC for FY 2019-20 and FDI Certificate for half year ended 30th September 2020

(b) During the FY 2020-2021, the Company has issued Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures aggregating Rs. 75 Crores (NCDs) on June 26, 2020. As per the terms of issue of NCDs, the NCDs were to be listed on BSE Limited within the statutory timeline of then applicable laws. The Company could not list the NCDs within the statutory timeline of then applicable laws due to the delay in finalization of audited annual accounts for FY 2019-2020 and the listing of NCDs is still to happen.

For **Shah Kinjal and Associates**
Practicing Company Secretary

Place: Mumbai
Date: 30-06-2021

SHAH KINJAL AND ASSOCIATES
ACS21903
CP : 8949

(Kinjal S. Shah)
Proprietor
(ACS No.21903 CP No.8949)

This Report is to be read with our letter of even date which is annexed as Annexure A which shall forms an integral part of this report.

11, Raj Palace, 11th Road, Khar – West, Mumbai – 400 052
Email id: kinjal@shahkinjalandassociates.com Mobile No.: +919819650629
ICSI UDIN: A021903C000544909

Shah Kinjal and Associates
Practicing Company Secretary

Annexure "A"

To,
The Members,
Shapoorji Pallonji Finance Private Limited,
SP Centre, Courtyard 10B,
41/44 Minoo Desai Road,
Coloba, Mumbai - 400005

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shah Kinjal and Associates
Practicing Company Secretary

ACS21903
CP : 8949

(Kinjal S. Shah)
Proprietor
(ACS No.21903 CP No.8949)

Place: Mumbai
Date: 30-06-2021

11, Raj Palace, 11th Road, Khar – West, Mumbai – 400 052
Email id: kinjal@shahkinjalandassociates.com Mobile No.: +919819650629
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Independent Auditor's Report

To the Members of Shapoorji Pallonji Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Shapoorji Pallonji Finance Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 50 of the accompanying Statement, which describes the uncertainties relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the impairment provision recognized towards the loan assets outstanding as at 31 March 2021.

Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

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

8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

11. 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.

Other Matter

12. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Price Waterhouse Chartered Accountants LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 10 December 2020.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

15. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

 a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

 b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

 c) the financial statements dealt with by this report are in agreement with the books of account;

 d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

 e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

 f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 30 June 2021 as per Annexure II expressed modified opinion; and

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

  i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021.;

  ii. the Company, as detailed in note 27 to the financial statements, has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. Further, the Company did not have any derivative contracts as at 31 March 2021;

  iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.; and

  iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Murad D Daruwalla
Partner
Membership No:04334

UDIN:21043334AAAADV5084

Place: Mumbai
Date: 30 June 2021

Annexure I to the Independent Auditor's Report of even date to the members of Shapoorji Pallonji Finance Private Limited, on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) The Company is non-banking financial company, primarily engaged in the business of lending and does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of financing. Accordingly, the provision of Section 185 is not applicable to the Company.

In our opinion, and according the information and explanation given to us, the Company has complied with the provisions of Section 186(1) of the Companies Act 2013 in respect of the investments made. The other provisions of Section 186 are not applicable to the Company.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub- section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure I (Contd)

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Murad D. Daruwalla
Partner
Membership No:043334

UDIN:21043334AAAADV5084

Place: Mumbai
Date: 30 June 2021

Annexure II to the Independent Auditor's Report of even date to the members of Shapoorji Pallonji Finance Private Limited, on the financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Shapoorji Pallonji Finance Private Limited** ('the Company') as at and for the year ended **31 March 2021**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Annexure II (Contd)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Adverse opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:

   The Company's internal financial control system towards credit appraisal and sanctioning of unsecured loans were not operating effectively, which could potentially impact the earnings, reserves and related disclosures in the accompanying financial statements.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

9. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as of 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and because of the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were not operating effectively as at 31 March 2021.

10. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness does not affect our opinion on the financial statements of the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Murad D. Daruwalla
Partner
Membership No:043334

UDIN: 21043334AAAADV5084

Place: Mumbai
Date: 30 June 2021

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED
Balance Sheet as at 31 March 2021

Amounts in lakhs

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	23,965.81	296.05
Receivables			
(i) Trade receivables	5	-	-
(ii) Other receivables		123.56	608.67
Loans	6	69,402.16	97,966.74
Investments	7	248.86	248.86
Other financial assets	8	41.17	34.26
Total financial assets		**93,781.56**	**99,154.58**
Non-financial Assets			
Current tax assets (Net)	9	431.81	527.13
Deferred tax assets (Net)	10	1,785.37	887.26
Property, plant and equipment	11	120.24	187.54
Right of use asset	12	33.73	114.08
Intangible assets under development	11	-	74.94
Other intangible assets	11	179.14	14.26
Other non-financial assets	13	102.26	65.84
Total non-financial assets		**2,652.55**	**1,871.05**
TOTAL ASSETS		**96,434.11**	**101,025.63**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	14		
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.25	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		193.66	50.15
(II) 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		184.69	233.01
Debt securities	15	7,612.95	-
Borrowings (other than debt securities)	16	45,896.81	59,440.66
Other financial liabilities	17	39.17	122.90
Total financial liabilities		**53,927.53**	**59,846.72**
Non-financial liabilities			
Provisions	18	792.53	798.10
Other non-financial liabilities	19	128.82	137.44
Total non-financial liabilities		**921.35**	**935.54**
EQUITY			
Equity share capital	20	28,997.63	28,997.63
Other equity	21	12,587.60	11,245.74
Total equity		**41,585.23**	**40,243.37**
TOTAL LIABILITIES AND EQUITY		**96,434.11**	**101,025.63**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013

Murad D. Daruwalla
Partner
Membership No. 043334

Place : Mumbai
Date : 30 June 2021

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Hinduja
MD & CEO
DIN. 00388123

Jai Mavani
Director
DIN. 05260191

Pankaj Gupta
Chief Financial Officer

Preeti Chhabria
Company Secretary
ACS No. 18180

Place : Mumbai
Date : 30 June 2021

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March 2021

Amounts in lakhs

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest Income	22	15,036.38	17,650.84
Fees and commission Income	23	-	750.00
Net gain on fair value changes	24	-	(87.80)
Total revenue from operations		**15,036.38**	**18,313.04**
Other income	25	-	3.19
Total income		**15,036.38**	**18,316.23**
Expenses			
Finance costs	26	6,561.97	6,551.04
Net loss on derecognition of financial instruments under amortised cost category		-	-
Impairment on financial instruments	27	4,189.23	6,304.85
Employee benefits expenses	28	1,570.03	1,900.04
Depreciation, amortization and impairment	11	239.36	176.84
Other expenses	29	630.24	499.35
Total expenses		**13,190.83**	**15,432.12**
Profit before tax		**1,845.55**	**2,884.11**
Tax expense:	30		
(1) Current tax		1,398.80	1,426.26
(2) Deferred tax		(897.35)	(745.91)
Total tax expense		**501.45**	**680.35**
Profit for the year		**1,344.10**	**2,203.76**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
-Re-measurement of defined benefit plan		(3.00)	(10.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.76	2.64
Other comprehensive income		**(2.24)**	**(7.86)**
Total comprehensive income for the year		**1,341.86**	**2,195.90**
Earnings per equity share	31		
Basic (₹) & Diluted (₹)		0.46	0.76
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013

Daruwalla

Murad D. Daruwalla
Partner
Membership No. 043334
Place : Mumbai
Date : 30 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Hinduja
MD & CEO
DIN. 00388123

Jai Mavani
Director
DIN. 05260191

Pankaj Gupta
Chief Financial Officer

Preeti Chhabria
Company Secretary
ACS No. 18180

Place : Mumbai
Date : 30 June 2021

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

Cash Flow Statement for the year ended 31 March 2021

Amounts in lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax:	1,845.55	2,884.11
Adjustments :		
Depreciation, amortization and impairment	239.36	176.84
Net loss on fair value changes	-	116.35
Impairment on financial instruments	4,189.23	6,304.85
Interest income	(14,805.58)	(17,647.94)
Finance cost	6,561.97	6,551.04
Cash inflow from interest on loans	15,845.72	17,385.68
Cash outflow towards finance cost	(6,407.93)	(6,376.50)
Operating profit before working capital changes	**7,468.32**	**9,394.43**
Adjustments for (increase)/ decrease in operating assets:		
Other receivables	485.11	(601.21)
Loans	23,335.21	(21,117.25)
Other financial assets	(6.91)	(2.90)
Other non financial assets	(36.42)	(49.17)
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	143.76	(37.70)
Other payables	(48.32)	172.22
Provisions	(8.57)	128.74
Other non financial liabilities	(8.62)	12.87
Cash generated from operations	31,323.56	(12,099.97)
Less : Income taxes paid (net of refunds)	(1,303.48)	(1,796.73)
Net cash outflow from operating activities	**30,020.08**	**(13,896.70)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Investments	-	12,349.99
Purchase of Investments	-	(11,850.00)
Purchase of property, plant and equipments	(20.18)	(83.32)
Purchase of intangibles	(161.46)	(24.94)
Net cash inflow from investing activities	**(181.64)**	**391.73**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from bank borrowing	10,447.24	71,049.49
(Repayment) of bank borrowing	(24,032.19)	(60,576.14)
Proceeds from debt securities	7,500.00	-
Principal element of lease payments	(83.73)	(72.22)
Proceeds from Inter corporate deposit	-	1,500.00
(Repayment) of Inter corporate deposit	-	(3,500.00)
Net cash inflow from financing activities	**(6,168.68)**	**8,401.13**
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**23,669.76**	**(5,103.84)**
Add : Cash and cash equivalents at beginning of the year	296.05	5,399.89
Cash and cash equivalents at end of the year	**23,965.81**	**296.05**

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED ★

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

Cash Flow Statement for the year ended 31 March 2021

Amounts in lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Components of Cash and Cash Equivalents		
Cash on hand	0.01	0.05
Balance with banks:		
- In current accounts	20,880.37	296.00
- In fixed deposits (with original maturity of less than 3 months)	3,085.43	
	23,965.81	**296.05**

Refer to Note 16(ii) which provides disclosure regarding changes in liabilities arising from financing activities.

Summary of Significant accounting policies (Refer Note 2)
The accompanying notes are integral part of these financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013

Murad D. Daruwalla
Partner
Membership No. 043334

Place : Mumbai
Date : 30 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Hinduja
MD & CEO
DIN. 00388123

Jai Mavani
Director
DIN. 05260191

Pankaj Gupta
Chief Financial Officer

Preeti Chhabria
Company Secretary
ACS No. 18180

Place : Mumbai
Date : 30 June 2021

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED
Statement of changes in equity for the year ended 31 March 2021

Amounts in lakhs

A. Equity share capital

Particulars	Number	Amount
As at 31 March 2020	289,976,296	28,997.63
As at 31 March 2021	289,976,296	28,997.63

B. Other equity

Particulars	Reserves and surplus			Total other equity
	Securities premium	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Retained earnings	
As at 01 April 2019	4,312.62	1,141.84	3,595.38	9,049.84
Profit for the year	-	-	2,203.76	2,203.76
Other comprehensive income	-	-	(7.86)	(7.86)
Total comprehensive income for the year	-	-	2,195.90	2,195.90
Transfer to special reserve	-	-	(440.75)	(440.75)
Additions	-	440.75	-	440.75
As at 31 March 2020	4,312.62	1,582.59	5,350.53	11,245.74
Profit for the year	-	-	1,344.10	1,344.10
Other comprehensive income	-	-	(2.24)	(2.24)
Total comprehensive income for the year	-	-	1,341.86	1,341.86
Transfer to special Reserve	-	-	(268.82)	(268.82)
Additions	-	268.82	-	268.82
As at 31 March 2021	4,312.62	1,851.41	6,423.57	12,587.60

Summary of Significant accounting policies (Refer Note 2)
The accompanying notes are integral part of these financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013

Murad D. Daruwalla
Partner
Membership No. 043334

Place : Mumbai
Date : 30 June 2021

For and on behalf of the Board of Directors

Sanjay Hinduja
MD & CEO
DIN. 00388123

Jai Mavani
Director
DIN. 05260191

Pankaj Gupta
Chief Financial Officer

Preeti Chhabria
Company Secretary
ACS No. 18180

Place : Mumbai
Date : 30 June 2021

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. CORPORATE INFORMATION

Shapoorji Pallonji Finance Private Limited was incorporated in 1994 under the provisions of the Companies Act, 1956 as a public company and w.e.f. 31 March, 2016 it was converted into a private company. The Company is registered with the Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) vide Certificate No. B-13.01534. The Company is primarily engaged in Lending Business and it is systemically important, non-deposit taking NBFC. The Company is a Joint venture between Shapoorji Pallonji and Company Private Limited and Investment Opportunity IV Pte Limited.
The registered office of the Company is SP Centre, Ground Floor, Courtyard 10B, 41/44 Minoo Desai Marg, Colaba, Mumbai – 400005

2. BASIS OF PREPARATION

2.1 Presentation of financial statements
The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:
i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

2.2 Statement of compliance
The financial statements comply in all material aspects and have been prepared in accordance with Indian Accounting Standards (Ind-AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) and notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

2.3 Functional and presentation currency
The financial statements are presented in Indian Rupees (INR) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest lakhs, except when otherwise indicated.

2.4 Historical cost convention
The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below.

SIGNIFICANT ACCOUNTING POLICIES

2.5 REVENUE RECOGNITION
Revenue (other than for those items to which Ind-AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind-AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.
The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:
Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

(i) Interest income
Under Ind-AS 109 interest income is recognised using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and fair value through other comprehensive income (FVOCI) (other than equity instruments measured at FVOCI). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.
The EIR 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 loan. 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 as modification gain/loss. The adjustment is subsequently amortised through interest income in the statement of profit and loss. 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 effective interest rate to the net amortised cost of the financial asset. If the financial assets is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.
Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

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(ii) Syndication fees income
Syndication fees are recognised on satisfactory completion of service delivery as per Ind AS 115.

(iii) Other income
Foreclosure/ penal income are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting such monies is established when the customer pays.

2.6 Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

(i) Current Tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.7 LEASES
The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment 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.

For arrangements entered into prior to 1 April 2018, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

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Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and adjusted for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

2.8 FINANCIAL INSTRUMENT

(i) Date of recognition
Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e., the date that 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 customer's account. The Company recognises debt securities and borrowings when funds reach the Company.

(ii) Initial measurement of financial instruments
Recognised financial instruments are initially measured at transaction price, which equates fair value.
Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenue directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

(iii) Day of gain and loss
When the transaction price of the 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 profit or loss when the inputs become observable, or when the instrument is derecognised.

(iv) 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:
• Amortised cost,
• Fair value through other comprehensive income (FVOCI),
• Fair value through profit and loss (FVTPL)
Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

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2.9 FINANCIAL ASSETS AND LIABILITIES

Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:
- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

(a) Financial assets carried at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held 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 ('SPPI') on the principal amount outstanding.

After initial measurement such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Interest income on these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in statement of profit and loss.
The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Financial assets at fair value through other comprehensive income
Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income which is recognised in statement of profit and loss. Amounts recorded in OCI are not subsequently transferred to the statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

(c) Financial assets at fair value through profit or loss
Financial assets, which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in statement of profit and loss. The company records investments in equity instruments, mutual funds and Treasury bills at FVTPL.

Financial liabilities and equity instrument
Debt and equity 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.

(a) Equity instrument
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 directly attributable transaction costs.

(b) Financial liabilities
Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in the statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in profit or loss. Undrawn loan commitments are not recorded in the balance sheet.

2.10 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

a) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and 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.

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If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss.

b) Financial liabilities

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

2.11 IMPAIRMENT OF FINANCIAL ASSET

(i) Overview of the ECL principles

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12 month ECL). The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition and are not credit-impaired upon origination. For these assets, 12- month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is continued to be calculated on the gross carrying amount of the asset.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount.

(ii) The calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall 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. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default (EAD) is based on the amounts the Company expects to be receive at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counter party, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made it the default occurs over the remaining expected lifetime of the loan.

When estimating the ECLs, the Company considers three scenarios (a base case, best case and worst case). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Apart from the three scenarios, the Company identifies loans where additional provision is required to be made based on internal management assessment.

(iii) Others

The Company follows 'simplified approach' for recognition of impairment loss allowance on other receivables and other Financial assets that do not contain a significant financing component. No impairment loss allowance has been recognized on the above as the Company does not expect a delay in recovery of the amounts outstanding in future.

2.12 DETERMINATION OF FAIR VALUE

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received against sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle market or in absence of the principle market, the most advantageous market.

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:

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Level 1 includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.
Level 2 Financial instruments the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company evaluates the leveling 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.

2.13 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.
Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
The estimated useful lives are, as follows:
(i) Computer Equipments - 3 Years
(ii) Office equipment - 5 years
(iii) Furniture and fixtures - 3 years
(iv) Vehicle- 4 Years
(v) Building - 60 Years
Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

2.15 IMPAIRMENT OF NON-FINANCIAL ASSET

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2.16 INTANGIBLE ASSETS

Intangible assets represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of the item of intangible assets comprises its purchase price, including non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Other Indirect Expenses incurred relating to asset under development, net of income earned during the asset development stage prior to its intended use, are disclosed under Intangible Assets Under Development and are capitalised when asset is ready for the intended use.

An intangible asset is de-recognised on disposal, or when no future economics benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset is recognised in profit or less when the asset is de-recognised.

Amortisation methods, estimated useful lives and residual value

Intangible assets, comprising software, are amortised over the estimated life of 3 years on a straight-line basis from the date of capitalisation. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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2.17 RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

Defined benefits plan
The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation / retirement/ death while in employment. The gratuity is paid at 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) In case of accumulative compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a short-term employee benefit.

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

2.18 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. 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.

2.19 SEGMENT REPORTING

The Company is registered with the Reserve Bank of India as a Non Banking Finance Company engaged in the business of lending. During the current year and previous year the Company was engaged in only one business segment (corporate and other financing) and primarily in one geographical segment. Therefore these financial statements pertain to one business segment and there are no separate reportable segments identified.

2.20 EARNING PER SHARE

Basic earnings per share is calculated by dividing:
• the profit attributable to owners of the Company
• by the weighted average number of equity shares outstanding during the financial year.
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 EXPENSES

(i) Finance costs:
Borrowing costs on financial liabilities are recognised using the EIR.

(ii) Other expenses:
Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

2.22 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2021.

2.23 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "lakh" as per the requirement of Schedule III, unless otherwise stated.

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3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

3.1 JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3.2 ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are 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.

Following are the areas that involved a higher degree of estimates and judgement or complexity in determining the carrying amount of some assets and liabilities.

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

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 2.5 (i), recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given 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 behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income that are integral parts of the instrument.

iii) Impairment of financial asset

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

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

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

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

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

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

iv) Provisions and other contingent liabilities

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

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the 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 judgment is required to conclude on these estimates.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 4 - Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.01	0.05
Balance with banks		
- In current accounts	20,880.37	296.00
- In fixed deposits (with original maturity of less than 3 months)	3,085.43	-
Total	**23,965.81**	**296.05**

Note 5 - Receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables	-	-
Other receivables	123.56	608.67
Total	**123.56**	**608.67**
Secured - Considered good	-	-
Unsecured - Considered good	123.56	608.67
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total - Gross	**123.56**	**608.67**
(Less): Impairment loss allowance	-	-
Total - Net	**123.56**	**608.67**

Note 6 - Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Loans at amortised cost		
Loans	75,659.25	101,346.35
Others	-	23.50
Total (A) - Gross	**75,659.25**	**101,369.85**
(Less): Impairment loss allowance	(6,257.09)	(3,403.11)
Total (A) - Net	**69,402.16**	**97,966.74**
Secured by tangible assets	22,475.88	58,746.63
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	53,183.37	42,623.22
Total (B) - Gross	**75,659.25**	**101,369.85**
(Less): Impairment loss allowance	(6,257.09)	(3,403.11)
Total (B) - Net	**69,402.16**	**97,966.74**
Loans in India		
- Public sector	-	-
- Others	75,659.25	101,369.85
Loans within India - Gross	**75,659.25**	**101,369.85**
(Less): Impairment loss allowance	(6,257.09)	(3,403.11)
Loans within India -Net - (C)(i)	**69,402.16**	**97,966.74**
Loans Outside India (C) (ii)	-	-
Total (C) - Gross	75,659.25	101,369.85
(Less): Impairment loss allowance	(6,257.09)	(3,403.11)
Total (C) - Net	**69,402.16**	**97,966.74**
Grand total - Gross	**75,659.25**	**101,369.85**
Grand total - Net	**69,402.16**	**97,966.74**

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 7 - Investments

Particulars	At amortised cost	At fair value through profit and loss	Total
As at 31 March 2021			
Investment in Equity Shares	-	248.86	248.86
Total (A) - Gross	-	**248.86**	**248.86**
Less: Allowance for impairment loss	-	-	-
Total (A) - Net	-	**248.86**	**248.86**
Investments outside India	-	-	-
Investments in India	-	248.86	248.86
Total (B) - Gross	-	**248.86**	**248.86**
Less: Allowance for impairment loss	-	-	-
Total (B) - Net	-	**248.86**	**248.86**
As at 31 March 2020			
Investment in Mutual funds	-	-	-
Investment in Equity Shares	-	248.86	248.86
Total (A) - Gross	-	**248.86**	**248.86**
Less: Allowance for impairment loss	-	-	-
Total (A) - Net	-	**248.86**	**248.86**
Investments outside India	-	-	-
Investments in India	-	248.86	248.86
Total (B) - Gross	-	**248.86**	**248.86**
Less: Allowance for impairment loss	-	-	-
Total (B) - Net	-	**248.86**	**248.86**

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 8 - Other Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	41.17	34.26
Total	**41.17**	**34.26**

Note 9 - Current tax (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance Tax and Tax deducted at source	5,477.30	4,173.82
Less: Provision for tax	(5,045.49)	(3,646.69)
Total	**431.81**	**527.13**

Note 10 - Deferred tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets (Gross)		
Differences in depreciation on fixed assets	23.23	22.61
Unamortised Processing fees Income	119.48	114.85
ECL provision on financial assets	1,574.91	856.56
Modification loss on bank borrowing	85.21	113.61
Modification gain on loans and advance	7.72	-
Lease accounting as per Ind AS 116	1.37	2.22
Provision for MTM loss on investment	15.32	15.32
Provision for Gratuity	37.59	25.93
Interest adjustments on Lease deposits	0.43	1.23
Provision for Compensated absences	4.08	4.57
TOTAL (A)	**1,869.34**	**1,156.90**
Deferred Tax Liabilities (Gross)		
Unamortised fees on borrowings	83.97	94.97
Modification gain on loans and advance	-	174.67
TOTAL (B)	**83.97**	**269.64**
Net Deferred Tax Asset/(Liability) [(A) - (B)]	**1,785.37**	**887.26**

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(Amounts in lakhs)

Note 11 - Property, Plant and Equipment

FY 2020-21	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year ended 31 March 2021	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Property, Plant and Equipment										
Office equipments	18.93	0.55	-	19.48	10.06	5.59	-	15.65	3.83	8.87
Furnitures and fittings	19.10	-	-	19.10	12.14	3.86	-	16.00	3.10	6.96
Leasehold improvements	67.00	-	-	67.00	42.20	14.25	-	56.45	10.55	24.80
Building	-	21.94		21.94	-	0.26		0.26	21.68	-
Computers	42.15	4.62	-	46.77	21.22	11.98	-	33.20	13.57	20.93
Vehicles	203.75	-	(20.10)	183.65	77.77	51.54	(13.17)	116.14	67.51	125.98
Total (A)	**350.93**	**27.11**	**(20.10)**	**357.94**	**163.39**	**87.48**	**(13.17)**	**237.70**	**120.24**	**187.54**
Intangible assets										
Software acquired	17.67	236.40	-	254.07	3.41	71.52	-	74.93	179.14	14.26
Total (B)	**17.67**	**236.40**	**-**	**254.07**	**3.41**	**71.52**	**-**	**74.93**	**179.14**	**14.26**
GRAND TOTAL (A+B)	**368.60**	**263.51**	**-**	**612.01**	**166.80**	**159.00**	**-**	**312.63**	**299.38**	**201.80**
Intangible under development	74.94	95.67	170.61	-	-	-	-	-	-	74.94

FY 2019-20	GROSS BLOCK								NET BLOCK	
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year ended 31 March 2020	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Property, Plant and Equipment										
Office equipments *	18.83	0.10	-	18.93	4.44	5.62	-	10.06	8.87	14.39
Furnitures and fittings	17.70	1.40	-	19.10	5.81	6.33	-	12.14	6.96	11.89
Leasehold improvements	67.00	-	-	67.00	19.55	22.65	-	42.20	24.80	47.45
Computers *	26.40	15.75	-	42.15	7.51	13.71	-	21.22	20.93	18.89
Vehicles	155.34	48.41	-	203.75	33.00	44.77		77.77	125.98	122.34
Total (A)	**285.27**	**65.66**	**-**	**350.93**	**70.31**	**93.08**	**-**	**163.39**	**187.54**	**214.96**
Intangible assets										
Software acquired	-	17.67	-	17.67	-	3.41	-	3.41	14.26	-
Total (B)	**-**	**17.67**	**-**	**17.67**	**-**	**3.41**	**-**	**3.41**	**14.26**	**-**
GRAND TOTAL (A+B)	**285.27**	**83.33**	[illegible]	**368.60**	**70.31**	**96.49**	**-**	**166.80**	**201.80**	**214.96**
Intangible under development	50.00	24.94	-	74.94	-	-	-	-	74.94	

* Amount of Rs. 3.56 lakhs has been regrouped

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FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 12 - Right of use asset

FY 2020-21	GROSS BLOCK								NET BLOCK	
	As at 1 April 2020	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the Period ended 31 March 2021	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Right of use asset										
Premises	241.05	-	-	241.05	126.97	80.35	-	207.32	33.73	114.08
Total	**241.05**	**-**	**-**	**241.05**	**126.97**	**80.35**	**-**	**207.32**	**33.73**	**114.08**

FY 2019-20	GROSS BLOCK								NET BLOCK	
	As at 1 April 2019	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year ended 31 March 2020	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Right of use asset										
Premises	241.05	-	-	241.05	46.62	80.35	-	126.97	114.08	194.43
Total	**241.05**	**-**	**-**	**241.05**	**46.62**	**80.35**	**-**	**126.97**	**114.08**	**194.43**

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FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 13 - Other Non financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	68.88	65.64
Duties and taxes	33.38	0.20
Total	**102.26**	**65.84**

Note 14 - Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	0.25	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	193.66	50.15
Other payables		
a) total outstanding dues of micro enterprises and small enterprises	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	184.69	233.01
Total	**378.60**	**283.16**

Note 15 - Debt securities (at amortised cost)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Fully paid Redeemable Non-Convertible Debentures		
- Privately placed	7,612.95	-
Total	**7,612.95**	-
Borrowings in India	7,612.95	-
Borrowings outside India	-	-
Total	**7,612.95**	-

(i) Terms of repayment:
Privately placed Redeemable Non Convertible Debentures of Rs. 10,00,000/- each

Tenure (from the date of the Balance Sheet)	As at 31 March 2021	As at 31 March 2020
	Rate of Interest	Rate of Interest
	10.50%	N/A
	Amount	Amount
24-36 months	7,389.80	-
upto 12 months	223.15	-

Nature of security provided towards the above loan:

Secured via first pari-passu charge by way of hypothecation over current investments, cash and bank balance, standard receivables both present and future and mortgage over immoveable property.

Note 16 - Borrowings other than debt securities (at amortised cost)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Term loans	32,820.38	44,992.31
Working Capital Demand Loans	10,500.00	10,500.00
Bank Overdrafts	2,576.43	3,948.35
Total	**45,896.81**	**59,440.66**
Borrowings in India	45,896.81	59,440.66
Borrowings outside India	-	-
Total	**45,896.81**	**59,440.66**

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(Amounts in lakhs)

Note 16 - Borrowings other than debt securities (at amortised cost continued)

(i) Terms of repayment:
a) Term Loan from Bank:

Tenure (from the date of the Balance Sheet)	As at 31 March 2021	As at 31 March 2020
	Rate of Interest	Rate of Interest
	>=8.85% <12.55%	>=9.35% <13.26%
	Amount	Amount
48-60 months	-	2,300.85
36-48 months	2,245.27	6,605.26
24-36 months	6,605.26	9,730.26
12-24 months	9,842.13	13,407.34
upto 12 months	14,127.72	12,948.60
Total	**32,820.38**	**44,992.31**

Nature of security provided towards the above loan:
All Bank credit facilities are secured via First pari-passu floating charge by way of hypothecation on the standard asset portfolio of receivables and investments.

b) Bank overdraft and working capital demand loan:
Bank overdraft and working capital demand loan are due within 1 year which are repayable on demand and are secured by way of hypothecation of standard asset portfolio of receivable and investments.

(ii) Net debt reconciliation
Analysis of net debt and the movements in net debt for each of the periods is presented as follows:

Particulars	Net debt as at April 01, 2019	Net Cash Flows	Other non cash movement	Net debt as at March 31, 2020
Borrowings other than debt securities	50,792.77	8,473.35	174.54	59,440.66
Lease liabilities	195.12	(72.22)	-	122.90
Total	**50,987.89**	**8,401.13**	**174.54**	**59,563.56**

Particulars	Net debt as at March 31, 2020	Net Cash Flows	Other non cash movement	Net debt as at March 31, 2021
Debt securities	-	7,500.00	112.95	7,612.95
Borrowings other than debt securities	59,440.66	(13,584.95)	41.10	45,896.81
Lease liabilities	122.90	(83.73)	-	39.17
Total	**59,563.56**	**(6,168.68)**	**154.05**	**53,548.93**

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(Amounts in lakhs)

Note 17 - Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability	39.17	122.90
Total	**39.17**	**122.90**

Note 18 - Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits		
Gratuity (Refer note 33)	149.33	103.02
Bonus	627.00	676.92
Compensated absences	16.20	18.16
Total	**792.53**	**798.10**

Note 19 - Other non financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	128.82	137.44
Total	**128.82**	**137.44**

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(Amounts in lakhs)

Note 20 - Equity

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
Authorised shares 700,000,000 (Previous year : 700,000,000) Equity shares of Rs.10 each	7,000.00	70,000.00	7,000.00	70,000.00
Issued, subscribed & fully paid-up shares 289,976,296 (March 31, 2019: 289,976,296) Equity shares of Rs. 10/- each fully paid up	289,976,296	28,997.63	289,976,296	28,997.63
Total	**289,976,296**	**28,997.63**	**289,976,296**	**28,997.63**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
Outstanding at the beginning of the year	289,976,296	28,997.63	289,976,296	28,997.63
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**289,976,296**	**28,997.63**	**289,976,296**	**28,997.63**

b) Terms and rights attached to equity shares

Equity shares: The company has only one class of equity shares having a par value of ₹ 10 per shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholders	As at 31 March 2021 (Refer note below)		As at 31 March 2020	
	Number	% of Holding	Number	% of Holding
Shapoorji Pallonji and Company Private Limited	154,025,907	53.12	154,025,907	53.12
Investment Opportunities IV Pte. Limited	135,926,389	46.88	135,926,389	46.88

Note: The Board of Directors at their Meeting held on 31 March 2021 has approved the signing and execution of Share Purchase Agreement (SPA) amongst Investment Opportunities IV Pte. Ltd. (SSG), Shapoorji Pallonji And Co. Pvt. Ltd. (SPCPL), Farmride Private Limited (FPL) and the Company for transfer of equity shares representing not more than 25% of the paid-up capital of the Company from SSG to FPL.

Consequent to the signing and execution of SPA by all Parties thereto, SSG has transferred 72,494,074 equity shares of Rs. 10/- each of the Company on 08 April 2021 (representing not more than 25% of the paid-up capital of the Company) from SSG to FPL.

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(Amounts in lakhs)

Note 21 - Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account	4,312.62	4,312.62
Retained earnings	6,423.57	5,350.53
Special Reserve under section 45 IC of RBI Act, 1934	1,851.41	1,582.59
TOTAL	**12,587.60**	**11,245.74**

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium account		
Opening balance	4,312.62	4,312.62
Add- Received during the year	-	-
Add- Share issue expenses	-	-
Closing balance	**4,312.62**	**4,312.62**
Retained earnings		
Opening balance	5,350.53	3,595.38
Add: Profit for the year	1,344.10	2,203.76
Add: Other comprehensive income for the year	(2.24)	(7.86)
Less: Transfer to Special Reserve under section 45 IC of RBI Act, 1934	(268.82)	(440.75)
Closing balance	**6,423.57**	**5,350.53**
Special Reserve under section 45 IC of RBI Act, 1934		
Opening balance	1,582.59	1,141.84
Add: Transfer from profit for the year	268.82	440.75
Closing balance	**1,851.41**	**1,582.59**
Total	**12,587.60**	**11,245.74**

Nature and purpose of the reserve

a) Securities premium

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 under section 45 IC of RBI Act, 1934

Special reserve is created as per the requirement of RBI at the rate of 20% of the profit after tax for the year.

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(Amounts in lakhs)

Note 22 - Interest income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
On financial assets measured at amortised costs:		
Interest on loans (Refer note 1 below)	14,805.58	17,647.94
Interest on fixed deposits	227.62	-
Interest others	3.18	2.90
Total	**15,036.38**	**17,650.84**

Note 1- Interest on loans is after reversal of interest on interest of Rs. 53.00 lakhs earlier charged to clients during moratorium period as per RBI notification RBI/2021-22/17 dated 7th April 2021.

Note 23 - Fees and Commission Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Syndication Fees	-	750.00
Total	**-**	**750.00**

Note 24 - Net gain / (loss) on fair value changes

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net gain /(loss) on financial instruments at FVTPL		
On trading portfolio		
(Loss)/ gain on FVTPL instruments	-	(87.80)
Total	**-**	**(87.80)**
Fair Value changes:		
Realised	-	28.55
Unrealised	-	(116.35)
Total	**-**	**(87.80)**

Note 25 - Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Other Income	-	3.19
Total	**-**	**3.19**

Note 26 - Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	6,119.34	6,506.73
Interest expenses on lease liability	7.18	14.37
Other finance cost	435.45	29.94
Total	**6,561.97**	**6,551.04**

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(Amounts in lakhs)

Note 27 - Impairment on financial instruments

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
On financial instruments measured at amortised cost:		
Provision for expected credit loss	2,853.97	2,925.10
Financials assets written off	1,335.26	3,379.75
Total	**4,189.23**	**6,304.85**

Note 28 - Employee benefit expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries	1,450.96	1,787.37
Contribution to provident fund	32.09	30.06
Compensated absences	(1.96)	3.19
Staff welfare expenses	45.62	44.93
Gratuity Expense (Refer Note 33)	43.32	34.49
Total	**1,570.03**	**1,900.04**

Note 29 - Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Legal and professional fees	329.79	188.03
Rates & Taxes	7.11	3.85
Business development expenses	7.93	18.39
Lease rent	4.53	4.47
Office and administrative expenses	39.88	30.61
Travelling and conveyance	42.19	99.87
Payments to auditors	28.00	22.43
Communication expenses	7.34	8.55
Printing and stationery expenses	6.01	1.77
Membership & Subscription	15.11	25.77
Advertisement and publicity	0.48	-
Donation	19.21	5.00
Corporate social responsibility expenses (Refer Note 36)	95.23	75.46
Insurance expenses	27.43	15.15
Total	**630.24**	**499.35**

Breakup of Auditors' remuneration

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory Audit	26.00	14.00
Tax audit	2.00	2.00
Other Services	-	6.43
Total	**28.00**	**22.43**

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(Amounts in lakhs)

Note 30 - Tax expense

a. **The components of income tax expense are:**

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	1,398.80	1,426.26
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	(897.35)	(745.91)
Total tax charge	**501.45**	**680.35**
Current tax	1,398.80	1,426.26
Deferred tax	(897.35)	(745.91)

b. **Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2021 and 31 March 2020 is, as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	1,845.55	2,884.11
Applicable tax rate	25.17%	25.17%
Computed tax expense	**464.52**	**725.93**
Tax effect of :		
Tax on non-deductible expenses	28.80	(64.41)
Adjustment on account of change in tax rate	-	18.83
Others	8.13	-
Tax expenses recognised in the statement of profit and loss	**501.45**	**680.35**
Effective tax rate	27.17%	23.59%

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Note 30 - Tax expense (Continued)

c. **Deferred tax assets/liabilities**
The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

	As at 31 March 2020	Statement of profit and loss	OCI	As at 31 March 2021
Deferred tax asset				
Differences in depreciation on fixed assets	22.61	0.62	-	23.23
Unamortised Processing fees Income	114.85	4.63	-	119.48
ECL provision on financial assets	856.56	718.35	-	1,574.91
Provision for MTM gain/loss on investment	15.32	-	-	15.32
Provision for Gratuity	25.93	10.90	0.76	37.59
Lease Accounting	2.22	(0.85)	-	1.37
Modification loss on bank borrowing	113.61	(28.40)	-	85.21
Modification gain on loans and advance	-	7.72	-	7.72
Fair valuation of security deposit	1.23	(0.80)	-	0.43
Provision for Compensated absences	4.57	(0.49)	-	4.08
	1,156.90	711.68	0.76	1,869.34
Deferred tax liability				
Unamortised fees on borrowings	94.97	(11.00)	-	83.97
Modification gain on loans and advance	174.67	(174.67)	-	-
	269.64	(185.67)	-	83.97
Net Deferred tax asset/liability	**887.26**	**897.37**	**0.76**	**1,785.37**

	As at 1 April 2019	Statement of profit and loss	OCI	As at 31 March 2020
Deferred tax asset				
Differences in depreciation on fixed assets	14.04	8.57	-	22.61
Unamortised Processing fees Income	226.04	(111.19)	-	114.85
ECL provision on financial assets	139.20	717.36	-	856.56
Provision for MTM gain/loss on investment	-	15.32		15.32
Provision for Gratuity	16.90	6.39	2.64	25.93
Lease Accounting	0.20	2.02	-	2.22
Modification loss on bank borrowing	-	113.61		113.61
Fair valuation of security deposit	2.27	(1.04)	-	1.23
Provision for Compensated absences	4.36	0.21	-	4.57
	403.01	751.25	2.64	1,156.90
Deferred tax liability				
Unamortised fees on borrowings	29.27	65.70	-	94.97
Unrealized gain on mutual funds at FVTPL	16.16	(16.16)	-	-
Modification gain on loans and advance	218.87	(44.20)	-	174.67
	264.30	5.34	-	269.64
Net Deferred tax asset/liability	**138.71**	**745.91**	**2.64**	**887.26**

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Note 31 - Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.
The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Basic		
Profit after tax (Rs.)	1,344.10	2,203.76
Weighted average no. of equity shares outstanding	289,976,296	289,976,296
Basic EPS (Rs)	0.46	0.76
Diluted		
Profit after tax (Rs.)	1,344.10	2,203.76
Weighted average number of shares outstanding for diluted EPS	289,976,296	289,976,296
Diluted EPS (Rs)	0.46	0.76
Face value per share (Rs)	10.00	10.00

Note 32 - Disclosure under the MSMED Act 2006, (as per the intimation received from the vendor)

Based on the information available with the Company, few of the vendors are registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and hence disclosure relating to amounts unpaid as at the year end under this Act has been given. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2021.

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.25	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

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Note 33 - Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating INR 32.09 lakhs (31 March 2020: INR 30.06 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity
Financial assets not measured at fair value
The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

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

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

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

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

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

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

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

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

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Note 33 - Employee benefit plan (Continued)

(b) Defined benefit plans: *(Continued)*

The status of gratuity plan as required under Ind AS-19 is as under:

(Amounts in lakhs)

	As at 31 March 2021	As at 31 March 2020
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	103.01	58.02
Current service cost	36.36	30.19
Past service cost	-	-
Interest cost	6.96	4.30
Acquisition adjustment	-	-
Benefit paid	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
Change in demographic assumptions	-	0.04
Change in financial assumptions	5.56	2.85
Experience variance (i.e. Actual experience vs assumptions)	(2.56)	7.61
Present value of defined benefit obligations at the end of the year	**149.33**	**103.01**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Transfer In / (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Assets distributed on settlements	-	-
Contributions by the Company	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
iii. Reconciliation of opening and closing balances of net defined benefit liability		
Net opening provision in books of accounts	103.01	58.03
Transfer In/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	43.32	34.49
Amounts recognized in Other Comprehensive Income	3.00	10.50
	149.33	**103.02**
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	**149.33**	**103.02**

	For the year ended 31 March 2021	For the year ended 31 March 2020
iv. Expense recognised during the Year		
Current service cost	36.36	30.19
Interest cost	6.96	4.30
Past service cost	-	-
Expenses recognised in the statement of profit and loss	**43.32**	**34.49**
v. Other comprehensive Income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	5.56	2.85
Due to change in demographic assumption	-	0.04
Due to experience adjustments	(2.56)	7.61
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	**3.00**	**10.50**

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Note 33 - Employee benefit plan (Continued)

(b) Defined benefit plans: ***(Continued)***

	As at 31 March 2021	As at 31 March 2020
vi. Principal actuarial assumptions		
Discount rate (per annum)	6.45%	6.80%
Salary Growth Rate	10.00%	0.00%
Withdrawal rates per annum	10.00% p.a. at younger ages reducing to 2.00% p.a. at older ages	10.00% p.a. at younger ages reducing to 2.00% p.a. at older ages
Rate of return on plan assets (p.a.)	NA	NA

vii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Defined benefit obligation (Base)	149.33	103.02

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1.0%)	167.22	134.26	109.41	97.16
(% change compared to base due to sensitivity	11.98%	-10.09%	6.20%	-5.68%
Salary growth rate (- / + 1.0%)	134.59	166.42	97.28	109.21
(% change compared to base due to sensitivity)	-9.87%	11.44%	-5.57%	6.01%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	151.80	147.00	105.10	101.04
(% change compared to base due to sensitivity)	1.65%	-1.56%	2.03%	-1.92%

viii. Asset liability matching strategies

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy deviced for the plan.

ix. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

Gratuity benefits liabilities of the company are unfunded.

b) Maturity profile of defined benefit obligation

	Cash flows (`)		Distribution (%)	
Expected cash flows over the next (valued on undiscounted basis):	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
1st Following Year	2.01	1.45	0.60%	0.50%
2nd Following year	4.07	1.58	1.20%	0.60%
3rd Following Year	5.22	3.08	1.50%	1.10%
4th Following Year	5.77	4.08	1.70%	1.50%
5th Following Year	44.18	4.43	12.70%	1.60%
Sum of years 6 to 10	52.17	64.83	15.00%	24.00%

The future accrual is not considered in arriving at the above cash-flows.

The Expected contribution for the next year is Rs. 2.01 lakhs.
The Weighted Average Duration (Years) as at valuation date is 9.61 years.

x. Current and non-current break-up

Particulars	As at 31 March 2021	As at 31 March 2020
Current	2.01	1.45
Non Current	147.32	101.57

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Note 33 - Employee benefit plan (Continued)

(C) Other long term employee benefits

The liability for compensated absences as at the year ended 31 March 2021 and as at year ended 31 March 2020 is as below:

Particulars	As at 31 March 2021	As at 31 March 2020
Liability for Compensated absences at year end	16.20	18.16
Total	**16.20**	**18.16**

Current and non-current break-up

Particulars	As at 31 March 2021	As at 31 March 2020
Current	1.84	1.97
Non Current	14.36	16.19

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Note 34 - 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.

	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	23,965.81	-	23,965.81	296.05	-	296.05
Receivables						
(i) Other receivables	123.56	-	123.56	608.67	-	608.67
Loans	70,543.82	5,115.43	75,659.25	79,355.24	22,014.61	101,369.85
Investments	248.86	-	248.86	248.86	-	248.86
Other financial assets	41.17	-	41.17	-	34.26	34.26
Non-financial assets						
Current tax assets (Net)	-	431.81	431.81	-	527.13	527.13
Deferred tax assets (Net)	-	1,785.37	1,785.37	-	887.26	887.26
Property, plant and equipment	-	120.24	120.24	-	187.54	187.54
Right of use asset	33.73	-	33.73	-	114.08	114.08
Intangible assets under development	-	-	-	-	74.94	74.94
Intangible assets	-	179.14	179.14	-	14.26	14.26
Other non-financial assets	54.66	47.60	102.26	14.46	51.38	65.84
Total assets	95,011.61	7,679.59	102,691.20	80,523.28	23,905.46	104,428.74
LIABILITIES						
Financial liabilities						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	0.25	-	0.25	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	193.66	-	193.66	50.15	-	50.15
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	184.69	-	184.69	233.01	-	233.01
Debt securities	223.15	7,389.80	7,612.95	-	-	-
Borrowings (other than debt securities)	27,204.15	18,692.66	45,896.81	27,396.95	32,043.71	59,440.66
Other financial liabilities	39.17	-	39.17	90.91	31.99	122.90
Non-financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	630.85	161.68	792.53	680.34	117.76	798.10
Other non-financial liabilities	128.82	-	128.82	137.44	-	137.44
Total liability	28,604.74	26,244.14	54,848.88	28,588.80	32,193.46	60,782.26
Net	66,406.87	(18,564.55)	47,842.32	51,934.48	(8,288.00)	43,646.48

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Note 35 - Leases
This note provides information for leases where the Company is a lessee. The Company's lease asset classes primarily consist of leases for premises.

The office premises are generally rented on cancellable term for period of thirty six months with escalation clause and renewable at the option of the Company.

The company's leased assets mainly comprise office premises taken on lease. The term of property leases is 3 years. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Total lease liabilities are analysed as at

Denominated in the following currencies:	31 March 2021	31 March 2020
Rupees	39.17	122.90
Foreign currency	-	-
Total	**39.17**	**122.90**

Maturity of Lease liability	31 March 2021	31 March 2020
Current	39.17	90.91
Non Current	-	31.99
Total	**39.17**	**122.90**

The following amounts were recognised as expense in the year:

Particulars	31 March 2021	31 March 2020
Depreciation of right-of-use assets	80.35	80.35
Expense relating to short-term leases and low-value assets	4.53	4.47
Interest on lease liabilities (included in finance costs)	7.18	14.37
Total recognised in the income statement	**92.06**	**99.19**

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:	31 March 2021	31 March 2020
Less than 1 year	39.77	90.91
Between 1 and 2 years	-	39.77
Between 2 and 5 years	-	-
More than 5 years	-	-
Total	**39.77**	**130.68**

The following is the movement in lease liabilities during the year ended 31 March 2021

Particulars	31 March 2021	31 March 2020
Opening balance	122.90	195.12
Additions during the period		
Finance cost incurred during the period	7.18	14.37
Payment of lease liabilities	(90.91)	(86.59)
Closing balance	**39.17**	**122.90**

Note: Refer Note 12 for movement in right to use of assets.

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(Amounts in lakhs)

Note 36 - Corporate social responsibility (CSR) expenses:

The gross amount required to be spent by the Company during the year towards CSR is Rs.97.26 lakhs (31 March 2020: Rs.50.70 lakhs) as per section 135 of the Company Act 2013. Details of amount spent towards CSR as below:

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above	95.23	-	95.23	75.46	-	75.46
Total	**95.23**	**-**	**95.23**	**75.46**	**-**	**75.46**

Note 37 - Related Party Disclosures:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Name of Related Parties	Nature of Relationship	
Shapoorji Pallonji and Company Private Limited	Enterprises having significant control over Company	
Investment Opportunities VI Private Limited	Enterprises having significant control over Company	
Shapoorji Pallonji Real Estate Private Limited	Subsidiary of Enterprises having significant control over Company	
Shapoorji Pallonji Rural Solutions Private Limited	Subsidiary of Enterprises having significant control over Company	
Shapoorji Pallonji Ports Private Limited	Subsidiary of Enterprises having significant control over Company	
Shapoorji Pallonji Development Managers Private Limited	Subsidiary of Enterprises having significant control over Company	
Abhipreet Trading Private Limited	Subsidiary of Enterprises having significant control over Company	
Forbes facility Services Private Limited	Subsidiary of Enterprises having significant control over Company	
Eureka Forbes Limited	Subsidiary of Enterprises having significant control over Company	
Forvol International Services Limited	Subsidiary of Enterprises having significant control over Company	
Stonesteel Prefab Infra Private Limited	Subsidiary of Enterprises having significant control over Company	
Khvafar Property Developers Private Limited	Subsidiary of Enterprises having significant control over Company	
Bengal Shapoorji Infrastructure Development Private Limited	Subsidiary of Enterprises having significant control over Company	
Always Remember Properties Private Limited	KMP having significant influence	
S. D. Corporation Private Limited	Joint venture of Enterprises having significant control over Company	
Coherent RMC Private Limited	Structured entities of Enterprises having significant control over Company	
PMD Infrastructure & Development Private Limited	Structured entities of Enterprises having significant control over Company	
Sanjay Hinduja	MD & CEO	
Shapoorji Pallonji Mistry	Director	
S. Kuppuswamy	Director	
Jai Laxmikant Mavani	Director	
Sharad Bajpai	Director	(till 31 March 2021)
Mahesh Tahilyani	Director	
Manish Jain	Director	(till 31 March 2021)

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37 **Note 37 - Related Party Disclosures (continued):**

Transactions with related parties are as follows:

Transactions / Balances	Subsidiary of Enterprises having significant control over Company															
	Khvafar Property Developers Private Limited		Shapoorji Pallonji Ports Private Limited		Forbes facility Services Private Limited		Shapoorji Pallonji Rural Solutions Private Limited		Shapoorji Pallonji Real Private Estate Limited		Forvol International Services Limited		Bengal Shapoorji Infrastructure Development Private		Eureka Forbes Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Reimbursement of Insurance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brand and support fees paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR expenses	-	-	-	-	-	-	-	8.00	-	-	-	-	-	-	-	-
Office expenses	-	-	-	-	9.23	9.03	2.48	-	-	-	-	-	-	-	-	-
IT support services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid on loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Traveling expenses	-	-	-	-	-	-	-	-	-	-	-	2.63	-	-	-	-
Remuneration and reimbursement paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received on loan	248.30	-	51.44	122.11	-	-	-	-	473.86	285.33	-	-	258.46	-	-	-
Processing /Consultancy Fees (Received)	25.00	-	0.30	28.27	-	-	-	-	58.50	13.50	-	-	-	-	-	-
Security deposit paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product purchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.51	0.09
Sale of non convertible debenture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	3,300.00	-	-	2,352.00	-	-	-	-	4,700.00	4,600.00	-	-	3,500.00	-	-	-
Loan repaid	-	-	1,208.00	1,144.00	-	-	-	-	3,500.00	3,800.00	-	-	-	-	-	-
Balance at the year end																
Expense payable	-	-	-	-	1.02	0.10	-	-	-	-	-	0.13	-	-	-	-
Loan given	3,300.00	-	-	1,208.00	-	-	-	-	3,500.00	2,300.00	-	-	3,500.00	-	-	-
Amount receivable	52.08	-	-	-	-	-	-	-	41.91	-	-	-	55.23	-	-	-
Security deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
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(Amounts in lakhs)

Note 37 - Related Party Disclosures (continued):

Transactions with related parties are as follows:

Transactions / Balances	Subsidiary of Enterprises having significant control over Company				Structured entities of Enterprises having significant control over Company				Joint venture of Enterprises having significant control over Company		KMP having significant influence		Enterprises having significant control over Company		Key Management Personnel	
	Shapoorji Pallonji Development Managers Private Limited		Stonesteel Prefab Infra Private Limited		Coherent RMC Private Limited		PMD Infrastructure & Development Private Limited		S. D. Corporation Private Limited		Always Remember Properties Private Limited		Shapoorji Pallonji and Company Private Limited		Sanjay Hinduja	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Reimbursement of Insurance expenses	-	-	-	-	-	-	-	-	-	-	-	-	2.89	1.04	-	-
Brand and support fees paid	-	-	-	-	-	-	-	-	-	-	-	-	47.05	38.69	-	-
Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	83.40	79.43	-	-
CSR expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT support services	-	-	-	-	-	-	-	-	-	-	-	-	34.73	37.00	-	-
Interest paid on loan	-	-	-	-	-	-	-	-	-	-	-	-	-	10.38	-	-
Travelling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration and reimbursement paid*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447.83	521.83
Interest received on loan	-	-	657.43	628.82	-	249.72	-	2.74	-	-	2.93	-	-	-	-	-
Processing /Consultancy Fees (Received)	-	-	14.88	27.50	-	20.00	-	-	-	750.00	-	-	-	-	-	-
Security deposit paid	-	-	-	-	-	-	-	-	-	-	-	-	3.88	-	-	-
Water Purifier purchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of non convertible debenture	-	2,385.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500.00	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500.00	-	-
Loan given	-	-	1,750.00	3,500.00	-	2,500.00	-	2,500.00	-	-	937.00	-	-	-	-	-
Loan repaid	-	-	4,200.00	3,900.00	-	2,500.00	-	2,500.00	-	-	-	-	-	-	-	-
Balance at the year end																
Expense payable	-	-	-	-	-	-	-	-	-	-	-	-	32.04	12.59	-	-
Loan given	-	-	1,750.00	4,200.00	-	-	-	-	-	-	937.00	-	-	-	-	-
Amount receivable	-	-	-	-	-	-	-	-	-	590.00	-	-	-	-	-	-
Security deposit	-	-	-	-	-	-	-	-	-	-	-	-	41.70	37.82	-	-

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
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Note 38 - Fair Value Measurement

Valuation Principle
Fair value 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 a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 2.12.

Financial Instrument by Category

	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised	FVTPL	FVOCI	Amortised
Financial Assets						
Investments						
- Equity Instruments	248.86	-	-	248.86	-	-
- Bonds and Debentures	-	-	-	-	-	-
- Mutual Funds	-	-	-	-	-	-
Other Receivables	-	-	123.56	-	-	608.67
Loans	-	-	69,402.16	-	-	97,966.74
Cash And Cash Equivalents	-	-	23,965.81	-	-	296.05
Security Deposits	-	-	41.17	-	-	34.26
Total Financial Assets	**248.86**	**-**	**93,532.70**	**248.86**	**-**	**98,905.72**
Financial Liability						
Borrowings	-	-	53,509.76	-	-	59,440.66
Trade Payables	-	-	193.66	-	-	50.15
Other Payables	-	-	184.69	-	-	233.01
Total Financial Liability	**-**	**-**	**53,888.11**	**-**	**-**	**59,723.82**

Fair value Hierarchy
This section explains the judgments and estimates made in determining the fair value of the financial instrument that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath table

As at 31 March 2021

	Notes	Carrying amount	Fair value measurements using			
			Level 1	Level 2	Level 3	Total
Financial assets						
Investments	7					
- Equity Instruments		248.86	248.86	-	-	248.86
Loans and advances	6	69,402.16	-	-	69,801.70	69,801.70
Other Receivables	5	123.56	-	123.56	-	123.56
Cash And Cash Equivalents	4	23,965.81	23,965.81	-	-	23,965.81
Security Deposits	8	41.17	-	41.17	-	41.17
Total Financial Assets		**93,781.56**	**24,214.67**	**164.73**	**69,801.70**	**94,181.10**
						-
Financial Liability						-
Borrowings*	15 & 16	53,509.76	-	-	53,509.76	53,509.76
Trade Payables	14	193.66	193.66	-	-	193.66
Other Payables		184.69	184.69	-	-	184.69
Total Financial Liability		**53,888.11**	**378.35**	**-**	**53,509.76**	**53,888.11**

* Borrowings are at floating rate of interest and hence its fair value approximate its carrying value

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Note 38 - Fair Value Measurement (continued)

As at 31 March 2020

	Notes	Carrying amount	Fair value measurements using			
			Level 1	Level 2	Level 3	Total
Financial assets						
Investments	7					
- Equity Instruments		248.86	248.86	-	-	248.86
- Mutual Funds		-	-	-	-	-
Loans and advances	6	97,966.74	-	-	101,195.23	101,195.23
Other Receivables	5	608.67	-	608.67	-	608.67
Cash And Cash Equivalents	4	296.05	296.05	-	-	296.05
Security Deposits	8	34.26	-	34.26	-	34.26
Total Financial Assets		**99,154.58**	**544.91**	**642.93**	**101,195.23**	**102,383.07**
Financial Liability						
Borrowings*	15 & 16	59,440.66	-	-	59,440.66	59,440.66
Trade Payables	14	50.15	50.15	-	-	50.15
Other Payables		233.01	233.01	-	-	233.01
Total Financial Liability		**59,723.82**	**283.16**	**-**	**59,440.66**	**59,723.82**

* Borrowings are at floating rate of interest and hence its fair value approximate its carrying value

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges are valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with Banks, financial institutions and money at call and short notice, accrued interest receivable, acceptances, deposits payable on demand, accrued interest payable, and certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Financial instruments recorded at fair value

Investment in equity shares and mutual funds
Investment in equity shares and mutual funds classified by company as fair value through profit or loss, are carried at fair value based on quoted market prices. If quoted market prices are not available or if the securities were unlisted, the fair values were estimated at the break-up value ascertained from the entity's latest financial statements, which is generally considered as unobservable inputs.

Fair value of financial instruments carried at amortised cost

Loans and advances
The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on the movement in zero coupon yield curve from the loan origination till reporting date. For the purposes of level disclosures loans and advances are categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. Since substantially all individual lines of credit and other variable rate loans reprice frequently, with interest rates reflecting current market pricing, the carrying values of these loans approximate their fair values. For purposes of these fair value estimates, the fair values of impaired loans were computed by deducting an estimated market discount from their carrying values to reflect the uncertainty of future cash flows.

Deposits
The fair value of demand deposits and savings deposits without defined maturities are the amounts payable on demand. For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

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Note 39 - Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's 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.

C.2 Regulatory capital

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the Company comprises of share capital, share premium and reserves, Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented

Items	As at 31 March 2021	As at 31 March 2020
(i) CRAR (%)	41.01%	23.44%
(ii) CRAR – Tier I capital (%)	39.77%	22.28%
(iii) CRAR – Tier II capital (%)	1.24%	1.16%
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

Note 40 - Capital commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Commitments related to capital work in progress towards agreements with vendors for loan management system	-	138.75
Undrawn committed credit lines	2,463.00	6,471.78

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Note 41 - Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Type of income		
Syndication fees	-	750.00
Total revenue from contracts with customers	**-**	**750.00**
Geographical markets		
India	-	750.00
Outside India	-	-
Total revenue from contracts with customers	**-**	**750.00**
Timing of revenue recognition		
Services transferred at a point in time	-	750.00
Services transferred over time	-	-
Total revenue from contracts with customers	**-**	**750.00**

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Note 42 - Classification of financial assets and financial liabilities

As at 31 March 2021	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	23,965.81	23,965.81
Other receivables	-	123.56	123.56
Loans and advances to customers			
Measured at fair value	-	-	-
Measured at amortised cost	-	69,402.16	69,402.16
Investment securities			
Measured at fair value	248.86	-	248.86
Measured at amortised cost	-	-	-
Other assets	-	41.17	41.17
Total Financial assets	**248.86**	**93,532.70**	**93,781.56**
Trading liabilities	-	378.35	378.35
Debt securities		7,612.95	7,612.95
Borrowings (other than debt securities)	-	45,896.81	45,896.81
Other liabilities	-	39.17	39.17
Total Financial liabilities	**-**	**53,927.28**	**53,927.28**

As at 31 March 2020	Mandatorily at FVTPL	Amortised cost	Total carrying amount
ASSETS			
Cash and cash equivalents	-	296.05	296.05
Non-pledged trading assets	-	608.67	608.67
Loans and advances to customers			
Measured at fair value	-	-	-
Measured at amortised cost	-	97,966.74	97,966.74
Investment securities			
Measured at fair value	248.86	-	248.86
Measured at amortised cost	-	-	-
Other assets	-	34.26	34.26
Total Financial assets	**248.86**	**98,905.72**	**99,154.58**
Trading liabilities	-	283.16	283.16
Borrowings (other than debt securities)	-	59,440.66	59,440.66
Other liabilities	-	122.90	122.90
Total Financial liabilities	**-**	**59,846.72**	**59,846.72**

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Note 43 - Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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(Amounts In lakhs)

Note 43 - Financial risk management (continued)

A. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, deposits and other financial assets carried at amortized cost. This risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company considers probability of default upon Initial recognition of loan and whether there has been any significant Increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as Real GDP growth rate and Inflation rate) are incorporated as part of the Ind AS 109 provision model.
In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Definition of Default
A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Provision for expected credit losses
The Company provides for expected credit loss based on following:

Staging	Description of category	Basis for recognition of expected credit loss provision
Stage 1	Assets that have not had a significant increase in credit risk since initial recognition and are not credit-impaired upon origination.	12-month expected credit losses
Stage 2	Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due or two notch internal rating downgrade till BBB and 1 notch rating downgrade from BBB to C, for rating downgrade "+" and "-" sign are not taken into consideration.	Life-time expected credit losses
Stage 3	The Company categorises a loan or receivable for stage 3 when a debtor fails to make contractual payments within 90 days from the day it is due. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days and above past due.	Credit Loss is recognized on full exposure/ Asset is written off

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Note 43 - Financial risk management (continued)

Segmentation for Loan and Advances

Year ended 31 March 2021

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit losses (Ind AS 109)
Corporate Portfolio		**75,356.64**	**6,247.84**
Stage 1	Loans and Advances	49,633.72	3,930.68
Stage 2	Loans and Advances	23,703.06	1,560.24
Stage 3	Loans and Advances	2,019.86	756.92
Vendor Finance		**3,282.19**	**9.25**
Stage 1	Loans and Advances	3,049.98	8.52
Stage 2	Loans and Advances	232.09	0.65
Stage 3	Loans and Advances	0.12	0.08
Total		**78,638.83**	**6,257.09**
Stage 1	Loans and Advances	52,683.70	3,939.20
Stage 2	Loans and Advances	23,935.15	1,560.89
Stage 3	Loans and Advances	2,019.98	757.00

Year ended 31 March 2020

Particulars	Asset group	Estimated gross carrying amount at default	Expected credit losses (Ind AS 109)
Corporate Portfolio		**69,404.69**	**3,108.52**
Stage 1	Loans and Advances	52,231.52	1,709.95
Stage 2	Loans and Advances	14,543.61	917.36
Stage 3	Loans and Advances	2,629.56	481.21
Vendor Finance		**38,729.80**	**293.35**
Stage 1	Loans and Advances	22,942.08	171.32
Stage 2	Loans and Advances	15,787.72	122.03
Stage 3	Loans and Advances	-	-
Other receivables		**590.00**	**1.24**
Stage 1	Fees receivable	590.00	1.24
Total		**108,724.49**	**3,403.11**
Stage 1	Loans and Advances	75,763.60	1,882.51
Stage 2	Loans and Advances	30,331.33	1,039.39
Stage 3	Loans and Advances	2,629.56	481.21

Cash and cash equivalents

Cash and cash equivalents include balance of INR 23,965.82 lakhs at 31 March 2021 (31 March 2020: INR 296.05 lakhs) is maintained as cash in hand and Balances with Company in current accounts.

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(Amounts in lakhs)

Note 43 - Financial risk management (continued)

Collateral held
The Company's secured loans (including Corporate Portfolio and some of the Vendor Finance loans) are generally secured by collateral in the form of a first charge over real estate properties, land, fixed assets, listed equity shares, other securities and floating charges over book debts, receivable and other current assets. In addition to the collateral as mentioned, the Company holds other types of collateral such as pledge of unlisted shares, personal and corporate guarantees, demand promissory notes and other liens.

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Company's internal credit assessment procedures, regardless of whether the loan is secured.
The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Company generally request that the corporate borrowers provide it. The Company may take collateral in the form of a first charge over real estate properties, land, fixed assets, listed equity share, other securities, floating charges over book debts, receivable, current assets and other liens and guarantees.

The Company has formulated an internal policy on periodical valuation of collaterals. As per the policy, all collaterals are valued annually except land collaterals which are valued once in three years.

Measurement of Expected Credit Losses

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and debt instruments accounted for at amortised cost and FVOCI. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company considers defaulted assets as those which are contractually past due by more than 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days or rating is downgraded by two notch rating downgrade till BBB and 1 notch rating downgrade from BBB to C, lower respectively rated accounts from the initial internal rating are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Company considers financial instruments to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL after cooling off period of six months.
The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data.

Probability of Default (PD)
Due to the absence of optimal default data points to calculate PD for the Company, the combination of ratings issued by external credit rating agencies and the ratings developed internally by SPFPL to determine the quality of its borrowers. For Corporate Portfolio, Internal credit rating has been utilized post application of Pluto Tasche methodology, which arrives at relative PD rate after adjusting for appropriate confidence interval. For Vendor Finance, credit rating of anchor Companies have been used based on ICRA rating agency.

Loss Given Default (LGD)
For the computation of LGD, the regulatory LGD rates prescribed by RBI or basis the internal management assessment have been used. Collateral values were classified into categories such as financial collateral, financial Receivables, commercial real estate/ residential real estate and other eligible collateral and haircut is applied based on RBI regulation.

Exposure at default (EAD)
Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a borrower defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

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(Amounts in lakhs)

Note 43 - Financial risk management (continued)

Macroeconomic Scenarios
In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors: Real GDP growth rate and Inflation rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

Write-offs still under enforcement
Financial assets are written-off when the Company has no reasonable prospects of recovering any further cash flows from the financial assets. In the case of assets that are assessed collectively for impairment, the Company writes-off such assets once there is empirical evidence that no recovery can happen. Amount of INR 1,335.26 lakhs (31 March 2020: INR 3,379.75 lakhs) has been written-off in the Financial Year 2020-21.

Modification/Debt restructuring
The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Concentration of credit risk
The Company monitors concentrations of credit risk by internal Credit Rating. An analysis of concentrations of credit risk from loans and advances under Corporate Portfolio and Vendor Finance are shown below.

Corporate Portfolio **As at 31 March 2021**

Credit Rating	EAD Amount	(in %)
A-	909.09	1.21%
BBB	1,900.94	2.52%
BB	2,455.50	3.26%
BB-	8,796.93	11.67%
B	24,911.41	33.06%
C	36,382.77	48.28%
Total	**75,356.64**	

Vendor Finance **As at 31 March 2021**

Credit Rating	EAD Amount	(in %)
ICRA A2	3,282.07	99.996%
ICRA A3	0.12	0.004%
Total	**3,282.19**	

Corporate Portfolio **As at 31 March 2020**

Credit Rating	EAD Amount	(in %)
A+	439.15	0.63%
A-	2,872.85	4.14%
BBB+	3,006.41	4.33%
BBB	3,001.48	4.32%
BBB-	2,500.00	3.60%
BB+	8,374.50	12.07%
BB	4,674.81	6.74%
BB-	5,315.35	7.66%
B	12,291.27	17.71%
C	26,928.87	38.80%
Total	**69,404.69**	

Vendor Finance **As at 31 March 2020**

Credit Rating	EAD Amount	(in %)
ICRA A1	590.00	1.50%
ICRA A2	13,569.53	34.51%
ICRA A3	25,160.27	63.99%
Total	**39,319.80**	

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Note 43 - Financial risk management (continued)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

(Amount in lakhs)

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
As at 31 March 2020	**75,763.60**	**1,882.51**	**30,331.33**	**1,039.39**	**2,629.56**	**481.21**	**108,724.49**	**3,403.11**
New credit exposures during the year	48,142.35	3,812.05	8,511.17	567.64	-	-	56,653.52	4,379.69
Account closed/ repayments	(58,150.75)	(1,275.31)	(24,089.96)	(270.45)	(3,125.21)	-	(85,365.92)	(1,545.76)
Assets written off during the year	-	-	(243.70)	(227.33)	(1,129.56)	(331.21)	(1,373.26)	(558.54)
Movement between stages								
Transfer to Stage 2 and Stage 3	(13,071.50)	(480.05)	-	-	-	-	(13,071.50)	(480.05)
Transfer to Stage 1 and Stage 3	-	-	13,071.50	480.05			13,071.50	480.05
Transfer from Stage 1	-	-	(3,645.19)	(79.68)	-	-	(3,645.19)	(79.68)
Transfer from Stage 2	-	-	-	-	3,645.19	79.68	3,645.19	79.68
Impact on ECL on account of movement between stages / updates to the ECL model	-	-	-	51.27	-	527.32	-	578.59
As at 31 March 2021	**52,683.70**	**3,939.20**	**23,935.15**	**1,560.89**	**2,019.98**	**757.00**	**78,638.83**	**6,257.09**

Particulars	Stage 1		Stage 2		Stage 3		Total	
	EAD	ECL	EAD	ECL	EAD	ECL	EAD	ECL
As at 31 March 2019	**81,038.02**	**427.18**	**4,051.84**	**50.83**	-	-	**85,089.86**	**478.01**
New credit exposures during the year	57,041.99	1,957.59	19,842.07	295.78	1,500.00	150.00	78,384.06	2,403.37
Account closed/ repayments	(50,061.14)	(131.19)	(1,308.54)	(5.04)	-	-	(51,369.68)	(136.23)
Assets written off during the year	(3,379.75)	(261.20)	-	-	-	-	(3,379.75)	(261.20)
Movement between stages								
Transfer to Stage 2 and Stage 3	(8,875.52)	(109.87)			-	-	(8,875.52)	(109.87)
Transfer from Stage 1	-	-	7,745.96	97.94	-	-	7,745.96	97.94
Transfer from Stage 1	-	-	-	-	1,129.56	11.93	1,129.56	11.93
Impact on ECL on account of movement between stages / updates to the ECL model	-	-	-	599.88	-	319.28	-	919.16
As at 31 March 2020	**75,763.60**	**1,882.51**	**30,331.33**	**1,039.39**	**2,629.56**	**481.21**	**108,724.49**	**3,403.11**

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
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(Amounts in lakhs)

Note 43 - Financial risk management (continued)

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Maturity Pattern
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments of Rs. 6,986.74 lakhs and exclude the impact of netting agreements.

As at 31 March 2021

		Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	Upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 Years
Non-derivative financial liabilities								
Trade payables	193.66	(193.66)	(193.66)	-	-	-	-	-
Other payables	184.69	(184.69)	(184.69)	-	-	-	-	-
Debt securities	7,612.95	(9,465.51)	(392.67)	-	(394.83)	(8,678.01)		
Borrowings (other than debt securities)	45,896.81	(50,617.04)	(13,035.88)	(5,234.19)	(11,715.00)	(18,313.64)	(2,318.33)	-
Other financial liability	39.17	(39.17)	(23.32)	(15.85)	-	-	-	-

As at 31 March 2020

		Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	Upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 Years
Non-derivative financial liabilities								
Trade payables	50.15	(50.15)	(50.15)	-	-	-	-	-
Other payables	233.01	(233.01)	(233.01)	-	-	-	-	-
Borrowings (other than debt securities)	59,440.66	(68,804.00)	(13,649.63)	(4,081.48)	(13,500.69)	(27,978.96)	(9,593.24)	-
Other financial liability	122.90	(130.68)	(22.73)	(22.73)	(45.45)	(39.77)	-	-

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
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(Amounts in lakhs)

Note 43 - Financial risk management (continued)

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities	Undiscounted cash flows, which include estimated interest payments

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents, deposits with banks, investments in mutual funds and debt securities, which can be readily sold to meet liquidity requirements. In addition, the Company maintains agreed committed credit lines with banks.

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

Particulars	As at 31 March 2021	As at 31 March 2020
Committed credit lines	4,423.57	8,051.65
Total	4,423.57	8,051.65

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(Amounts in lakhs)

Note 43 - Financial risk management (continued)

C. Price Risk

(a) Exposure details

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as at fair value through profit or loss.

To manage its price risk arising from investments in equity securities and mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the market prices had increased by 10% or decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with it.

	Impact on Profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Increase of 10% in market price	18.62	18.62	18.62	18.62
Decrease of 10% in market price	(18.62)	(18.62)	(18.62)	(18.62)

(Amounts in lakhs)

Note 43 - Financial risk management (continued)

D. Interest rate risk

The company provides loans to customers on fixed rate and hence there is no interest rate risk on loan exposure. However, certain borrowings are at floating rate and hence exposed to Interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows.

	Nominal amount	
	As at 31 March 2021	**As at 31 March 2020**
Fixed-rate instruments		
Loans	75,659.25	101,369.85
Debt securities	7,612.95	-
Variable-rate instruments		
Borrowings (Other than debt securities)	45,896.81	59,440.66

The Company has certain floating rate bank borrowings which are sensitive to change in the benchmark rate. The change in 100 basis point in such benchmark may affect the profit and loss account and equity of the company by following amounts -

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (Pre tax Impact)		Equity (Pre tax Impact)	
INR Crore	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
As at 31 March 2021				
Variable-rate instruments	(458.97)	458.97	(458.97)	458.97
Cash flow sensitivity (net)	(458.97)	458.97	(458.97)	458.97
As at 31 March 2020				
Variable-rate instruments	(594.41)	594.41	(594.41)	594.41
Cash flow sensitivity (net)	(594.41)	594.41	(594.41)	594.41

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(Amounts in lakhs)

Note 44 -Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	52,683.70	3,939.20	48,744.50	210.73	3,728.47
	Stage 2	23,935.15	1,560.89	22,374.26	95.74	1,465.15
Subtotal		**76,618.85**	**5,500.09**	**71,118.76**	**306.47**	**5,193.62**
Non-Performing Assets (NPA)						
Substandard	Stage 3	969.98	547.00	422.98	97.00	450.00
Doubtful - up to 1 year	Stage 3	1,050.00	210.00	840.00	210.00	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1,050.00	210.00	840.00	210.00	-
Loss		-	-	-	-	-
Subtotal for NPA		**2,019.98**	**757.00**	**1,262.98**	**307.00**	**450.00**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	52,683.70	3,939.20	48,744.50	210.73	3,728.47
	Stage 2	23,935.15	1,560.89	22,374.26	95.74	1,465.15
	Stage 3	2,019.98	757.00	1,262.98	307.00	450.00
	Total	**78,638.83**	**6,257.09**	**72,381.74**	**613.47**	**5,643.62**

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(Amounts in lakhs)

Note 45 -Disclosure Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated 4 November 2019

i Funding Concentration based on significant counterparty (both deposit and borrowings)

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
8	53,095.82	-	96.80%

ii Top 20 large deposits

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii Top 10 borrowings

Amount	% of Total Borrowings
53,095.82	100.00%

iv Funding Concentration based on significant instrument/product

Name of the instrument/product **	Amount	% of Total Liabilities
Non Convertible Debentures	7,500.00	13.67%
Term loan	32,519.39	59.29%
Overdrafts and working capital limits	13,076.43	23.84%
Total	**53,095.82**	**96.80%**

** A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of total liabilities.

v Stock ratio

Instrument \ As a % of Total	Public Funds	Liabilities	Assets
Commercial Papers	-	-	-
Non Convertible Debentures	14.13%	13.67%	7.78%
Other Short Term Liabilities	24.63%	23.84%	13.56%

vi Institutional set-up for liquidity risk management

Asset Liability Management Committee (ALCO) of the Company defines its liquidity risk management strategy and sets the overall policy and risk tolerances.

In order to manage/mitigate liquidity risk, in addition to regulatory limits on liquidity gaps, the Company has also defined prudential internal limit for Liquidity Gap tolerance for its time bucket which is approved by the ALCO. Treasury is responsible for managing liquidity under the liquidity risk management framework as approved by the ALCO.
Liquidity risk management strategies and practices are reviewed to align with changes to the external environment, including regulatory changes, business conditions and market developments. Actual and anticipated cash flows generated are monitored to ensure compliance with limits.

Note 46 -Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID19 Regulatory Package

Particulars	As at 31 March 2021	As at 31 March 2020
Amounts where the moratorium/deferment was extended	5,781.90 #	6,720.69
Amount where asset classification benefits is extended	Nil**	-
Provision Created*	-	340.71
Provisions adjusted during the period against slippages	-	-
Residual provisions	-	340.71

Outstanding as on 31 March 2021 on account of all such loans where moratorium benefit was extended by the Company upto previous year end and further upto 31 August 2020.

* The Company has made adequate provision for impairment loss allowance (as per ECL model) for the years ended 31 March 2021 and 31 March 2020.

**There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium.

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Note 47 -As required in terms of Paragraph 18 of Master Direction - Non-Banking Finance Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	Particulars	As at 31 March 2021	
(1)	**Liabilities side :** **Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**	**Amount outstanding**	**Amount overdue**
	(a) Debenture : Secured	7,612.95	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	32,820.38	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits (Refer Note 1 below)	-	-
	(g) Other Loans -working capital facility	13,076.43	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side :		
			Amount outstanding
(3)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below):**		
	(a) Secured		22,475.88
	(b) Unsecured		53,183.37
(4)	**Break up of Leased Assets and stock on hire counting towards AFC activities**		**Amount outstanding**
	(i) Lease assets including lease rentals under sundry debtors :		-
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on Hire including hire charges under sundry debtors :		-
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC Activities :		-
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	**Break-up of Investments :**		**Amount outstanding**
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		248.86
	(b) Preference		-
	(ii) Debenture and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (Please specify)		-
	2. Unquoted :		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others: Certificates of deposit		-

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	Particulars	As at 31 March 2021
	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 (Please specify)	-
	2. Unquoted :	
	(I) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

(6)	Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see Note 2 below			
	Category	Amount (Net of provisions)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	1,750.00	11,237.00	12,987.00
	(c) Other related parties	-	-	-
	2. Other than related parties	20,725.88	41,946.37	62,672.25

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	248.86	248.86

(8)	Other Information	
	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	2,019.98
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	1,262.98
(iii)	Assets acquired in satisfaction of debt	-

Notes :

1. As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED ★

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 48 - Disclosure as per the Reserve Bank of India (RBI) guidelines and circulars

Additional disclosure for the year ended 31 March 2021 in accordance with Master Direction - Non-Banking Finance Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are specified below:

i) Capital to Risk Assets Ratio Disclosure (CRAR)

Particulars	As at 31 March 2021	As at 31 March 2020
(i) CRAR (%)	41.01%	23.44%
(ii) CRAR – Tier I capital (%)	39.77%	22.28%
(iii) CRAR – Tier II capital (%)	1.24%	1.16%
(iv) Amount of Subordinated debt raised as Tier - II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

ii) Investments

Sr. No.	Particulars		As at 31 March 2021	As at 31 March 2020
1	Value of Investments			
	(i)	Gross Value of Investments		
		(a) In India	309.73	309.73
		(b) Outside India	-	-
	(ii)	Provision for Depreciation		
		(a) In India	60.87	60.87
		(b) Outside India	-	-
	(iii)	Net Value of Investments		
		(a) In India	248.86	248.86
		(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments			
	(i)	Opening balance	60.87	-
	(ii)	Add : Provisions made during the year	-	60.87
	(iii)	Less : Write-off/ write-back of excess provision during the year	-	-
	(iv)	Closing balance	60.87	60.87

iii) Details of Derivatives

Forward Rate Agreement / Interest Rate Swap

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
i)	The notional principal of swap agreements	-	-
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	-	-
v)	The fair value of the swap book	-	-

Exchange Traded Interest Rate (IR) Derivatives

Sr. No.	Particulars	Amount
i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-
iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

Risk Exposure in Derivatives - Quantitative Disclosures

SR. No.	Particulars		Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)			
	For hedging			-
ii)	Marked to Market Position [1]			
	a)	Asset (+)	-	-
	b)	Liability (-)	-	-
iii)	Credit Exposure [2]		-	-
iv)	Unhedged Exposures		-	-

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SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 48 - Disclosure as per the Reserve Bank of India (RBI) guidelines and circulars (continued)

iv) Disclosure relating to Securitisation

Sr. No.	Particulars			As at 31 March 2021	As at 31 March 2020
1	No of SPVs sponsored by the applicable NBFC for securitisation transactions			-	-
2	Total amount of securitised assets as per books of the SPVs sponsored			-	-
3	Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet				
	a)	Off-balance sheet exposures		-	-
		First loss		-	-
		Others		-	-
	b)	On-balance sheet exposures		-	-
		First loss		-	-
		Others		-	-
4	Amount of exposures to securitisation transactions other than MRR				
	a)	Off-balance sheet exposures		-	-
		i)	Exposure to own securitizations	-	-
			First loss	-	-
			Others	-	-
		ii)	Exposure to third party securitisations	-	-
			First loss	-	-
			Others	-	-
	b)	On-balance sheet exposures			
		i)	Exposure to own securitizations	-	-
			First loss	-	-
			Others	-	-
		ii)	Exposure to third party securitisations	-	-
			First loss	-	-
			Others	-	-

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

Details of Assignment transactions undertaken by applicable NBFC

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	-	-

Details of non-performing financial assets purchased

Sr. No.	Particulars		As at 31 March 2021	As at 31 March 2020
1	a)	No. of accounts purchased during the year	-	-
	b)	Aggregate outstanding	-	-
2	a)	Of these, number of accounts restructured during the year	-	-
	b)	Aggregate outstanding	-	-

Details of Non-performing Financial Assets sold

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

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SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 48 - Disclosure as per the Reserve Bank of India (RBI) guidelines and circulars (continued)

v) Asset liability management

As at 31 March 2021

	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 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	4,400.00	2,102.35	8,261.22	10,808.89	7,878.10	30,943.28	6,149.98	3,095.54	2,019.89	-	75,659.25
Investments	-	-	-	-	-	-	248.86	-	-	-	248.86
Borrowings	401.90	-	-	9,000.00	2,991.75	4,484.65	10,548.99	23,837.20	2,245.27	-	53,509.76
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2020

	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 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	3,545.37	75.76	4,427.23	18,440.68	15,379.36	31,657.99	5,828.87	17,466.84	4,547.75	-	101,369.85
Investments	-	-	-	-	-	-	248.86	-	-	-	248.86
Borrowings	529.72	-	800.00	7,898.35	3,234.65	2,859.65	12,074.59	23,137.61	8,906.09	-	59,440.66
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 48 - Disclosure as per the Reserve Bank of India (RBI) guidelines and circulars (continued)

vi) Exposure to real estate sector

Category			As at 31 March 2021	As at 31 March 2020
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	-	-
	ii.	**Commercial Real Estate**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits. **	41,447.21	43,985.73
	iii.	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures**		
		a. Residential	-	-
		b. Commercial Real Estate	-	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		-	-
Total Exposure to real estate sector			**41,447.21**	**43,985.73**

**includes Rs. 29,497.09 lakhs unsecured exposure to Companies currently engaged directly / indirectly in real estate business.

vii) Exposure to capital market

	Particulars	As at 31 March 2021	As at 31 March 2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	248.86	248.86
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	3,741.86
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		**248.86**	**3,990.72**

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 48 - Disclosure as per the Reserve Bank of India (RBI) guidelines and circulars (continued)

viii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

		As at 31 March 2021	As at 31 March 2020
1	Provisions for depreciation on Investment	-	60.87
2	Provision towards NPA*	275.79	481.21
3	Provision made towards Income tax	-	-
4	Other Provision and Contingencies (with details)	-	-
5	Provision for Standard Assets*	2,578.18	2,443.89

*Provision created as per Indian Accounting Standard

ix) Concentration of Advances

		As at 31 March 2021	As at 31 March 2020
1	Total Advances to twenty largest borrowers	48,641.40	62,054.62
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	64.94%	62.33%

x) Concentration of Exposures

		As at 31 March 2021	As at 31 March 2020
1	Total Exposure to twenty largest borrowers /customers	48,816.40	62,743.62
2	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	63.10%	59.18%

xi) Concentration of NPAs

		As at 31 March 2021	As at 31 March 2020
1	Total Exposure to top four NPA accounts	2,019.98	2,629.56

xii) Sector wise NPA (% of NPA to Total Advances in that sector)

		As at 31 March 2021	As at 31 March 2020
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	2.70%	2.64%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

xiii) Movement of NPAs

		As at 31 March 2021	As at 31 March 2020
	Net NPAs to Net Advances (%)	1.70%	2.17%
	Movement of NPAs (Gross)		
	Opening balance	2,629.56	-
	Additions during the year	11,195.27	2,629.56
	Reductions during the year	11,804.85	-
	Closing balance	2,019.98	2,629.56
	Movement of Net NPAs		
	Opening balance	2,148.35	-
	Additions during the year	9,565.74	2,148.35
	Reductions during the year	10,451.11	-
	Closing balance	1,262.98	2,148.35
	Movement of provisions for NPAs (excluding provisions on standard		
	Opening balance	481.21	-
	Provisions made during the year	1,629.53	481.21
	Write-off / write-back of excess provisions	1,353.74	-
	Closing balance	757.00	481.21

xiv) Customer Complaints

		As at 31 March 2021
1	No. of complaints pending at the beginning of the year	NIL
2	No. of complaints received during the year	1
3	No. of complaints redressed during the year	1
4	No. of complaints pending at the end of the year	NIL

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CHARTERED ACCOUNTANTS

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

xv - The Company has not obtained any registration from other financial sector regulators.

xvi - During the year, the Company's credit exposure to single and group borrower were within the prudential exposure limits prescribed by RBI. The total amount of exposure in excess of the prudential limit as at 31 March 2021 is Nil.

xvii - The Company has not done financing of parent company products.

xviii - During the year there are no penalties imposed on the Company by regulatory authorities.

xix - Rating assigned by credit rating agencies and migration of ratings during the year

Sr. No.	Instrument	Credit Rating Agency	As at 31 March 2021	As at 31 March 2020
1	Commercial Paper	CRISIL	N.A.	A1+
2	Bank term loan	CRISIL	A-	A+
3	NCD	CRISIL	A-	A+

xx - There are no loans and advances which are unsecured as at 31 March 2021 for which intangible securities such as charge over the rights, licenses, authority have taken as intangible collateral.

Note 49 - The Company has not done any restructuring as per RBI Circular No. RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress.

Note 50 - Covid-19 Impact

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On 11 March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns and other factors. Various state government have again announced strict measures including lockdown to contain the spread of virus.

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the current situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Company, being a NBFC, is in the business of providing loans to real estate developers, loans against securities, general-purpose corporate loans and make investment. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.

The Company has further assessed the impairment provision recognized towards the loan assets outstanding as at balance sheet date and has concluded that there are no material adjustments required in the financial statements, other than those already considered. The direct and indirect impact of COVID-19 on Company's business, results of operations, financial position and cash flows remains uncertain. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Note 51 - Events after reporting date

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

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SHAPOORJI PALLONJI FINANCE PRIVATE LTD

SHAPOORJI PALLONJI FINANCE PRIVATE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2021

(Amounts in lakhs)

Note 52 - Previous year figures have been regrouped/rearranged, where necessary.

For Walker Chandiok & Co LLP
Firm Registration No. 001076N/N500013

Murad D. Daruwalla
Partner
Membership No. 043334

Place : Mumbai
Date : 30 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Hinduja
MD & CEO
DIN. 00388123

Jai Mavani
Director
DIN. 05260191

Pankaj Gupta
Chief Financial Officer

Preeti Chhabria
Company Secretary
ACS No. 18180

Place : Mumbai
Date : 30 June 2021