CAPRI GLOBAL
CAPITAL LIMITED

Unlocking potentials, Empowering people

INVESTING IN VALUES. NURTURING LIVES.

Annual Report 2018-19

Across the pages

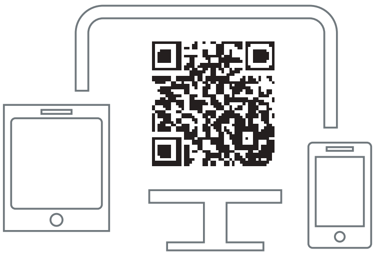
Corporate Overview

Statutory Reports

Financial Statements

Please find our online version at
https://www.capriglobal.in/annual-reports/

Or simply scan to download:



Investor information

- Market Capitalisation as at March 31, 2019 : **₹ 3,04,997 lakhs**
- CIN : **L65921MH1994PLC173469**
- RBI Registration No. : **B-13.01882**
- BSE Code : **531595**
- NSE Symbol : **CGCL**
- Bloomberg Code : **CGCL:IN**
- AGM Date : **August 02, 2019**
- AGM Venue : Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018

Cautionary Statement

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

“A business that makes nothing but money is a poor kind of business.”

– Henry Ford

We at Capri Global Capital Limited (CGCL) have always treasured our alliances with like-minded value-creators, who share the same passion for leaving a mark behind.

For us, every day is aimed at empowering thousands of aspiring individuals by providing them with unique and flexible financing solutions. A large number of India’s rural and semi-urban population are first-time-to-credit. They possess little-to-no formal documentation.

These are the kind of individuals we partner with.

Years have rolled by as we continue to catalyse the betterment of all lives around us through our robust loan products. Ours is the journey of nurturing **one and all**, and this instilled core belief has driven our business towards greater heights.

CGCL is playing a significant role in creating a healthy credit footprint in India’s efforts towards bringing everyone into formal credit.

₹ 4,10,322 lakhs
+43.48%
AUM

₹ 1,38,268 lakhs
+10.47%
Net worth

₹ 32,364 lakhs
+43.72%
NII

₹ 13,566 lakhs
+109%
PAT

NII: Net Interest Income, PAT: Profit after Tax, AUM: Assets Under Management

All figures of consolidated financials as on March 31, 2019

India is today the fastest growing economy and a home to a fifth of the world's youth.

Every business starts small. However, the scale of the venture shouldn't hamper its growth. At CGCL, we make sure the micro and small scale entrepreneurs also get the support they need. So far, we have supported over 11,000 businesses pan India, with a special focus on MSME segment, while our presence continues to grow across various Non-Banking Financial Company (NBFC) verticals, such as Construction Finance, Affordable Housing and Indirect Retail Lending.

Even through the turbulent patch for NBFCs last year, CGCL retained its growth rate and continued to devise secured lending models for the financial ground required to grow the ambitions of India's future.

At the core of our initiatives is the intent of creating something valuable.

How are we generating values?

OUR MISSION

Our mission is to shape the future with a social impact through our solid and intuitive loan products. We aim at delivering credit to a wider spectrum of small and medium enterprises and individuals with limited credit history.

OUR COMPETITIVE DRIVERS

- Presence across small-ticket retail loans in MSME, Construction and Housing Finance segments
- Strong focus on MSMEs – the key growth drivers of the economy
- Balanced asset liability split – optimally matched balance sheet to counter any liquidity crunch
- Large part of borrowings done through banks – leading to lower cost of borrowing
- Committed, strong and experienced workforce in sales, credit, FCU, technical, legal, operations, collection, IT, audit etc.

WHAT WE HAVE ACHIEVED OVER THE YEARS?

2017-18

- Forayed into housing finance
- Branch network jumped to 66
- Workforce of 1,350
- AUM of ₹ 2,61,328 lakhs
- Bank credit facilities of ₹ 1,98,500 lakhs
- Raised ₹ 2,500 lakhs through NCDs and ₹ 45,500 lakhs through CPs

2014-16

- Branch network expanded to 23 in 5 states
- Employee base of 380
- AUM crossed ₹ 1,00,000 lakhs
- Secured Care A+ credit rating
- Bank credit facilities of ₹ 48,500 lakhs

2011-13

- Raised capital of ₹ 44,500 lakhs
- Started Construction Finance
- Ventured into MSME lending

WHAT WE ACHIEVED IN FY 2019?

₹ 4,10,322 lakhs
AUM

11,000+
Businesses financed

19,500
Live accounts

1,850+
Employees

84
Branches

8
States

WHAT WE INTEND TO ACHIEVE OVER THE NEXT 5 YEARS?

₹ 25,00,000+ lakhs
AUM

40-50%
Annual loan book growth

235+
Branches

Our solutions and offerings

MSME Finance

Construction Finance

Housing Finance

MSME Finance

Product Portfolio

Business loan against Residential / Commercial / Industrial Properties

Ticket Size and Tenor

- ₹ 5 lakhs to ₹ 75 lakhs upto 180 months
- Average ticket size is ₹ 15 lakhs on the total portfolio with an average tenor of 158 months

Security

- First and exclusive charge on collateral property with clean and marketable title
- Average Loan to Value of ~48%

Construction Finance

Product Portfolio

- Construction Finance / Project Finance
- Cash Flow Backed / Asset Backed Financing
- Structured Debt Instruments with an equity-like upside

Ticket Size and Tenor

- Between ₹ 800 lakhs to ₹ 2,500 lakhs for tenor of 1 to 4 years
- Average ticket size of ₹ 822 lakhs with average tenor of 43 months

Security

- First and exclusive charge on project funded
- Residential/commercial property cover of ~2 times
- Lending against visible cash flow with dedicated escrow mechanism and net cash flow cover of ~2.5 times

Housing Finance

Product Portfolio

- Home Loan for Purchase of ready / under-construction residential units
- Loans for construction /extension / renovation of homes
- Loans for plot purchase and home equity loans

Ticket Size and Tenor

- Metro cities: ₹ 5 lakhs to ₹ 50 lakhs for upto 25 years
- Non-metros: ₹ 2 lakhs to ₹ 40 lakhs for upto 20 years
- Average ticket size of ₹ 11 lakhs with average tenor of 240 months

Security

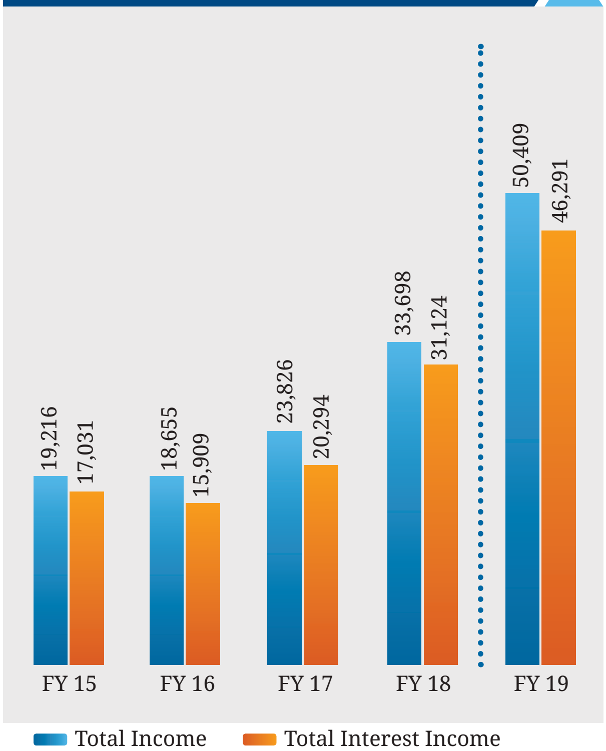
- Loan to Value of 90% for loans upto ₹ 30 lakhs
- Loan to Value of 80% for loans above ₹ 30 lakhs
- Average Loan to Value of ~60.30%

Our Financial Overview: We reap what we sow!

When you send good out, it comes back your way. Our numbers are a proof!

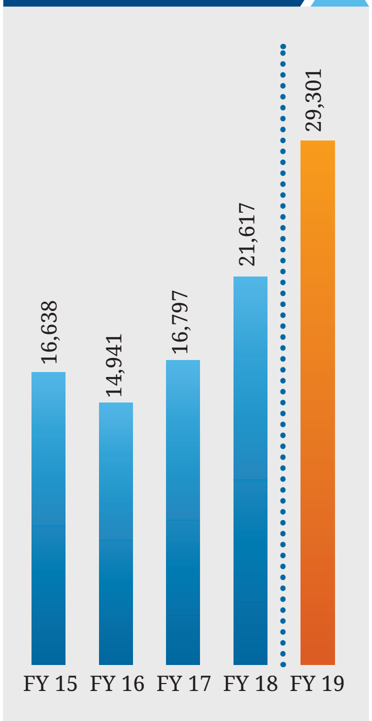
▲ 49.59% ▲ 48.73%

Income (₹ lakhs)



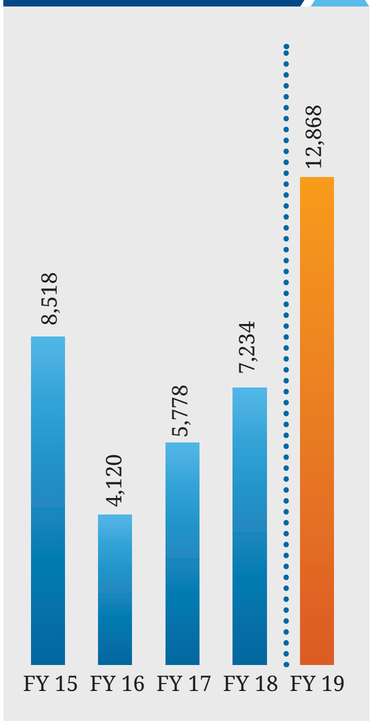
▲ 35.54%

Net Interest Income (₹ lakhs)



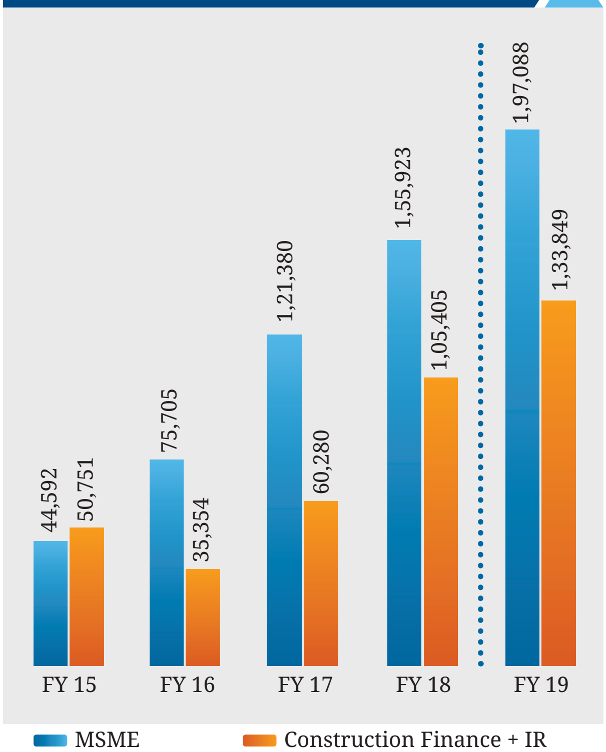
▲ 77.87%

Profit after Tax (₹ lakhs)



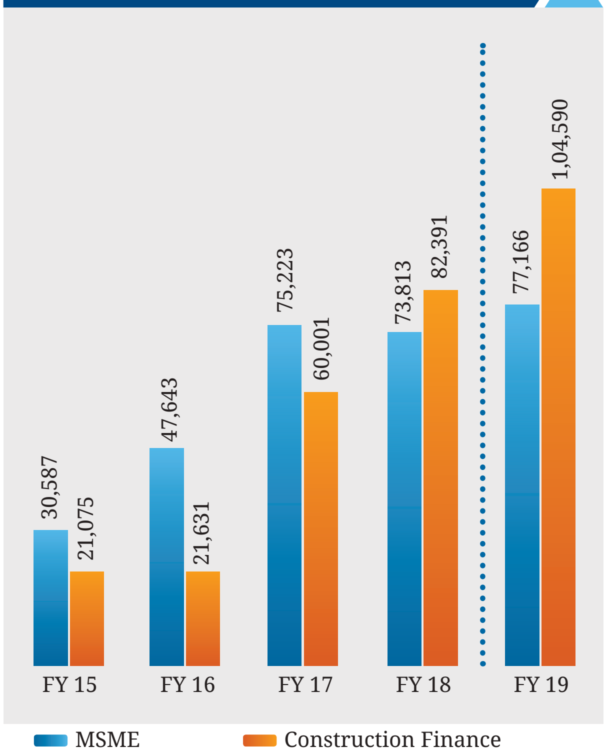
▲ 26.40% ▲ 26.98%

Asset under Management (AUM) (₹ lakhs)

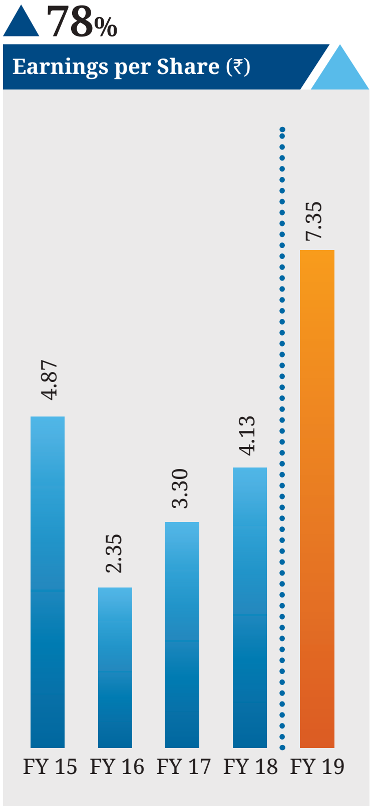


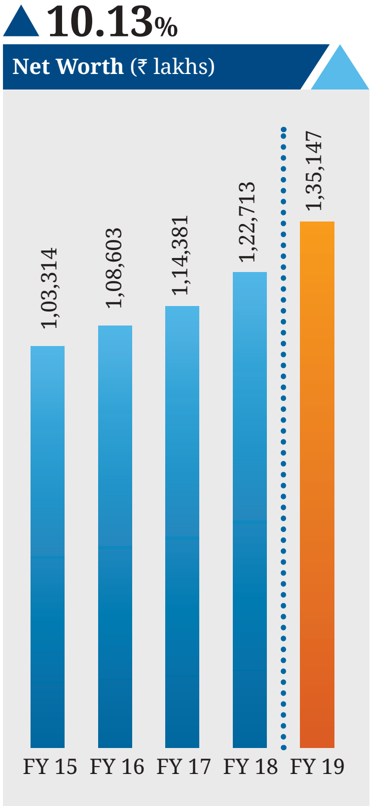
▲ 4.54% ▲ 26.94%

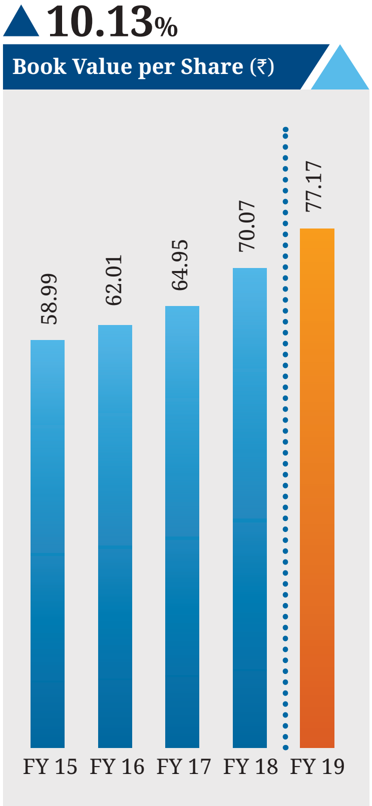
Loans Disbursed (₹ lakhs)

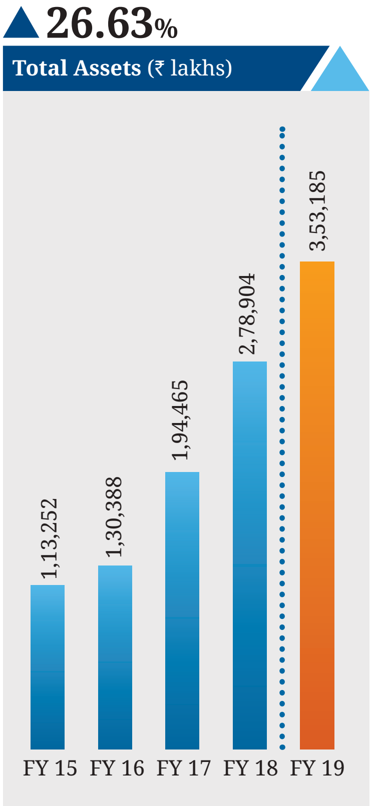


FY 2018 and FY 2019 figures are as per Ind AS | FY 2015, FY 2016 and FY 2017 figures are as per IGAAP

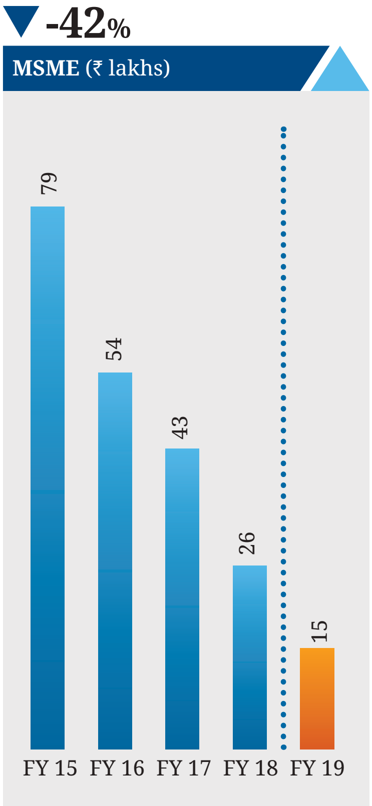


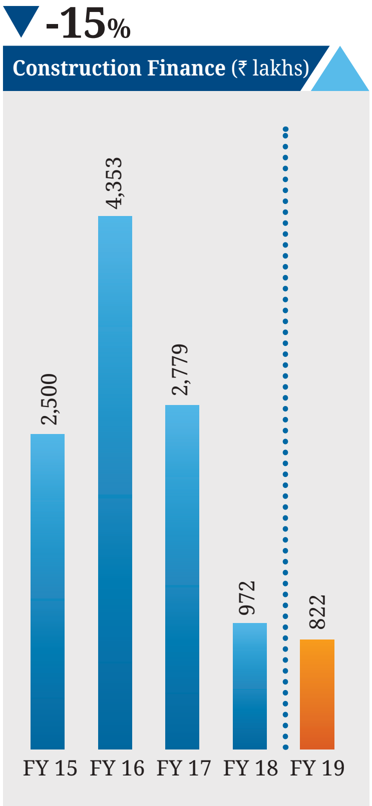






AVERAGE TICKET SIZE





Managing Director's Message

> Our products are curated with a vision of enabling values and touching as many lives as possible.

Dear Shareholders & Friends,

The year gone by marks the beginning of a new chapter for CGCL, with special emphasis on significant growth and ambitious initiatives for a stronger institution. I convey my gratitude to all our stakeholders who have been a partner in CGCL's progress, including our employees for their commitment and conviction. We expect to continually create value through such profitable growth in the future as well.

After almost a decade of unparalleled upswing, NBFCs are facing liquidity squeeze on account of fear on Asset Liability mismatch.

However, even at such sceptical times what kept us going strong was our perseverance to deliver our business vision of serving the underserved. This has kept us immune to the downside risks in the Indian and World economy. Financial profitability ensures there is assured quality; CGCL family proved it yet again with our soaring numbers.

We have strived to build a more financially inclusive environment for one and all by investing in individuals who are aligned with our values and mission. Our belief lies in financial inclusion as the key to economic liberation for every individual in our country, and CGCL is further stimulating India's growth story by focusing its efforts on serving the underserved in the largely untapped MSME segment.

In accordance to our vision of achieving financial inclusion,this year too will be focused on our key segment: MSME where 52% of customers were first time to formal credit. Similarly, in the housing finance segment, we observed 47% of our customers were first time to formal credit. This only goes to prove we have a long way to go in helping the nation achieve 100% inclusiveness.

Global trends have shown that in order to achieve an all-encompassing growth, a holistic expansion of financial services to all sections of society is of utmost importance. Around the world, the most successful economies have progressed because local businesses were empowered to harness their real potential. At CGCL, we believe in growing together and have always worked towards fostering long-term relationships with our customers. We thrive on the faith our customers have placed in us. CGCL's mission is to nurture & support every dream,however big or small. Our systems and processes have been designed to lay special emphasis on innovative young entrepreneurs who may have started small, but will play a significant role in rebalancing India's economy.

In FY 19, we made several in-roads into achieving our long-term targets of sustainable growth supported by operational efficiencies and improving profitability. Our total loan book grew to ₹ 4,10,322 lakhs with 84 branches in over 8 states. Improving operational efficiencies resulted in a total income of ₹ 59,130 lakhs with over 78% growth in profits after tax at ₹ 13,566 lakhs for the year gone by.

To ensure we reach our long-term sustainability targets, we remained vigilant about every small detail such as short-term asset & liability mismatches. Using optimally matched balance sheets proved to be a safeguard. We are proud to have one of the best capital adequacy ratios in the industry: at over 34%, with more than 95% exposure to long-term bank borrowing and balance in other long term borrowings. This was reflected during the worst sectoral crisis, where we continued to grow our loan book by 45%.

The backbone of a successful lending model lies in the direct sourcing of loans through its strong loan origination strategy, superior credit underwriting skills and a robust risk management and collection mechanism. These three strong pillars uphold the pile of our victories and together they have helped us in restricting our NPAs to one of the lowest in the industry at 1.47%.

We have been expanding our operations pan India, and opened 18 branches in several phases over the last year leading our branch tally to 84. We have spent significant time in improving our overall efficiencies and our disbursements per employee have shown remarkable improvements during the year. Besides this, we also rationalised the incremental ticket size across all segments to mitigate any significant asset quality risk and put greater emphasis on volume-based asset growth over value-based growth.

> MSME segment has always been a key focus area for CGCL. Our easy application but strict lending process and a well-categorised staff could make the growth possible.

CGCL has always put the MSME segment as its key focus area. The reason behind this is the role this sector plays in India's financial independence. While our country has ample employment potential, with millions looking to contribute their skills, we also face a vacancy deficit at present which can be cured by empowering medium and small scale enterprises to grow into larger businesses. This inspired us to strengthen our MSME segment to further boost employment. Our easy application but strict lending process, and a well-categorised staff could expediate the growth for this segment. So far, we have delivered a significant growth of over 26%, Y-o-Y to ₹ 1,97,088 lakhs.

We introduced a new surrogate method devised to gauge credit worthiness of the under-served customer segments. Lack of formalised documentation should not be a deterrent in financial inclusion. We at CGCL, extend credit to these MSMEs, without diluting credit norms. We have a tight scrutiny at multiple levels as a result of which our application to disbursal ratio stands at ~35%.

This year has begun with an ambition to drive our construction finance segment to higher excellence. To ensure the plans came to fruition, we employed our highly trained staff and other top notch resources towards expansion into Tier 2 and Tier 3 cities. The loan book within this segment has grown to ₹ 1,19,972 lakhs in FY 2019 with nil NPAs. CGCL has innovated its way around this segment by following a more tailored approach, which focuses only on real-estate residential developers that are small to mid-sized as well as affordable. We expanded our geographical presence in this category and currently operate in 11 cities.

Today, affordable housing which is a part of the Housing Finance Sector, has shown significant growth. The loan book has grown by 222% Y-o-Y to ₹ 79,265 lakhs in FY 2019. These impressive numbers are a testament to CGCL and the trust it has garnered during the year.

> We have over the years, developed strong internal controls and credit assessment framework which has helped us maintain the lowest NPAs in the industry.

While our overall business is aimed at nurturing the communities in which we operate, we have also established a strong CSR programme that is solely focused on enriching the lives of those in need. With our unwavering attention towards the betterment of children, youth and women, we make the most of our time and resources by providing them access to better education, healthcare and livelihood opportunities through various social interventions. With an aim to better lives around us, we shall continue to invest ourselves into creating a better tomorrow for all.

As another bright year is dawning upon us, we will continue to work towards realising our long-term goals. Leaving no one behind in this new era of infinite growth opportunities, we hope to find new partners among young entrepreneurs who dream to make it big in their way. We, at CGCL, are huge fans of stubborn morals. So, we know why customers' principles and values can't be compromised with. We practice the same internally and strive for honourable ethics in personal and professional life alike.

Our balance sheet remains our key strength, as we continue to maintain a strong liquidity position. CGCL is well-funded by country's leading banks and have nil exposure to short-term borrowings including commercial papers. Over the years, we have consistently focused on becoming financially safer and more profitable, with superior quality assets, only to make sure that nothing comes in the way of our customers and their aspirations in life. Sustained growth in the lending activities supported by branch and team expansions will reward us with stronger multiple on annual earnings.

Our CGCL team is a reflection of our moral values as a brand; and this brings me to express my gratitude towards my brilliant team at CGCL, who have consistently delivered superior results- year after year.

Let us all together continue to foster the vision we started out with; a vision of establishing a credible lending institution capable of generating multi-fold growth.

Yours truly

Rajesh Sharma
Managing Director

MSME Lending

One of the proudest jewels studded in our crown is the MSME segment. It is a key to our financial inclusion.

MSME Industry Potential

MSME is an indispensable contributor in the socio-economic development of the country. The segment encourages entrepreneurship and generates large scale employability. With an 8% contribution to the country's GDP, MSMEs has a huge role to play in emergence of India as a developed nation.

MSME accounts for ~35% of total credit exposure in India, with majority of the exposure parked with the private and public sector banks. However, the trends have been shifting to favour MSME focused NBFCs. A huge opportunity is waiting to be tapped here as the leading NBFCs continue to gain market share away from the banks and fintech making its presence felt ever so more.

8%
MSME's contribution to India's GDP

35%
MSME's share of total credit

OUR STRATEGY

It's been over 6 years since we started out dealing with credit to micro, small & medium enterprises (MSME). The intent was to nurture budding businesses, largely in the informal sector ranging from owners of a bike repair shop to suppliers of hardware or building material to contractors and so on. As the ambitious entrepreneurs associated with us started to grow, our MSME segment grew exponentially too. From catering to small restaurants to building private schools, CGCL has helped over 11,000 entrepreneurs across India grow their wings. CGCL's strong foothold in a largely underserved MSME segment with majority being first time to formal credit provides it with a unique edge because of its differentiated approach towards customer profile and the nature of credit.

We understand that secured lending is a process of dire commitment and accurate calculation. To avoid any ambiguity or scope for error, we have divided the work across independent departments, each specialising in their task towards the end product of loan origination.

SECURED AND FOCUSED APPROACH

Our uniquely crafted loans are 100% secured by the customer's self-owned residential or commercial property. With a strong focus on financial inclusion, ~52.31% of borrowers are first timers at formal credit. Almost 5% of applicants are female borrowers or co-borrowers, which we firmly believe brings in an element of discipline towards loan repayment.

FAR-REACHING PRESENCE

CGCL believes in creating long-term relationships with all its borrowers, both in order to fully support their first-time-to-formal-credit customers as well as end-to-end risk mitigation. As of FY 2019, the Company has a branch network of 84 branches and over 500+ Relationship Managers.

MSME Assets by Geography

- NCR **35%**
- Rajasthan **7%**
- Gujarat **21%**
- Madhya Pradesh **12%**
- Punjab **3%**
- Rest of Maharashtra **10%**
- Haryana **2%**
- Mumbai **10%**

After hawk-eyed evaluations, the case is handed over to the Operations team. The Operations team is responsible for conducting the payment related formalities, besides storing the files and digitising them through vendors.

LOAN ORIGINATION & EXECUTION

Our loan origination process has been a key plot point in many success stories. We reach out to those deserving individuals who have been deprived off from other sources.

The Direct Sales Team (DST) is responsible for business origination, and it does so by arranging for doorstep meetings with customers for briefing and document collection. Once the borrower submits their loan application, our vigilant underwriters conduct their field investigation and meet the customer to evaluate their case up-close. Keeping in mind the fundamental parameters we have at CGCL for lending, the underwriting team then analyses the current cash inflow and the borrower's profile to offer them customised solutions.

However, the work isn't concluded yet! Our legal team verifies the documents submitted, ensuring that the borrower's cause is indeed as genuine as stated.

Our risk categorisation model has indeed proven its effectiveness with our current disbursal ratio standing at ~ 35%. Direct supervision of the Board over the entire credit process has also enabled the growth of our lending business.

STRONG DILIGENCE

Risk mitigation is one of CGCL's key competitive advantages while operating in a sector with low formal documentation of customers. The Company follows a strong multiple scrutiny and post-disbursement monitoring, maintaining a strong average LTV of 48%. A dedicated credit manager is appointed across all its branches along with a fraud control unit. Every loan sourced by sales personnel has to clear multiple level of scrutiny and diligence process before being sanctioned. Disbursements of sanctioned amounts are monitored for every account on a monthly basis.

DELIVERING DELIGHT

To facilitate an easy enrolling of a customer, we have a warm customer service department in place. All customers are welcomed to the CGCL family with a mandatory welcome call. Customers are also constantly updated on approaching payment dates by regular reminder calls. At CGCL, the focus is on uplifting lives, and thus to make sure no customer remains unsatisfied. We have a customer grievances redressal system in place.

COLLECTION EFFICIENCY

We have a separate department looking over collection-related matters. In delinquent cases, a rigorous follow up is arranged, up to the point of customer visits and legal actions under Section 138, Arbitration etc., if necessary.

TECHNOLOGICALLY SOUND

CGCL, is also making significant in-roads concerning technology usage. The Company is moving towards data driven sourcing which can closely estimate the probability of defaults and provide its customers with seamless 24 X 7 sales and service interaction number 18001021021.

BUILDING EFFICIENCIES

CGCL has a two-pronged approach to sustainable AUM growth in the MSME space: increasing productivity per head of its existing sales personnel coupled with branch expansion.

BORROWER PROFILE

- **Income of ₹ 0.25 - 0.75 lakhs per month with focus on Tier II & Tier III cities**
- **Entrepreneur with average annual turnover of ₹ 18 - 30 lakhs**
- **Self Employed Individuals – Provision stores, retail outlets, handicrafts, fabricators etc.**
- **Ticket Size: ₹ 5 lakhs - 75 lakhs**
- **100% secured loans, charge on residential or commercial properties**

PORTFOLIO HIGHLIGHTS

AUM: ₹ 1,97,088 lakhs [5x growth in last 4 years]

100% Self Origination Model

Customer outreach: ~11,000+

Branch network of 84 branches

Average Loan to Value: 48%

Average Tenure: 158 months

Gross NPA: 2.76%

Portfolio Yield: 15.83%

Construction Finance

Towards a constructive and sustainable future.

Construction Finance Industry Potential

The Government has aggressively pushed a culture of transparency through measures such as Demonetisation, Goods and Services Tax (GST) and the Real Estate (Regulation and Development) Act, 2016 (RERA), which have helped shore up home-buyer confidence. The Government's 'Housing for All Scheme by 2022' is another commendable act in the same direction. The affordable housing sector has lately been rendered the status of "infrastructure", which similar to the other reforms mentioned before, is aimed to provide housing facilities for the low and mid-income segments at affordable rates.

As per a CARE Ratings report, owing to these policy changes in the last 2 years, affordable housing offers a massive opportunity of developing 6-8 Bn sq. ft. land in India over the next 3-4 years. Several residential players are expanding their portfolio in the affordable segment. With the recent gradual revival in the real estate sector in India, companies with sustainable business models and financiers with prudent financing strategies will emerge as the clear winners.

6-8 Bn sq. ft.

Land bank to be converted into affordable housing

OUR STRATEGY

CGCL forayed into the Construction Finance business in 2010. Under this portfolio, the company offers construction linked loans to small and mid-size real estate developers for timely and successful completion of their residential projects.

Since inception, the company has grown its Construction Finance portfolio in a prudent way. CGCL has developed strong internal mechanisms to mitigate multiple risks, inherent in the sector. All loan proposals pass through multiple layers of screening on various parameters like promoter background and track record, project location, construction status, market analysis, project cash flows, etc. The Company only finances developers who have a proven work record of minimum 5 years, with successful project deliveries in the past. The developers should generally have, in the past, constructed at least 3 lakh square feet of area and should have a clean banking track record. The developers' personal equity in the project to be financed is also an important parameter in CGCL's risk mitigation checklist. CGCL ensures prudent selection of projects, transparency in the lending process, and strict adherence to its lending parameters.

REACH

CGCL has only focused its construction finance business at the fringes of the Tier I & Tier II cities. It is currently present in 11 locations in India: Mumbai, Pune, Bangalore, Hyderabad, Vijayawada, Ahmedabad, Surat, Jaipur, Chennai, Indore & NCR.

What has helped CGCL set the bars higher is our priority towards financing small-ticket, affordable and budget housing residential projects. The Company also diversifies its risk by managing a large number of accounts falling under the umbrella of small ticket sizes of <₹ 800 lakhs - ₹ 2,500 lakhs.

Geographical portfolio distribution

Mumbai **29%** Pune **18%** Bengaluru **15%**
NCR **11%** Ahmedabad **8%** Surat **6%**
Vijaywada **4%** Hyderabad **3%** Chennai **3%**
Others **3%**

STRONG DUE DILIGENCE

- Dedicated teams per city, supported by 1-2 credit processing officers
- Centrally allotted credit team for detailed evaluation of proposals including
  - Promoter background
  - Track record
  - Project location
  - Construction status
  - Market analysis
  - Estimated cash flows
- All loan approvals in this segment are done by a committee of business heads and board members themselves, for maintaining highest standards of due-diligence. These measures have ensured the lowest gross NPAs for CGCL in Construction Finance

SUPERIOR MONITORING

- Quarterly review of each account
- Monthly project MIS of each account covering
  - Periodic review of milestones
  - Mapping of project inventory
  - Sales analysis
  - Cash flow management analysis
- Periodic site visits to monitor construction progress
- Escrow Account Analysis on regular basis

TECHNOLOGICALLY SOUND

CGCL is leveraging technology-based tools to expedite underwriting and decision making, thereby, helping drive competitive advantage and robust risk management.

BORROWER PROFILE

- **Ticket Size: ₹ 800 - 2,500 lakhs**
- **Exclusive lender with Escrow mechanism**
- **Secured against cash flow of 2.5x and asset cover of 2x**

PORTFOLIO HIGHLIGHTS

AUM: ₹ 1,19,972 lakhs

100% Self Origination Model

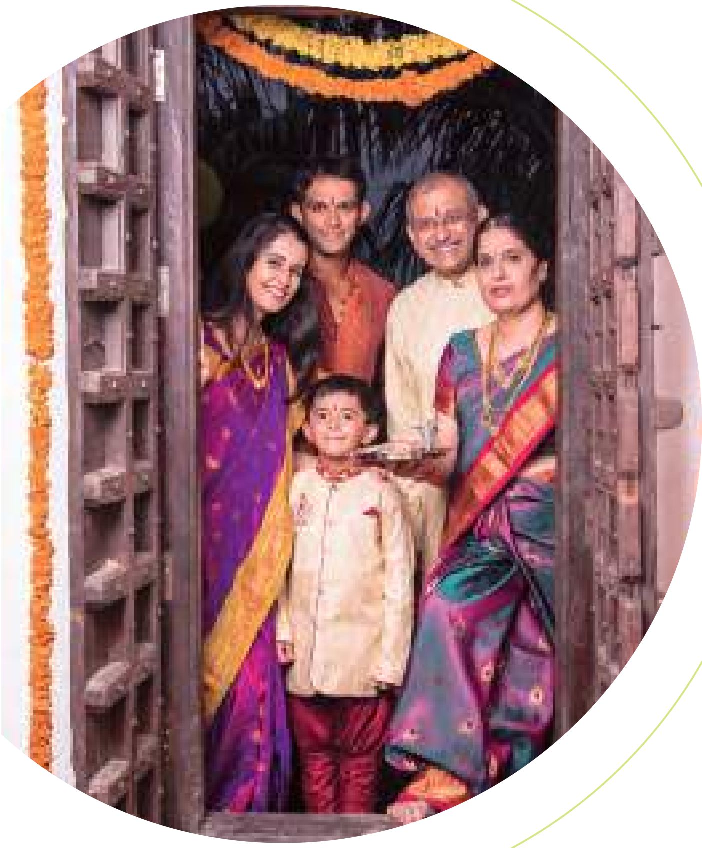
Customer Outreach : 146

Average Tenure: 43 months

Gross NPA: 0.14%

Portfolio Yield: 17.17%

Average Ticket Size: ₹ 822 lakhs



Housing Finance

Fulfilling the dream of aspiring home owners

Our Housing Finance business is managed by our wholly owned subsidiary, Capri Global Housing Finance Limited (CGHFL), registered with National Housing Bank (NHB) and is Premier Lending Institution (PLI) for Credit Linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yogana (PMAY).

Housing Industry Potential

With a housing demand of 15 Million (Mn) units and a market size of more than ₹ 28 Trillion (Tn), housing finance industry is filled with ideas of tremendous market potential. About 95% of the housing shortage in India haunts the low-income segment, which comprises the low-income Group and Economically Weaker Sections. Continuous Government initiatives to provide housing for all by 2022 under PMAY, credit-linked subsidy, lower GST and income tax exemptions have further bridged the gap between the demand and supply cycle of the industry and is aimed to provide housing facilities for the low and mid-income segments at affordable rates.

15 Mn Units
Housing demand

₹ 28 Tn
Market size

OUR STRATEGY

The Housing Finance business is operated across 75 branches across 6 states. The business is strategically aimed at leveraging the synergies of the MSME business and expanding its product offerings to housing aspirants. It has appointed dedicated teams for new business acquisition. A strong credit appraisal framework is in place with finance restricted to the affordable housing segment.

Housing Loan portfolio by geography

- Delhi + NCR **15%**
- Madhya Pradesh **16%**
- Gujarat **22%**
- Rest of Maharashtra **26%**
- Mumbai **10%**
- Rajasthan **11%**

The HFC primarily serves the middle and lower middle-income population in the Tier II and Tier III cities with significant untapped potential for affordable housing. All loans are secured with residential property as security. Post disbursement, loans are monitored on a regular basis to ensure the customers make payments within stipulated times.

Similar to the MSME lending model, a major part of the housing loan products is extended to female borrowers/co-borrowers. As at FY 2019, female borrowers (co-borrowers) stood at 8% of total Housing Finance AUMs.

BORROWER PROFILE

- **Low/middle income group in Tier II & III cities**
- **Self-employed with limited financial documentation and/or first-time homebuyers**
- **Ticket Size: ₹ 2 - 50 lakhs**

PORTFOLIO HIGHLIGHTS

AUM: ₹ 79,265 lakhs

100% Self Origination Model

Customer outreach: 7,855+

Average Tenure: 20 years

Average Loan to Value: 60.30%

Gross NPA: 0.53%

Portfolio Yield: 13.38%

Average Ticket Size: ₹ 11 lakhs

Indirect Lending

CGCL forayed into indirect lending i.e. lending to small NBFC players in FY 2019. This portfolio is 100% self-originated. The lending is primarily to NBFCs with net worth of over ₹ 5,000 lakhs and AUM of ₹ 10,000-15,000 lakhs. The Company follows strict lending parameters and an in-depth analysis of the borrower's case. The loans are fully secured through hypothecation of receivables and/or personal guarantee of promoters/ corporate guarantee of Holding Company. Some of our customers in this segment are fintech based NBFCs, SMEs and Auto-finance companies, who either have a BBB credit rating or are unrated with strong credentials with at-least a 2-3 years old portfolio. CGCL is never the first lender to this category of Borrowers.

BORROWER PROFILE

- **Retail focused NBFCs with net worth of over ₹ 5,000 lakhs**
- **AUM of ₹ 10,000 - 15,000 lakhs**
- **Secured through hypothecation of receivables and/or personal guarantee of promoters/ corporate guarantee**
- **Ticket Size: ₹ 500 - 1,000 lakhs**

PORTFOLIO HIGHLIGHTS

AUM: ₹ 13,877 lakhs

100% Self Origination Model

No. of customers: 12

Average Tenure: 24 months

Gross NPA: Nil

Portfolio Yield: 15.12%

Average Ticket Size: ₹ 733 lakhs

Success stories

Making our customers' world a brighter place

When Prem Chand came to us, he had a humble dream of opening his own general sore. We processed his request of a loan of ₹ 18.86 lakhs, and so his store began! After 15 timely repayments using EMIs, Prem Chand came again. We were happy to see his growth and that he has chosen us again to help his business grow further. He now intended to purchase another land nearby and open one more general store outlet. His son had come of age and now he would be running his father's existing shop while his father sets up the new one. The purchase would require us to sanction another loan for ₹ 8 lakhs. Prem Chand now has two shops running!

Mr. Arun Kumar is our existing customer with 22 MOB smooth repayment. We had already funded him ₹ 7.31 lakhs. After successful returns from his previously funded investment, he is opting for another loan with us of a total amount of ₹ 10 lakhs. The proposed fund would be utilised for the expansion of his business. He will purchase stock of cosmetic items and utensils. The funds would also be utilised for construction and renovation on his residential property.

Mr. Lalu Ram had a vision of expanding his plastic manufacturing business and increasing employment opportunities on the go. His passion for creating value for all coincided with our ideals. After thorough assessment of his request and background, it was clear that he needed our prompt assistance. Thus, we financed a loan of ₹ 30 lakhs and laid the infrastructural foundation of what is now a self-sustaining plastic manufacturing firm, by the name of 'Jai Shree Plastics'. It gives us immense pleasure to look back upon the greater good which our products have created. Enabling over 60% of our customers to take their first step towards glory by being their first lenders ever, helps us push harder towards the vision of absolute financial inclusion, which we keep at our core.

CSR initiatives of CGCL

Brightening the lives of the community

At CGCL, we believe in partnership.

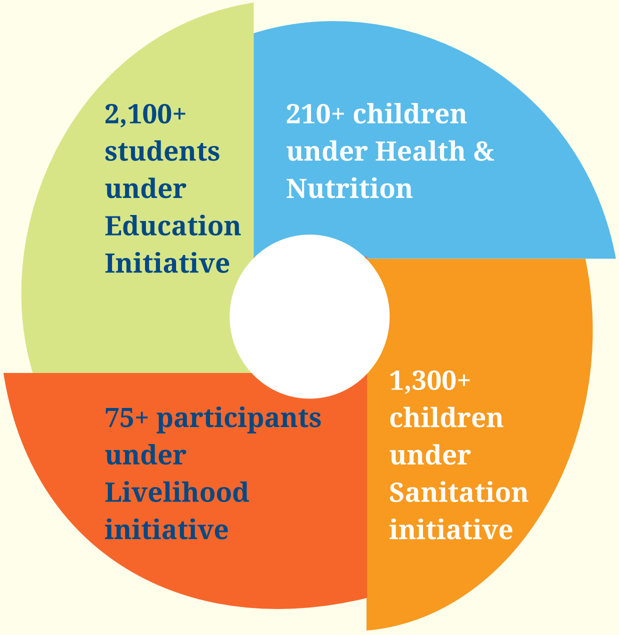
We join hands with people, communities and different stakeholders who share similar values and ethics.

We believe that working together creates a bigger impact.

We have always created a band of incredible opportunities for the community through the window of our CSR activities. We have reached the masses for the betterment and progress of their lives. This is our small effort to sow the seeds of sustainable development for the future of our country.

At CGCL, our mission is to strive towards making a growing contribution in improving social equity for sustainable growth through empowering marginalised section of communities and nation at large.

In tune with our mission, we focus our efforts on different target groups like children, youth and women. We try to support them for their education, health and livelihood enhancement. We have devised innovative programs to harness social development and help run our business with integrity, responsibility and transparency. This will lead to welfare of our employees, customers and the overall society.



Capri Education
- School adoption program
- Capri scholarship
- Girl child education

Health & Nutrition
- Children accessing nutritious meals along with quality education

Sanitation Program
- 10 Government schools have access to safe sanitation facilities

Livelihood
- 75+ participants, especially girls, from difficult situation

1 CAPRI EDUCATION INITIATIVE

We believe that education is not just learning of the facts but it is the training of the mind. In order to cultivate India's next generation with limited resources, we wish to use this as a powerful tool. By offering quality education, we help build a more tolerant, healthy and well-connected society.

- **Under School Adoption Program**, we focus on inclusive access to quality education as part of our intervention agenda. This means ensuring children of school-going age are in schools and are availing all the necessary educational facilities including quality infrastructure, sanitation facilities and access to learning aids even at the Government schools.
- Scholarships are just one piece in the puzzle of what creates a strong foundation for supporting the students. They are basically the steps of the ladder for their success in pursuing the education and furthermore, completing it. Under **the Scholarship Program**, meritorious students are offered scholarship for higher education.
- **School Assistance Program** provides educational support to all the students including girls from marginalized background. Under the same, they get learning aids and stationary.

Our Reach:
2,100+ students

Capri Education Initiative

2 CAPRI HEALTH & NUTRITION INITIATIVE

We believe that good nutrition is one of the pillars on which health depends. As young children are the future of the nation, our program aims to contribute towards the quality of Health and Nutrition of children from marginalized and inaccessible communities. We believe that delivery of comprehensive nutrition and educational support will only achieve growth milestones among target children who build the future India. We provide the nutritionally enriched food (including breakfast & dinner) along with educational assistance to children with severe malnourishment in Madhya Pradesh and Maharashtra.

Our Reach:
210+ children

3 CAPRI SAFE SANITATION INITIATIVE

One of our key interventions is carved out in line with Swatch Bharat Mission- focused on creating open defecation free (ODF) schools in tribal regions of Maharashtra. We have conducted ground-level, in-house research to identify areas which faced a dire shortage of sanitation facilities, especially for girls. As part of this initiative, full-fledged, user-friendly toilet blocks are constructed in the Government-run schools located in the interior areas of Thane District.

Our Reach:
1,300+ children

महाराष्ट्र दिनमान

सीएसआर फंडातून पिसवली शाळेत उभारणार शौचालय

बांधकामाचे भूमिपूजन माजी उपमहापौर मोरेश्वर भोईर यांच्या हस्ते

कल्याण । प्रतिनिधी

शालेय विद्यार्थ्यांची स्वच्छतेत शिक्षण घ्यावे, त्यांना स्वच्छतेची सवय लागावी यासाठी कॅप्री ग्लोबल कॅपिटल लिमिटेड या कंपनीच्या सी.एस.आर.फंडातून पिसवली शाळेतील मुलांसाठी आणि मुलींसाठी नवीन शौचालय बांधकामाचे भूमीपूजन कल्याण डोंबिवली महानगरपालिकेचे माजी उपमहापौर मोरेश्वर भोईर आणि कंपनीचे व्यवस्थापक निता जोशी यांच्या हस्ते करण्यात आले.

या कार्यक्रमाच्या वेळी मोरेश्वर भोईर यांनी सांगितले की कॅप्री ग्लोबल कॅपिटल लिमिटेड कंपनीने आपल्या सी.एस.आर.च्या फंडातून पिसवली

पिसवली शाळा ही पटसंख्येने मोठी शाळा असूनही इथे अनेक नाविन्यपूर्ण उपक्रम वर्षभर राबवले जातात आहेत. शाळेतील मुले अॅक्टिव्ह असून कलेच्या क्षेत्रात शाळेचे नाव पार अमेरिका, इटलीपर्यंत पोहचले आहे. इथला शिक्षक वर्ग उत्साही आणि मेहनती आहे. आम्ही ही शाळा निवडण्यामागे हे एक कारण असून इथे शौचालयाची नितांत गरज आहे. म्हणून आम्ही इथे हे काम करत आहोत.

– निता जोशी,
व्यवस्थापक, सीएसआर फंड

epaper.esakal.com/FlashClie

सकाळ

पिसवली शाळेत शौचालय सुविधा

कल्याण, ता. १६ : शालेय विद्यार्थ्यांना शालेय जीवनापासून स्वच्छतेची सवय लागावी, या हेतूने कॅप्री ग्लोबल कॅपिटल लिमिटेड या कंपनीच्या सी.एस. आर. फंडातून पिसवली शाळेतील मुलांसाठी आणि मुलींसाठी नवीन शौचालय उभारले जाणार आहे. नुकतेच शौचालयाचे भूमिपूजन माजी उपमहापौर तथा भाजप नगरसेवक मोरेश्वर भोईर यांच्या हस्ते झाले. या वेळी कंपनीच्या व्यवस्थापक नीता जोशी, प्रल्हाद भोईर, विलास भोईर, शाळा व्यवस्थापन समिती अध्यक्ष सविता मिसाळ, विश्वास भोईर, सुनील भोईर, सचिन पाटील, नकुल भोईर, मुख्याध्यापक अजय पाटील, विस्तार अधिकारी प्रेरणा नेवगी, पंडित आचरेकर आदी उपस्थित होते. पिसवली शाळा ही पटसंख्येने मोठी असूनही येथे अनेक नाविन्यपूर्ण उपक्रम वर्षभर राबवले जातात. शाळेतील मुले ही क्रियाशील असून कलेच्या क्षेत्रातही निपुण आहेत, असे मत नीता जोशी यांनी व्यक्त केले.

4 CAPRI LIVELIHOOD INITIATIVE

Capri Livelihood Initiatives endeavour towards the empowerment of youth and specially-able ones from the rural as well as urban communities and creation of sustainable livelihood opportunities. By the side of stipulated course curriculum, emphasis is placed upon activity-based learning. Apart from the preferred trade training for employment, the candidates also get trained and guided on soft skills and behavioural changes with a futuristic view.

Our Reach:
75+ participants

Success Stories

CARVING A BRIGHT FUTURE OUT OF THE DARK PAST: CAPRI LIVELIHOOD INITIATIVE WAY

Kiran, a young lady from Kolkata moved to Mumbai in 2016 to work as a servant. She had left her daughter there with her mother with a small dream to earn a better living in Mumbai. Her only wish was to take good care of her family. As such, it was not long before someone lured and forced her in prostitution.

Her attempts to escape were futile and every attempt came with higher level of violence. After spending six months in living hell, being exploited physically, sexually and emotionally, she was finally rescued by the Police. Then she was transferred to shelter home.

This is where she enrolled for **Capri Livelihood Initiative** - supported vocational training and rehabilitative programme. This opened a new window of opportunity for her and renewed her hopes.

For six months, Kiran actively participated in the Hygiene Technician course supported by **Capri Livelihood Initiative** at the shelter home. After being equipped with the skills, she found a job as a Hygiene Technician in a five star hotel in Mumbai. She found great satisfaction in the job which provided her with a steady income of ₹ 15,000 per month.

Just one month ago, Kiran took a big step forward by leaving the shelter home and took a place on rent. With her income, she could make provision for her daughter's education in Kolkata.

This is the beginning of positive turnaround in her life. While Kiran cannot change her past, she has fought hard to make a brighter future for herself and her daughter.

Board of Directors

Mr. Quintin E. Primo III: Non-executive Chairman

(upto June 1, 2019)

Mr. Quintin E. Primo III is the Founder, Chairman and Chief Executive Officer of Capri Investment Group (CIG) LLC, a real estate investment management firm based in the USA. Since establishing Capri in 1992, he has overseen the firm's origination of approximately $10 billion in real estate equity, debt and structured finance transactions.

Mr. Primo has more than 30 years of real estate investment experience and holds a Master of Business Administration degree from Harvard Business School and a Bachelor of Science degree in Finance, with honors and high distinction, from Indiana University.

Mr Rajesh Sharma: Managing Director

Mr. Rajesh Sharma is a qualified Chartered Accountant. He is the founder of the Company with over two decades of experience in capital market and financial advisory services. Having founded Capri Global Capital, today it has grown into one of India's leading Non-Deposit Taking Systemically Important Non-Banking Financial Companies (NBFC-ND-SI).

Mr. Sharma has rich experience in various aspects of corporate finance, investment banking, merchant banking and asset financing. He is an expert in innovating financial products, designing investment strategies for clients and financial risk management. He has successfully leveraged his expertise and experience to steer the Company's growth and played an instrumental role in making it one of the leading financial services players in India.

Ms. Bhagyam Ramani: Independent Director

Ms. Bhagyam Ramani is a Master in Economics from University of Mumbai with specialization in Industrial and Monetary Economics. She was a Director of General Insurance Corporation of India from 2009 till her retirement in 2012.

Ms. Ramani is currently serving as Independent Director on the Boards of prominent companies including Saurashtra Cement Ltd., Gujarat Sidhee Cement Ltd., Lloyds Metals and Energy Ltd., Tata AIG General Insurance Company Ltd., IDBI Federal Life Insurance Company Ltd., L&T Hydrocarbon Engineering Ltd. L&T Special Steels and Heavy Forgings Private Ltd. and NSE Clearing Limited.

Mr Beni Prasad Rauka: Independent Director

Mr. Beni Prasad Rauka is a qualified Chartered Accountant and Company Secretary. He is Group CFO of SEB Group steering its finance and accounts function for over 19 years. Mr. Rauka is an industry veteran with an extensive understanding of the capital markets and has more than 3 decades of experience of working with merchant bankers, finance and manufacturing companies. He has aided various corporates raise substantive short and long-term funds from debt and equity markets.

Mr Mukesh Kacker: Independent Director

Mr. Mukesh Kacker was an Indian Administrative Service officer with the Government of India for three decades. He holds a Master's Degree in Economics from Harvard University as well as a Bachelor of Science and Master of Political Science from Allahabad University.

As a member of National Highway Authority of India, Mr. Kacker played an instrumental role in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualised the policy on Investment Regions. The Government of India inducted him as Member, Task Force on Infrastructure Development and Mega Projects.

Mr. Kacker also serves as Independent Director on the Board of Arshiya Ltd., DMIC Haryana Global City Project Ltd., DMIC Haryana MRTS Project Ltd.

Mr T. R. Bajalia: Independent Director

Mr. T. R. Bajalia is an Economics Graduate, Cost Accountant and Certified Associate of the Indian Institute of Bankers. He has over four decades of experience in banking industry across various functions. He was an Executive Director with IDBI Bank and Deputy Managing Director with SIDBI. Mr. Bajalia has handled various portfolios including Corporate Banking, Project Appraisal, NPA management and resolution, MSME Funding.

Mr. Bajalia has served as a member of the committee constituted by the Reserve Bank of India for restructuring of SMEs. He was also a member of the CDR empowered group and member of committees relating to the MSME sector constituted by Chambers of Commerce including the Maharashtra Chamber of Commerce, FICCI and CII.

He also serves as Independent Director on the Board of India Steel Works Ltd. Isinox Ltd., Pen India Ltd., India Nivesh Ltd.

Mr Ajay Kumar Relan: Independent Director

Mr. Relan has more than four decades of experience in corporate and investment banking in multiple geographies. He was founder and Managing Partner at CX Partners and he also founded Citibank N.A. in India. He was head of Citigroup Venture Capital International (CVCI), a position he held since the inception of business in India in 1995.

Mr. Relan has worked with several financial firms in multiple geographies, starting with Citi in 1976 and eventually becoming the CEO of a Citi-affiliated brokerage firm, Citicorp Securities & Investments Limited. Mr. Relan has served on the Boards of several reputed Companies. Mr. Relan serves as an Independent Director on the Hindustan Media Ventures Ltd. and HT Media Limited.

Mr. Ajay Relan is Masters of Business Administration (MBA) from the Indian Institute of Management, Ahmedabad and holds a B.A. in Economics from St. Stephen's College, Delhi University, where he achieved the top rank in the University.

Mr Ajit M. Sharan: Independent Director

(Since June 1, 2019)

Mr. Ajit Sharan was a Member of the Indian Administrative Service since 1979. Mr. Sharan has held various senior positions in the State Government of Haryana as well as in the Government of India. He has held the positions of Principal Secretary for Power, Finance, Technical Education and Urban Development in the State. In the Central Government, he was a Joint Secretary in the Department of Banking and Insurance. He was closely associated with the opening up of the insurance sector and the initial reforms. He has also worked as Secretary to the Government in the Ministries of Sports and Ayush. Mr. Sharan has held strategy and leadership positions in the State Government

Mr. Sharan is a graduate of IIT Delhi, Masters in Business Administration from Louisiana State University in the United States and Masters in Development Economics from the University of Wales in UK.

Management Discussion and Analysis

Indian economic review

India has been one of the world's fastest growing large economies of late, with growth averaging about 7% over the past five years. Additionally, India climbed 23 points in the World Bank's ease of doing business Index to 77th place, becoming the top ranked country in South Asia, raking in a more positive image for the country. The total FDI investments stood at ~$33.50 Bn for April-December 2018. Interestingly, India overtook France in 2018 to become the world's 6th largest economy. It is now on its course achieve to 5th position from the United Kingdom this year on way to $3 Tn GDP by 2020. Since 2000, India's share in the global economy has doubled from 1.5% to 3.2%. Per capita income is now nearing $2,000, which is twice the level 10 years ago.

During the year, the Reserve Bank of India (RBI) took measures to ease the liquidity squeeze by injecting a total of ~₹ 500 Bn in the month December 2018. Other regulatory measures such as increased concentration limits for banks' exposure and priority-lending norms were also taken in order to release pressure. During April 2019, the RBI further announced another ₹ 250 Bn liquidity injection through purchase of government securities. The purchase, called as open market operations (OMOs), will be undertaken in two equal tranches with the first one in May 2019. As per the RBI estimates, GDP growth for 2019-20 is projected at 7.2% – (6.8-7.1% in first half of 2019-20 and 7.3-7.4% in the second half). The assumptions are largely on the back of resilient private consumption, fillip from public spending in rural areas and an increase in disposable incomes of households due to tax benefits.

The Goods and Services Tax (GST) collection in March 2019 rose 15.6% from a year ago to hit ₹ 1.06 Tn, the highest since the new indirect tax system took effect on 1 July 2017. The GST mop-up for the whole of 2018-19 stands at ₹ 11.77 Tn. The revenue growth was observed, despite several rate cuts by the GST council during the year. The growth is a clear indication of expansion in manufacturing and consumption.

The Indian rupee has witnessed high volatility this year, falling nearly 14% between April to October 2018. The Indian currency had hit its all-time intra-day low of ₹ 74.45 against the US dollar on 11 October, 2018, making it one of the Asia's worst performers. The investors dumped the local currency in the wake of global developments such as strengthening of the US dollar, high commodity prices especially of crude oil, tighter monetary conditions in the US, coupled with domestic factors such as expanding current account deficit, inflationary pressures and likely fiscal slippages. Besides that, strong demand for the US currency from the importers and foreign fund outflows also weighed on rupee movement. Depreciation in rupee against the US dollar so far is at a five-year high. However in the later half of FY 2019, there were upward spiral signals indicating that the worst might be over for Asia's third-largest economy (for now). The recovery was largely on the ground of softening crude oil prices, sustained selling of the greenback by exporters and banks, and recovery in the Indian equity markets, giving impetus to the local currency.

The non-food bank credit recorded a growth of 13.2% Y-o-Y to ₹ 83.1 Tn in February 2019 as compared to 13.1% Y-o-Y in January 2019 Centre for Monitoring Indian Economy (CMIE). The growth was a result of increase in credit to the large corporates which constitute more than 80% of the total industrial credit. The efforts to resolve stressed assets has been leading to an improvement in credit growth towards this segment. Credit to the priority sector (agriculture, MSMEs, services and housing) also witnessed an upsurge of 9.8% Y-o-Y in February 2019 as against 9.4% Y-o-Y in January 2019.

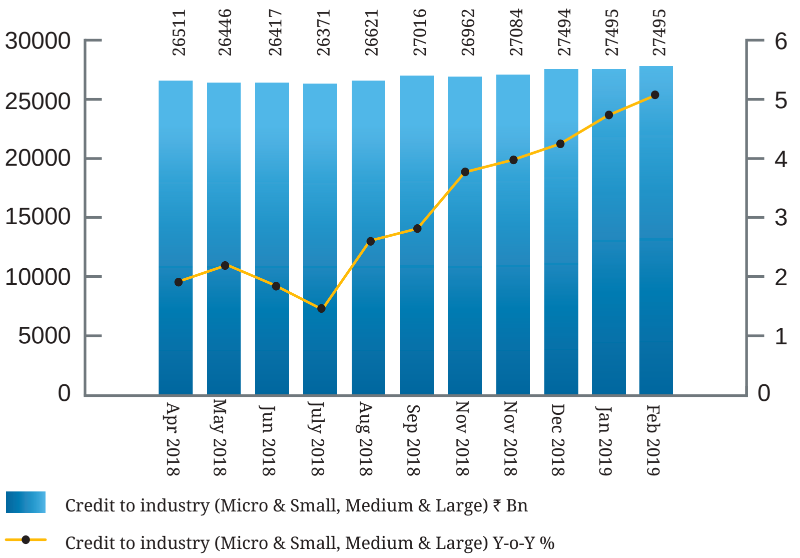
The growth in the credit offload to different segments reflects the subsiding fear of NPAs in both private and public sector banks. Quicker turnaround in credit to NBFCs, despite the temporary liquidity crunch, speaks about the confidence the financial system has on India's key growing segments.

The Government of India's consistent monitoring of the economic progress and its proactiveness has been reflected through its implementation of various structural reforms (Demonetisation, GST and RERA), Bankruptcy Code, ease of doing business and relaxation of FDI norms, among others. On the basis of an assessment of the current and evolving macroeconomic, the Monetary Policy Committee (MPC) decided to reduce the policy repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 6.5% to 6.25%, in February 2019. This was further reduced by 25 basis points to 6% in April 2019. During the interim budget in February 2019, there was an enhanced focus on providing impetus to rural industrialisation, aiding consumption growth and efforts to revive the ailing real estate sector in the coming years.

All these efforts are aimed towards improving financial liquidity, reducing public debt and maintaining controlled fiscal deficit to secure the economy's growth prospects.

In the near term, fiscal consolidation will be further supported by strengthening goods and services tax compliance and further reducing subsidies. Driven by strong manufacturing-led industrial expansion and consumption demand from the private sector, coupled with strong consumption spurred by rising incomes, subdued inflation, and robust remittances should boost economic activity in India. According to the Asian Development Bank, India's growth is set to improve in FY 2020 surpassing a mark of 7.2%.

The Company's performance is highly depended on the functioning of different macro-economic parameters as stated above.



Source: RBI, India Micro Advisors

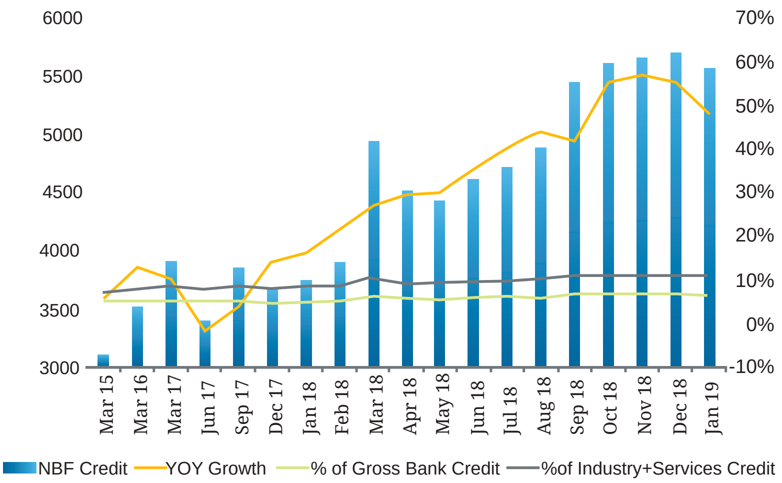
NBFC Industry Review

Current Scenario

The banking system has recorded a robust pace of annual loan growth at ~15% in 2018. The pick-up in the pace of bank credit has been driven by a sharp spike in retail loans and lending to NBFCs. The relative tightening of liquidity is resulting in an increase in the borrowing cost of alternative sources like commercial papers and debentures. This has made bank funding for NBFCs an important medium to maintain liquidity, leading to robust growth of lending to NBFCs at ~50% as of January 2019. Most NBFCs witnessed a 50-100 bps rise in incremental cost of market borrowings led by rising rates of CPs and NCDs and have reverted to bank borrowings to fuel growth.

NBFC's today account for more than one-third of incremental credit in India, and thus, play a vital role in the economy's growth. Over the past

Bank credit to NBFCs



Source: RBI, ICRA Research

few years, NBFCs have been playing an important role in bridging the gap between organized and unorganised lending sphere. In fact, the 5-year CAGR for NBFC credit growth stands at 17.3% vs 10.4% for banks. As a result, the market share of NBFCs in the systemic credit space (non-food) has moved up from 13% in FY 2013 to 18% (excluding FIs and Government owned NBFCs) in FY 2018. If the Government-owned NBFCs are also included, the share of NBFC shot upto more than 25% in FY 2018.

Liquidity Crisis & Impact

The NBFC segment had a challenging fiscal. A liquidity crisis ensued when the NBFCs went on reckless credit expansion, without taking into account the asset-liability scenario. While some of them went bust and out of business in no time, and most others had to run helter-skelter seeking bail-out funds from investors. As a consequence of this default, markets turned cautious on bond financing. Questions were raised on the ability of financial institutions in repaying their short-term commitments. This resulted in a sharp decline in usage of commercial papers, NCDs and other short-term money market instruments as a source of borrowing for NBFCs. A large proportion of borrowings suddenly moved to the banking sector, causing tightening of liquidity and a higher cost of funds. In fact, the gap between bank lending rates and the borrowing rates from the bond market narrowed considerably. According to the data collected by ICRA, the rates for commercial papers for highly-rated NBFCs were closer to 8%, while for others, it was above 9%. Additionally, this liquidity squeeze was accompanied by news of defaults of large corporate groups across various industries in India.

Regulatory changes

RBI has mandated certain policy measures in the recent past for the NBFC sector ranging from partial credit enhancement to harmonisation and co-origination. This has been done to reinforce the view that the NBFCs are crucial for the economy. It also makes it clear that the regulator will keep on taking proactive measures to boost the confidence of the stakeholders in this sector. Even during the turbulent times witnessed in the third quarter, the RBI

relaxed liquidity norms to ease the strain in the financial markets and allowed more bank lending to NBFCs.

Under the new Governor, the RBI recently released a dispensation that incentivises banks lending to NBFCs by easing liquidity norms. To counter the liquidity crunch, the incentives further extended as the RBI increased the ceiling for lending to a single NBFC. Amid this evolving regulatory environment, NBFCs that already have a higher proportion of borrowings from the banking sector and strong asset-liability matches are expected to shine through, especially in the coming tenure of FY 2020.

Outlook

The last quarter of FY 2019 was tad better with improved liquidity for reputed NBFCs. While loan growth picked up in selected retail segments, there was a muted growth in the wholesale lending business. ICRA expects the credit growth to remain moderate at about 15-17% till H1 FY 2020 and revive only in H2 FY 2020. It is further expecting NBFC-retail credit to cross ₹ 10 Tn mark, depending on the improvement of liquidity.

According to the India Ratings and Research (Ind-Ra), NBFC space has a stable outlook, driven by their ability to pass on the rise in funding cost. Ind-Ra further believes that the recent liquidity crisis has given rise to funding challenges. This may prompt NBFCs to overhaul their balance sheets, at least partially, by replacing short-term borrowings with long-term funds.

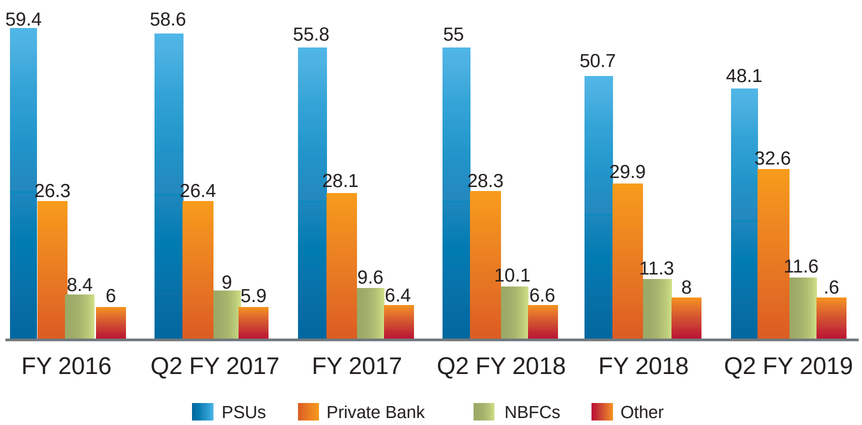
Ind-Ra also predicts some margin pressure for NBFCs, especially the wholesale focused ones, if RBI does increase the rates in FY 2020. However, lending to the priority sector and social schemes are more likely to sustain their strong growth rates.

MSME Financing

Current Scenario

The Micro, Small & Medium Enterprises (MSME) sector has received a lending boost over the past few years, owing to the various schemes announced by the Government of India. The recent Trans Union CIBIL report stated that the MSME Credit exposure was at 35.6% of the overall exposure to businesses in India with MSME Credit accounting for ~ ₹ 24.7 Tn of the total ₹ 105.5 Tn. The report also said that Micro loans i.e. exposure of less than ₹ 1 crore and SME i.e. exposure of ₹ 1 crore - ₹ 25 crore segments constitute ₹ 14.3 Tn credit exposure (24.3% of commercial credit exposure) with Y-o-Y growth of 22.3% and 18.4% respectively.

MSME Market Share (%)



Within this constantly growing MSME Lending segment, the share of NBFCs in credit sanctions to this sector had increased from 8.4% in FY 2016 to 11.6% by September '18.

Spurred by various Government initiatives to facilitate MSMEs across the country, the absolute number of MSMEs in India has grown at over 6% CAGR over the last 10 years.

(₹ in lakhs)

MSMEs	2006-07	2015-16	CAGR (%)
Manufacturing	115.0	196.6	6.1
Services	246.7	437.2	6.6

According to the CII, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities as well as 33.4% of India's manufacturing output. The MSME Lending environment has seen a paradigm shift over the past 3-4 years, from non-institutional, informal lenders to formalised credit. New innovative models of financing have cropped up to bridge the gap between access to formalised credit & lack of formal documentation. The Pradhan Mantri Jan Dhan Yojana has been a major success since its inception in 2014 with over 35.1 crore beneficiaries so far, having deposited over ₹ 95,38,214 lakhs.

With an improved economic environment, following the twin-shocks of demonetisation and GST behind us, the NPA rates in the Micro & SME segments have reduced from 8.7% (Sep'17) to 8.5% (Sep'18) and 11.4% (Sep'17) to 11.3% (Sep'18), respectively, over the last one year, the Trans Union CIBIL report states. The Government's focus on financial inclusion in India has already yielded superior results, but the best is yet to come.

Over the past few years, NBFCs have been growing their loan books at an exponential pace. This was possible due to the flexible operating methods enabled by adoption of technology for loan processing and credit risk underwriting. What came out as a result was a shorter turnaround time (TAT) for processing loans. According to the TransUnion CIBIL reports, this translated into NBFCs taking an average of only 18 days to disburse credit to MSMEs as compared to 31 days for PSU Banks.

Outlook

Recently, the Government of India announced few new initiatives to catalyse growth in the MSME sector. A new loan portal called 'the 59 minute loan', linked to the GST portal, was announced to enable easy access to credit for MSMEs with credit history/documents. Additionally, the Government announced a 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans. In order to drive up business for MSMEs in India, the Government has mandated that public sector companies will now be asked to compulsorily procure 25%, instead of the previous 20% of their total purchases, from MSMEs. Technology has already played a key role in improving access to credit for MSMEs. Continuing this practice of using big data & AI can help more NBFCs to not only target higher growth in MSME lending, but also significantly improve the quality of credit managed by these institutions.

Construction Finance

Current Scenario

Residential real estate sector is in for a revival as more of affordable housing inventory has started hitting the market during the second half of FY 2018. As per the data from National Housing Bank's NHB Residex, the trend across top 11 markets pan India suggests steady assessment prices. According to data from Economic Survey 2018 released by Government of India, the housing inventory stood at 8.08 lakh units by October 2017, witnessing a 10% decline over the previous reported inventory number. CRISIL states that non-housing segment (loan against property, developer funding, corporate loans, etc) remains the fastest-growing segment for HFCs, racking up 30% growth last fiscal. Under the Smart Cities Mission, 99 cities have been selected with a total outlay of ₹ 2.04 Tn ($31 Bn).

Outlook

As per a CARE Ratings report, the affordable housing space in India has a bountiful 6-8 Bn sq. ft. land to offer for developmental opportunity in India over the next 3-4 years.

Ind-Ra expects the NBFC lending growth to the real estate sector to slow down further in the coming years, given the increased risk aversion by NBFCs and their liquidity situation, after slowing down to 37% in H1 FY 2019 (FY 2018: 44%; FY 2017: 65%).

Ind-Ra believes the affordability in FY 2020 would be better than that in FY 2012, if the residential prices remain flat. So far, FY 2019 hasn't observed a noticeable growth in residential pricing, which has resulted in time value correction in prices, leading to improved affordability. Several residential players are expanding their portfolio in the affordable segment, given the favourable policy support such as Credit Linked Subsidy Scheme, lower GST and Tax exemptions. However, timely project execution within cost budget, given lower sales realisation, remains critical.

Companies with completed inventory will be in a better place in terms of offload risk than those with under-construction projects, as the demand is driven by end-consumers who are averse to risks. The interim budget 2019 has revised tax benefits on notional rent of completed inventory to two years from the end of year in which the project gets completed. Also, there is no GST on completed inventory sale, while GST on under-construction projects has been reduced to 1%-5% effective from April 2019 (without input tax credit) from 8%-12%.

Affordable Housing Finance

Current Scenario

The Affordable Housing Finance industry received a much-needed growth impetus from the 'Housing for All by 2022' Scheme of the Government of India. With its launch in FY 2015, the total housing shortage, envisaged to be addressed through the Pradhan Mantri Awas Yojana – Urban was 20 Mn people. In a bid to promote the affordable housing segment, the Government of India launched the Credit-Linked Subsidy Scheme (CLSS). Under this scheme, easy institutional credit is provided to Economically Weaker Sections (EWS), Low Income Groups (LIG) and Middle Income Groups (MIG) households for purchase of homes with interest subsidy credited upfront to the borrower's account through primary lending institutions, effectively reducing housing loans and EMIs. Finally, in FY 2015, the Government defined affordable housing loans as eligible under priority sector lending & in FY 2018, granted infrastructure status to affordable housing.

The sustained support from the Government has allowed the affordable housing industry to thrive in India. According to ICRA, India's mortgage market has been steadily growing at a CAGR of ~15% over the past 8 years. In FY 2019 the mortgage market touched ₹ 19.9 Tn. Despite the steady growth in the formal mortgage market, India's mortgage to GDP ratio remains lowest amongst the key G20 countries, at just about 10%.

Naturally, this has translated into phenomenal growth in affordable housing finance in India. The home loan portfolio of housing finance companies grew at an accelerating pace of 18% Y-o-Y till September 30, 2018. Average loan ticket sizes was around ₹ 25 lakhs, with more than 80% of the home loan portfolio ranging between ₹ 10 lakhs - ₹ 100 lakhs bracket, with better asset quality performance compared to lower and higher ticket sizes.

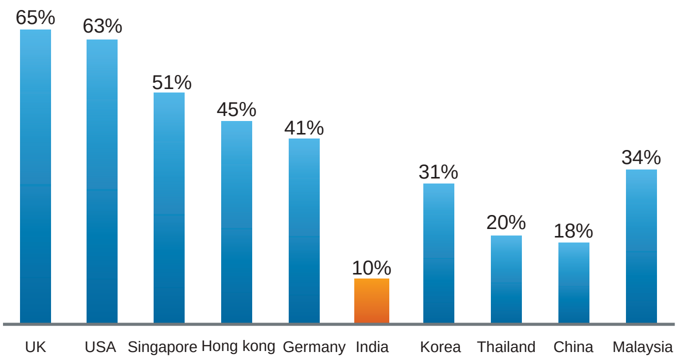
The growth in housing finance companies' AUMs can be attributed to two key factors: First is the ability of

HFCs to tap the massive opportunity in affordable housing, and second is the slower credit growth at banks providing HFCs the room to ramp up faster and continue gaining market share. The ability of HFCs to implement timely collection and recovery efforts in respect of the delinquent loans – repossessing the property wherever necessary, and selling the same in a timely manner ensures controlled NPA. Gross non-performing assets (GNPAs) ratio as on September 30, 2018 was 1.3% (higher than 1.1% as on March 31, 2018).

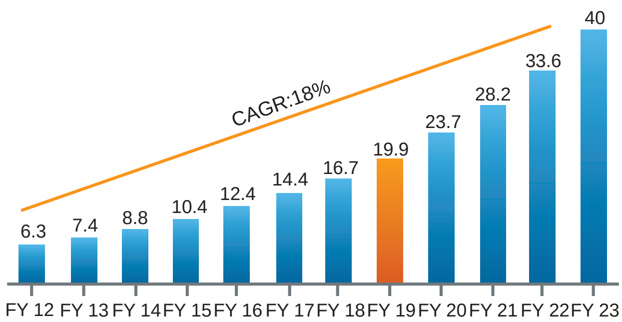
Outlook

According to consulting firm FSG, low-income housing finance is expected to grow at 30-40% over the next five years. Two-thirds of India's population is below 35 years of age with the average age of a first-time homebuyer in India is about 37-38 years. Thus, over the long term, structural demand for housing in India will always remain strong. Overall, HFCs are expected to continue doing well with home loan AUM likely to grow at 18-20% per annum, according to CRISIL. The growth will be driven by Housing shortage in the affordable segment, regulatory facilitation, entry of a large number of HFCs with sharp focus on the affordable segment, among other factors.

Mortgage to GDP Ratio



Mortgage market in India (₹ in Tn)



Source: ICRA: Indian Mortgage Finance Market Update

Performance Highlights

(₹ in lakhs)

Particulars	Standalone			Consolidated		
	2018-19	2017-18	Growth %	2018-19	2017-18	Growth %
Total Revenue	50,409	33,698	49.59	59,130	35,115	68.39
Total Expenses	32,671	22,148	47.51	40,461	24,291	66.57
Profit Before Tax (PBT)	17,738	11,550	53.58	18,669	10,824	72.48
Profit After Tax (PAT)	12,868	7,234	77.87	13,566	6,490	109.03
Assets Under Management (AUM)	3,31,057	2,61,279	26.71	4,10,322	2,85,966	43.49
Earnings per Share (₹)	7.35	4.13		7.75	3.71	
Net Worth	1,35,147	1,22,713	10.13	1,38,268	1,25,165	10.47
Net Interest Income	29,301	21,617	35.55	32,364	22,518	43.72
Net Interest Margin %	9.89	9.76		9.30	9.62	
ROA %	4.07	3.05		3.74	2.61	
ROE %	9.98	6.06		10.31	6.13	
GNPA %	1.69	1.68		1.47	1.55	
NNPA %	0.62	0.60		0.53	0.55	

Despite the lending environment being marred by a liquidity crisis & apparent slowdown, FY 2019 proved to be a good year for Capri Global Capital Limited. On standalone basis,the total income for the year stood at ₹ 50,409 lakhs, reflecting a growth of 49.59 % over the last year. This was largely led by an increase in interest income and processing fees due to 26.71% growth in the Company's loan book and 16.36% growth in disbursements at ₹ 1,81,755 lakhs during the year.

The growing order book was supported by prudent risk management, ensuring gross NPA's below 1.69% and Net NPA's at 0.62% which is lower than industry averages, reflecting the Company's strict appraisal and due diligence process.

In FY 2019, Profits After Tax stood at ₹ 12,868 lakhs, 77.87% higher from the last year. The total expenses viz. interest, employee and administrative cost also increased due to higher growth and expansion in branch network from 66 to 84.

CGCL's asset-liability franchise remains strong, balanced and well-proportioned. The Company is well positioned in meeting its short term and medium term obligations. Borrowings are primarily sourced from private and public sector banks at ₹ 2,04,596 lakhs as on March 31, 2019, while exposure to commercial papers is Nil.

The Company's net worth stood at ₹ 1,35,147 lakhs as on March 31, 2019 and capital adequacy at 34.19% remains well above the regulatory minimum requirement of 15%.

On a consolidated basis, the gross revenue has grown by 68.39% in FY 2019 to ₹ 59,130 lakhs and the PAT increased by 109.03% to ₹ 13,566 lakhs due to increase in AUM to ₹ 4,10,322 lakhs, better disbursements, better realisations and lower GNPA's at 1.47% and NNPA's at 0.53%, respectively.

MSME Finance

This segment continues to be CGCL's key growth driver, contributing

48% to the total loan book of the company.

CGCL expanded to 84 locations in FY 2019, from 66 locations last year. New branches were added in the Tier II & III cities, largely in Gujarat, Maharashtra, and Haryana. The MSME segment's AUM has grown by 26% in FY 2019 to ₹ 1,97,088 lakhs. This segment continues to be CGCL's key growth driver, contributing 48% to the total loan book of the company.

All the incremental loans sanctioned in FY 2019, in the MSME segment, were sourced directly by the company, thus moving away from third-party agencies. This has allowed delinquencies in the MSME segment to be contained at below 0.62% for the year. 100% self loan origination also allows the company to develop and maintain a stricter risk mitigation framework and easier post-sanction monitoring of loans.

CGCL has been moving towards a granular loan book and has reduced its average ticket size of loans to ₹ 15 lakhs. The company continues to maintain a loan-to-value of ~48% on the MSME book, with all the loans being secured by the customer's self-owned residential or commercial property.

Outlook

CGCL has a two-pronged approach to sustainable AUM growth in the MSME space: increasing productivity per head of its existing sales personnel and branch expansion. Training sessions are underway to increase productivity of sales personnel while maintaining a good-quality book. The company is also in process of expanding its branch network to other Tier II & III cities in India.

In order to reduce TAT as well as incremental costs, the company is relying heavily on technology. CGCL is in process of developing internal software and control systems, which offer mobility solutions to the sales personnel and estimate probability of default by analysing the application score card.

KPI's of 2018-19

₹ 1,97,088 lakhs, +26%
Book Size

₹ 77,166 lakhs, +4.54%
Disbursements

₹ 15 lakhs
Average Ticket Size

84
Branches

Construction Finance

CGCL's approach towards construction finance is based on a retail model, and this has allowed our construction finance AUM to grow by 27% in FY 2019, standing at ₹ 1,19,972 lakhs. This growth is coupled with maintaining lowest-in-industry gross NPAs at 0.14%. This has been made possible by our strict lending parameters, through which we only finance developers

in the affordable housing segment, with a preference given to Tier I cities & Tier II cities exhibiting high employment rates. Accordingly, CGCL's construction finance business is focused on 11 cities in India.

To ensure prudent risk mitigation, the Company's strategy is to reach to a larger number of accounts while reducing the average ticket sizes. Ticket size in construction finance in FY 2019 stood at ₹ 822 lakhs as compared to ₹ 972 lakhs in FY 2018.

Outlook

With the real estate market gradually making a comeback in India, affordable housing is a front-liner. CGCL will expand its outreach within this segment to capture a larger number of developers in its existing market, while at the same time expanding its presence to newer cities in India. This segment will continue to contribute ~30% of the Company's consolidated loan book.

KPI's of 2018-19

₹ 1,19,972 lakhs, +27%
Book Size

₹ 87,765 lakhs, +8%
Disbursements

₹ 822 lakhs
Average Ticket Size

5
Branches

Housing Finance

CGCL, through its subsidiary has been gradually expanding its reach within the affordable housing segment since its launch in 2016. Branch network within this segment was expanded to 75 locations & the Company is using its existing MSME segment expertise to source

incremental loans within this space. Accordingly, FY 2019 AUM within housing finance stood at ₹ 79,265 lakhs, up by 222% from last year.

Keeping in line with the industry averages, delinquencies in the housing finance space remain contained at 0.53% due to CGCL's strict risk mitigation framework and prudent post-sanction monitoring of loans. The Company only lends to the affordable housing segment and to the customers applying for self-stay. Average ticket size in this segment stood at ₹ 11 lakhs for FY 2019. The Company continues to maintain a loan-to-value of ~60.30% on the housing finance book.

Outlook

CGCL's housing finance business will be a key growth driver for the company in the coming years. With the operating leverage kicking in, productivity of sales personnel will

KPI's of 2018-19

₹ 79,265 lakhs, +222%
Book Size

₹ 50,906 lakhs, +316%
Disbursements

₹ 11 lakhs
Average Ticket Size

75
Branches

increase significantly and the cost will be kept under control. While the Company is focussed on expansion of branch network to new geographies as well, the Company ensures to maintain a strong quality book.

Focus on Technology

At CGCL, we have always made it a point to deploy state-of-the-art digital infrastructure, which will support new loan acquisition while keeping the Company's costs under control. During FY 2019, the Company continued to harness technology to develop a faster, safer and better risk mitigation framework.

Human Resources

CGCL's human resources uphold the organisation and make its journey towards success smoother. With involvement from customer acquisition to risk mitigation to collections, customer servicing, monitoring, and every operation, CGCL's HR department has enabled employees to deliver their best.

CGCL continues to emphasize on capability building, keeping the future in mind. The Company has made rigorous efforts to ensure that employees can handle challenges of future, while staying abreast with the functional domain knowledge of the Non-Banking Financial services industry. It also focuses on providing opportunities to each employee to grow and utilise their complete potential. Some key focus areas in 2018-19 were:

Recruitment: There is nothing as powerful as the unanimous voice of a brand which lies in the collective strength of its employees, who at CGCL work as our brand ambassadors. Capri has 1,891 employees with a large spread of their own social and professional network, further growing the Capri network of influence. With the employees trust in the brand, we are able to attract and retain talent.

The most important detail we look at is the quality-of-hire. A referred candidate is a preferred candidate because of their well-proven performance track record. A successful referral assures an employee about their prospects with the future company they are applying for, and not only do they tend to stay longer after the referral, but they are more engaged as well. It's the most cost-effective method of hiring a strong candidate. Not to forget that referral systems save a lot of time in on – boarding formalities.

The real key of getting a lot of referrals is the unique culture at CGCL, which has built faith and a homely vibe with our employees. The trend has shown a near-double increase of 62% in employee reference in FY 2019 compared to last financial year's 38%.

Training and Development:
Employees decide the narrative of a brand. The ones running our business goals are the most valuable asset to our organisation. In the FY 2019, we continually invested in developing the talent on board to make sure each sales personnel was performing at their best capacity. As development plans for leaders were part of the T&D objective this year, we kick started these plans with 360 degree assessment. The objective of this assessment was to raise self-awareness and strengthen the understanding of leadership competencies, which are important to success in one's role.

The other key focus area this year was to strengthen the knowledge base of our sales and credit employees and promote sharing of ideal practices in branches. This was achieved through interactive classroom based sessions conducted in each state for our branch manager and above hierarchies. These sessions covered functional topics like product, fraud control, legal and technical valuations through interactive formats of role plays and quizzes. It was also crucial to focus on our credit executives and front line sales employees for whom specially customised app based modules were launched this year. This app provides every bit related to their job roles in a gaming format, thus ensuring a dose of information while also being appealing. The objective of these app based modules was to enhance their knowledge on Company's products & policies so that they were well-equipped while dealing with customers.

Employee Engagement Initiatives:
CGCL believes in inspiring the employees to their highest potential and engaging them in cultural and festive activities. In FY 2019, there were countless engagement activities on occasions of Diwali, Independence Day, Navratri, Holi, Friendship's day, and Christmas Celebration, to name a few. Navratri week was celebrated with full fervour at all the branches wherein the best performances were rewarded too. Capri has always believed that women can pen down their own success stories and to celebrate the spirit of womanhood female employees were gifted customised pens and cards. To inculcate the spirit of friendship within co-workers, Capri celebrated Friendship's day with a contest; again, awarding the best entry. Capri had endorsed the employees for Team games during celebrations of Diwali to inculcate the attribute of Team spirit amongst all.

Performance Driven Environment:
Recognition and appreciation at workplace goes a long way in motivating the employees to work even harder and better. Employees who are associated with Capri for more than 5 years were acknowledged and celebrated, along with quarterly and yearly awards based on employees' performances. Our performance appraisal systems have been designed to recognise and reward exceptional performers.

Highlights

- Headcount grown by **38%** in terms of Manpower i.e. we have grown from **1,368** to **1,891**
- CGCL has a young and dynamic workforce with an average age of **32 years**
- At the closing of the FY 2019, **27%** increase in Branch network i.e. from **66** to **84**
- Employee referral percentage has increased from **38%** in FY 2018 to **62%** at the closing of FY 2019
- Attrition for FY 2019 stands at **12%** much below the industrial levels

Risk Management

The Company has a well-defined and elaborate Risk Management framework, which is based on three integral pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. The Risk Management Committee monitors and mitigates the key risks that may arise in the various business segments.

The Company has Board approved Credit and Risk Management Policies, wherein all material risks faced by the Company are identified and assessed. The Company has also set up a policy framework for ensuring better management of its asset & liability profile.

The Risk Management framework of CGCL seeks to minimise adverse impact of risks on the key business objectives, and enables the Company to leverage market opportunities effectively. During the year, the Risk Management Committee reviewed the risks associated with the business of the Company, its root causes, and the efficacy of the measures taken to mitigate the same.

The Company has identified the following key risks across all the business verticals and management, for which there are appropriate mitigation strategies put in place.

Credit risk

The most common risk faced by any lending institution is the inability on the part of the borrower to repay the loan. The delinquencies may result in monetary losses, higher bad debts, and deterioration of capital adequacy.

Mitigation Strategy: CGCL has stipulated prudent lending policies for each of the business vertical, considering the risk involved with different products and customer profiles. The Company has designed a robust and dynamic credit appraisal system to minimise the probability of default. Its credit appraisal system involves identification and selection of genuine borrowers, using Bureau scores and physical verification of customer's repayment ability. The Company also conducts reference checks of the borrower's overall goodwill and integrity in the market. This is followed by a thorough assessment of the potential customers' soundness of business and long-term viability by analysing cash flows. All loans are fully secured via borrowers' property mortgages and the Company has first and exclusive charge on collateral property. CGCL adopts rigorous follow-up exercises after disbursal for timely recovery of instalments of principal & interests. All the critical processes are manned and managed by in-house resources with clearly defined escalation matrix for approval.

Considering the increased incidence of fraud in the financial sector, Company has put in place an in-house Fraud Control Unit, who come with expert knowledge in fraud detection and forensic analysis of documents, as to detect and eliminate potential frauds being committed on the Company.

Operational risk

Operational Risk is the risk of possible losses, arising due to lack of proper flow in the Company's tasks. Such situations are unavoidable if there is inadequacy in the controls over the internal processes, people, and operations of the Company. Operational lapses could lead to adverse impact on profitability and more importantly, the sustainability of the business in the long-term.

Mitigation Strategy: CGCL has state-of-the-art technology-based process flow and operational control system, and a responsive customer portal for enhanced efficiency and deeper engagement with the customers. The Company's internal control infrastructure is well-aligned with its underwriting , monitoring, and collection process, which is managed by a highly trained competent team. The Company is actively using Insurance as risk transfer tools in areas of fire and theft of assets of the Company, as also towards Directors' and Officers' liabilities.

Liquidity risk

Liquidity risks emanates from the gaps in financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds, especially so during times of crises.

Mitigation Strategy: CGCL has a dedicated treasury team to manage liquidity. There is a daily monitoring of fund availability and deployment. Reports are submitted to ALCO members and are used to make relevant liquidity forecasts on quarterly basis for next six months. Given the current NBFC operating environment, CGCL has nil exposure to commercial papers. Over 95% of the Company's total borrowing requirement is fulfilled by the banking sector. CGCL's capital adequacy ratio continues to be high at 34.19%, putting CGCL in a strong position to mobilise funds, which will allow an unhampered business growth in the future.

Portfolio concentration risk

This category of risk is associated with the concentration of credit in a particular segment of borrowers, products or geography. Skewed exposure in one particular sector may result in losses, if the sector does not do well. It affects the quality of the asset-book and assessment by financing institutions.

Mitigation strategy: CGCL's key competitive advantage lies in its ability to build a de-risked portfolio with exposure to multiple sectors, wider geographies and varied customer profiles. The MSME segment with its high untapped potential is the largest contributor to CGCL's total portfolio, but at the same time Construction Finance also contributes to a generous section of total portfolio. Each lending segment has varied customer profiles and CGCL focuses on smaller ticket sizes coupled with larger number of customers.

CGCL has spread its business across various geographical terrains, with the aim of fair risk distribution. The

Company's expansion plan always envisages the risk involved v/s new business opportunities while selecting a potential location for expansion.

Strategic & business risk

It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions. Lack of timely response to such unforeseen conditions can lead to major ups and downs in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of spreads available, slowdown in customer segments are some of the potential business risks faced by the Company.

Mitigation Strategy: The Company's strategy, business and risk teams keep a track of key economic trends, sector developments and market competition, which allow the Company to take well-informed and in-time strategic decisions. CGCL customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. Business issues, which are of strategic importance, are referred straight to the Board. The Board consisting of members with rich experience in their respective fields, involves itself in intense brainstorming sessions to evaluate the challenges and design relevant strategies, which help the Company in tackling the business uncertainties and avoiding business disruptions.

Interest rate risks

Volatility in interest rates can have a negative impact on the borrowing costs of the Company, leading to decline in interest income and net interest margins. This can cause a mismatch on the Company's asset –liability position, leading to lower profitability and lower returns.

Mitigation Strategy: Interest rate movements are tracked and reviewed by ALCO on quarterly basis, thus allowing, the base lending rate i.e. LTRR to be fixed. Most of the Company's portfolio is built on floating interest rates, but at the same time, CGCL also adopts blended interest rates' structure. Interest rates are primarily market driven and CGCL's interest risk strategy is well-adept to the changing market dynamics.

Regulatory & Compliance risk

CGCL is a systematically important non-deposit taking NBFC, under the regulatory supervision of the RBI. Being a listed entity, CGCL is required to comply with regulations, directions issued by Securities & Exchange Board of India (SEBI).

Mitigation Strategy: CGCL has a separate compliance department, headed by a Senior Personnel. The Company keeps itself in touch with all recent developments and changes in the regulatory framework/ guidelines to ensure a timely, effective and proper implementation of the amendments. CGCL diligently complies with Capital Adequacy Norms, Fair Practice Code, Asset Classification, KYC/PMLA Guidelines, Provisioning Norms, Corporate Governance framework, Timely Reporting with RBI /SEBI /Stock Exchanges/ Ministry of Corporate Affairs, among others to ensure a comprehensive Zero Tolerance Compliance framework. This is continuously reviewed and monitored by a robust Internal Audit framework.

Internal Control Systems and their adequacy

CGCL has well-equipped internal control systems in place, adequate for the size of the Company and the nature of its business. The primary function of our internal control systems is to ensure efficiency in business operations, safeguarding of company's assets, adherence to policies and procedures, protecting and detecting errors and frauds, strict compliance with applicable laws and the reliability of financial statements and reporting.

The policies, processes and system controls are clearly defined for all critical areas on principles of duty-segregation. This comes with an inbuilt maker-checker approach, well- defined risk and control matrix, and periodic reviews to check efficacy of implementation.

An extensive program of internal audits, and regular reviews by the Audit Committee is carried out to ensure compliance with the best practices. Internal controls' task of financial reporting is conducted with highest caution and precision, in transparent manner. Internal Audits are conducted at regular intervals to assure the management of fair transactions, as per set policies and processes. Efficacy of internal control systems are tested periodically by Internal Auditors and internal control over financial reporting is tested and certified by Statutory Auditors.

Statutory Reports

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a standalone and consolidated basis, for the Financial Year ("FY") 2018-19 as compared to the previous FY 2017-18 is given below:

(₹ in lakhs)

Particulars	**Standalone**		**Consolidated**	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Total Revenue	50,409.30	33,697.59	59,129.94	35,114.66
Less: Operating Expenses & Provisions	15,194.74	12,070.83	19,086.61	13,996.48
Profit before Interest, Depreciation & Taxes (PBIDT)	35,214.56	21,626.76	40,043.33	21,118.18
Less: Depreciation	487.86	570.24	664.23	622.49
Less: Interest & Finance Charges	16,989.11	9,507.00	20,710.25	9,671.88
Profit Before Tax	17,737.58	11,549.51	18,668.86	10,823.81
Less: Provisions for taxation	4,869.75	4,315.19	5,102.56	4,333.79
Profit After Tax (PAT)	12,867.83	7,234.32	13,566.30	6,490.02
Profit After Tax (PAT) including Other Comprehensive Income	12,872.52	7,245.45	13,568.37	6,501.69
Statutory Reserve	2,580.00	1,880.00	2,720.00	2,091.00
Earnings per Share (EPS) (₹)	7.35	4.13	7.75	3.71
Net Worth	1,35,147.08	1,22,712.92	1,38,267.92	1,25,165.06
Loan Book / Assets Under Management (AUM)	3,31,057.38	2,61,328.02	4,10,322.32	2,85,966.05

Results of Operations and State of Company's affairs

During the year under review, the total revenue of the Company was ₹ 50,409.30 lakhs as compared to ₹ 33,697.59 lakhs during the previous year, an increase of 49.59%, while the Profit After Tax was ₹ 12,867.83 lakhs as compared to ₹ 7,234.32 lakhs of the previous year, an increase by 77.87% and Profit After Tax including OCI was ₹ 12,872.52 lakhs as compared to ₹ 7,245.45 lakhs of the previous year, an increase by 77.66%, due to higher disbursements, better control over the NPAs and negligible write-offs during the year.

During the year under review, your Company has grown both the business verticals with greater emphasis on acquiring small ticket sized customer. The loan book grew to ₹ 3,31,057.38 lakhs from ₹ 2,61,328.02 lakhs of the previous year, an increase by 26.69%.

The loan portfolio of MSME business has grown by 26.40% to ₹ 1,97,087.77 lakhs (previous year ₹ 1,55,923.35 lakhs) and the number of customer loan accounts have increased to 11,000 plus from 5,731 with average ticket size of ₹ 15.00 Lakh (previous year ₹ 26.00 lakhs). Construction Finance business loan portfolio (including indirect lending) has grown by 26.98% to ₹ 1,33,849 lakhs (previous year ₹ 1,05,404.67 lakhs). Number of customer loan accounts of construction finance has increased to 146 from 98 with average ticket size of ₹ 822 lakhs (previous year ₹ 992 lakhs).

The Company along with its housing finance subsidiary increased its reach to 84 locations spread over 8 states during the year as compared to 66 locations spread over 8 states of the previous year.

The Company had adopted a strategy of going more granular and has focused on sourcing small ticket size loans in all its verticals, spread over wider geographical area during the year under review. This has led to lower loan average ticket size resulting in better control over delinquencies and better risk spread in the medium to longer term.

The Gross NPA of the Company stood at 1.69% and the Net NPA was at 0.62% as of March 31, 2019, which is well within the industry averages.

The gross revenue on consolidated basis has grown by 68.39% to ₹ 59,129.94 lakhs from ₹ 35,114.66 lakhs of previous year, the consolidated PAT increased by 109.03% to ₹ 13,566.30 lakhs from ₹ 6,490.02 lakhs of previous year, and the consolidated PAT including OCI increased by 108.69% to ₹ 13,568.37 lakhs from ₹ 6,501.69 lakhs of previous year.

First-time adoption of Ind AS

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013 ('Act'), the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2018, with comparative financials for the earlier period beginning April 1, 2017.

For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening balance sheet is April 1, 2017.

The company has made available a note explaining the areas of difference between Indian GAAP and Ind AS and explained the reconciliation between the two GAAPs, in the notes forming part of accounts.

Share Capital

During the year under review, the Authorised Share Capital of the Company stood at ₹ 7,200 lakhs. The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2019 was ₹ 3,502.70 lakhs consisting of 17,51,34,805 Equity Shares of ₹ 2 each. During the year under review, the Company has not issued shares.

Dividend

The Board of Directors of your Company are pleased to recommend a final dividend of Re. 0.36 per Equity Share (₹ 2/- paid-up per share) for the financial year ended on March 31, 2019. The dividend on Equity Shares, if approved by the shareholders at the 25th Annual General Meeting, would amount to ₹ 760.11 lakhs (inclusive of dividend distribution tax amount of ₹ 129.63 lakhs) and will be paid to those members whose names appear on the Register of Members of the Company as on Friday, July 26, 2019.

Transfer to Reserves

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. The Company proposes to transfer ₹ 2,580.00 lakhs (previous year ₹ 1,880.00 lakhs) to Statutory Reserve created and no amount is proposed to be transferred to General Reserve.

Capital Adequacy Ratio

Your Company's Capital Adequacy Ratio (CAR), as of March 31, 2019, stood at 34.19% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

Bank finance

Your Company raised funds for its working capital and business requirements from various banks and had sanctioned facilities of ₹ 2,68,500 lakhs as compared to ₹ 1,98,500 lakhs during the last year.

The total amount of bank loan outstanding as on March 31, 2019 was ₹ 2,04,192 lakhs as against ₹ 1,20,898 lakhs on March 31, 2018.

During the year under review, your Company maintained banking relationships with 19 banks.

Fund Raising Through Issue of CP

During the year under review, your Company raised ₹ 2,500 lakhs through issuance of Commercial Paper (CP) (previous year ₹ 45,500 lakhs).

Credit Rating

During the year, Credit Analysis and Research Ltd. ("CARE") has re-affirmed ratings with respect to the bank facilities availed by the Company, as follows:

Sr. No.	Nature of Borrowings	Amount (₹ in lakhs)	Rating
1	NCDs	30,000	CARE A+; Stable (Single A Plus; Outlook: Stable)
2	CPs	35,000	CARE A1+(A One Plus)
3	Long Term Bank Facilities	4,50,000	CARE A+; Stable (Single A Plus; Outlook: Stable)

Furthermore, new ratings were assigned by Brickwork Rating India Pvt. Ltd. and Infomerics Valuation and Rating Pvt. Ltd. (Infomerics) to the bank loan facilities and debt facilities (existing and proposed) of the Company.

In September 2018, Brickwork Rating India Pvt. Ltd. assigned rating with respect to the bank facilities availed by the Company, as follows:

Sl. No.	Instrument/ Facility	Amount (₹ lakhs)	Rating
1	Cash Credit	12,000	BWR AA- (Pronounced as BWR Double A Minus) Outlook - Stable
2	Term Loans - Existing	2,50,000	

In February 2019, Infomerics assigned rating with respect to the bank facilities availed by the Company, as follows:

Sl. No.	Instrument/ Facility	Amount (₹ lakhs)	Rating
1	Cash Credit	12,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
2	Term Loans	4,38,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
3	Non-Convertible Debentures	30,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
4	Proposed Commercial Papers	35,000	IVR A1+ (IVR A One Plus)

Unclaimed Dividend and Unclaimed Shares

Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your company furnished a statement / information through Form IEPF 2 to the Ministry of Corporate Affairs, of the unclaimed dividends amounting to ₹194,542.20 as on date of holding of Annual General Meeting i.e. August 02, 2018. During the year under review, no amount of unclaimed dividend was due for transfer to Investors Education and Protection Fund (IEPF) and correspondingly no shares were due for transfer. As at the end of the year under review, IEPF is holding 35,615 shares of the Company.

Management Discussion and Analysis

The Management Discussion and Analysis report for the year under review as required under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is provided as a separate section forming part of the Annual Report.

Subsidiary Companies

As on March 31, 2019, the Company had the following subsidiaries:

1. Capri Global Housing Finance Limited;
2. Capri Global Resources Private Limited;
3. Capri Global Asset Reconstruction Private Limited;
4. Capri Global Capital (Mauritius) Limited.

Performance and financial position of subsidiary companies

Capri Global Housing Finance Limited ('HFC') primarily serves the housing loan needs of middle and lower-income families, classified as affordable housing. The HFC has earned a Profit After Tax of ₹ 698.24 lakhs as compared to loss of ₹ 697.10 lakhs of the previous year. HFC achieved loan book size of ₹ 79,264.94 lakhs in its second full year of operations as compared to ₹ 24,638.03 lakhs of the previous year.

Capri Global Resources Private Limited has incurred a loss of ₹ 8.15 lakhs during the year as compared to the loss of ₹ 43.68 lakhs in the previous year.

Capri Global Assets Reconstruction Private Limited has earned an income of ₹ 11.30 lakhs during the year as interest on fixed deposits during the year under review. It has not carried on any business during the year.

Capri Global Capital (Mauritius) Limited was incorporated on January 30, 2018 as a wholly owned subsidiary of the Company with the objective of undertaking fund management business. Capri Global Capital (Mauritius) Limited has incurred a loss of ₹ 2.94 lakhs during the year. It did not start any business during the year.

As required under Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statement of the subsidiaries is appended as Annexure - I to the Consolidated Financial statement.

In accordance with the provisions of Section 136 of the Act, the annual financial statements and related documents of the subsidiary companies are placed on the website of the Company viz.www.capriglobal.in

Shareholders may download the annual financial statements and detailed information on subsidiary companies from the Company's website or may write to the Company for the same. Further, the documents shall be available for inspection by the shareholders at the registered office of the Company.

All the subsidiaries are wholly owned by the Company.

Investment in subsidiaries

During the year under review, the Company infused ₹ 10,000 lakhs in the capital of Capri Global Housing Finance Limited by subscribing to its equity shares.

Material subsidiaries

There are no material subsidiaries of the Company during the year under review. However, the Board of Directors of the Company has framed a Policy for determining Material Subsidiaries and the same is available at: https://www.capriglobal.in/policies/

Directors' responsibility statement

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, the Board of Directors of the Company, to the best of their knowledge and belief, confirms that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;

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

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal financial controls

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors and Internal Control over financial reporting is tested and certified by Statutory Auditors.

Reports on Corporate Governance

In terms of Regulation 34 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year under review is forming part of the Annual Report. The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.

Particulars of contracts or arrangements with related parties

The Board of Directors have formulated a Related Party Transactions ("RPT") Policy, which is also available on the Company's website at : https://www.capriglobal.in/policies/

This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval.

All RPTs that were entered into during FY 2018-19 were on arm's length basis and were in the ordinary course of business. There were no materially significant RPTs made by the Company with Promoters, Directors, KMP or Body

Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPT as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention of the Members to Note No. 42 to the Financial Statements which sets out details of related party transactions.

Corporate social responsibility

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ('CSR') Committee. The composition and terms of reference of the CSR Committee areprovided in the Report on Corporate Governance.

The Company has also formulated a CSR Policy which is available on the website of the Company at : https://www.capriglobal.in/policies/

As part of its CSR initiatives, the Company has undertaken multiple programmes covering areas of education, livelihood development, healthcare and sanitation during the year. The projects undertaken during the year are in accordance with Schedule VII of the Act and the CSR Policy of the Company. Further, details on the prescribed CSR spend under Section 135 of the Act and the amount committed and spent during the year under review is provided in the Annual Report on CSR activities annexed to this report and marked as **Annexure I**.

Risk management framework

The Board of Directors had constituted Risk Management Committee ('Committee') to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks in addition to the Assets Liability Management Committee (ALCO). The Company and its subsidiaries have a risk management framework and the Committee on timely basis informs the Board members about risk assessment and minimization procedures which in the opinion of the Committee may threaten the existence of the Company, if any.

The details of the functioning of the Risk Management Committee and ALCO and its frequency of meetings are provided in Report on Corporate Governance forming part of this Annual Report. The Company follows a proactive risk management policy, aimed at protecting its assets and employees while at the same time ensuring growth and continuity of its business. Regular updates on the development in the business environment and the risk mitigation initiatives are provided to Board at its meeting.

A detailed discussion on the identified risks and mitigation strategies is contained in the Management Discussion and Analysis forming part of the Annual Report.

Directors

During the year under review, Mr.Bipin Kabra (DIN: 02879448), resigned as Director - Finance from the Board of the Company, effective July 31, 2018. The Board, places on record its appreciation for the valuable contribution and services rendered by Mr.Bipin Kabra during his tenure as Director- Finance of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors and the members of the Company approved the appointment of Mr. Rajesh Sharma (DIN: 00020037) as a Managing Director of the Company w.e.f. July 04, 2018, for a term of 5 years as per of the provisions of Section 196 of the Act.

Pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, Mr. Ajay Kumar Relan (DIN:00002632) was appointed as an Independent Director (Additional) of the Company with effect from December 04, 2018 by the Board. Approval of the members for appointing him as an Independent Director of the Company is being sought vide requisite resolution in the accompanying Notice dated 4 June, 2019 convening the 25th Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on February 01, 2019 approved the appointment of Mr. Beni Prasad Rauka (DIN:00295213), Ms. Bhagyam Ramani (DIN:00107097) and Mr. Mukesh Kacker (DIN: 01569098), as Additional Directors (Independent) on the Board of the Company, subject to the approval of shareholders, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years, commencing from April 01, 2019 to March 31, 2024.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on May 3, 2019 approved the re-appointment of Mr. T. R .Bajalia (DIN:02291892) as Additional Director (Independent) on the Board of the Company, subject to the approval of shareholders, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years, commencing from 19 June, 2019 to 18 June 2024.

Approval of the members for re-appointing Mr. Beni Prasad Rauka, Ms. Bhagyam Ramani, Mr. Mukesh Kacker and Mr. T. R. Bajalia as Independent Directors of the Company is being sought vide requisite resolution(s) in the accompanying Notice convening the 25th Annual General Meeting.

Mr. Rajesh Sharma, Managing Director of the Company was also designated as the Chief Financial Officer (CFO) of the Company by the Board at its meeting held on February 01, 2019.

In accordance with Section 152 of the Act and the Articles of Association of the Company, Mr. Rajesh Sharma (DIN:00020037), Managing Director of the Company who is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

As at March 31, 2019, the Company had five Independent Directors including one Woman Director.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme are available on the website of the Company at : https://www.capriglobal.in/policies/

Pursuant to the 'Fit and Proper' Policy adopted by the Company in compliance with the RBI Master Directions for NBFCs, the Company has received 'Fit and Proper' declarations from Mr. Rajesh Sharma, Mr. Ajay Relan, Mr. Beni Prasad Rauka, Ms. Bhagyam Ramani, Mr. Mukesh Kacker and Mr. T. R. Bajalia for their respective appointment/re-appointment, as Directors of the Company, which have been taken on record by the Nomination and Remuneration Committee.

All Independent Directors have given declarations that they meet the criteria of independence as provided under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

All the Independent Directors have further confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as provided Regulation 25(8) of the Listing Regulations.

Further, all the Directors meet the 'Fit and Proper' criteria as per the policy of the Company and as stipulated by RBI.

The terms and conditions of appointment of Independent Director is also available on the website of the Company.

The Directors of the Company have affirmed compliance with the Code of Conduct applicable to the Board and Senior Management Personnel of the Company.

Additional information and brief profile, as stipulated under Regulation 36(3) of the Listing Regulations and clause 1.2.5 of the Secretarial Standard on General Meetings ("SS-2") with respect to the Directors seeking appointment/re-appointment, is annexed to the Notice of the AGM. Further, the business items relating to the re-appointment of Director(s) have been included in the Notice of the AGM.

Key managerial personnel

As at March 31, 2019, the Company had the following KMPs:

1. Mr. Rajesh Sharma, Managing Director; and
2. Mr. Harish Agrawal – Company Secretary.

Pursuant to the provisions of Section 203 of the Act read with Rule 8 of Companies (Appointment and Remuneration of Managerial Person) Rules 2014, the Board of Directors on the recommendation of the Audit Committee appointed Mr. Ashish Gupta as the Chief Financial Officer (CFO) of the Company, a whole time key managerial personnel of the Company, with effect from May 03, 2019 upon the terms and conditions including terms of remuneration as recommended by the Nomination and Remuneration Committee.

Nomination and remuneration policy

The Board of Directors of the Company has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection of Directors, determining Directors independence and payment of remuneration to Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Policy is stated in the Report on Corporate Governance.

Employee stock option scheme

During the year under review, the Nomination and Remuneration Committee granted 10,59,000 stock options to employees of the Company, which would vest over a period of five years starting from the completion of third year of grant. No employee was granted options equal to or in excess of 1% of the total issued and paid-up share capital of the Company as on the date of grant.

The applicable disclosure as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014 and any amendments thereof as on March 31, 2019 with regard to Employees Stock Options scheme is put up on the website of the Company at https://www.capriglobal.in/esos-details/

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI guidelines and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for inspection by members.

Details of frauds as per Auditors Report

There is no material fraud in the Company, reported in the Auditors Report during F.Y. 2018-19, except for an instance of fraud noticed by the management involving the officer of the Company amounting to ₹ 412 lakhs and the same has been suitably dealt with in the financial statements of the Company.

Auditors and Auditors' report

Statutory Auditor

The Report given by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants on the financial statement of the Company for the financial year 2018-19 is part of the Annual Report. The Notes on financial statements referred to in the Auditors Report are self–explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit & Auditors) Rules, 2014 and the rules framed there under, the Members at their twenty third Annual General Meeting (AGM) held on July 17, 2017 approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm No.117366W/W-100018), as the Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of 23rd AGM till the conclusion of 28th AGM of the Company.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Audit Committee recommended and the Board of Directors of the Company appointed M/s. PRS Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-19. Your Company has received their written consent that the appointment will be in accordance with the applicable provision of the Act and rules framed thereunder.

The Secretarial Audit Report is annexed herewith marked as **Annexure II** to this Report pursuant to Regulation 24A of Listing Regulations. Secretarial Audit Report does not contain any qualifications, reservations or adverse remark on the Secretarial and other related records of the Company for FY 2018-19. During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

As observed in the Reports of Secretarial Auditor, the Company has reconciled the unpaid dividend accounts at the time of finalisation of accounts.

Disclosures

Board Meetings

Seven meetings of the Board were held during the year, the details of which are disclosed in the Report on Corporate Governance forming part of the Annual Report of the Company.

Audit Committee

The Company has constituted an Audit Committee comprising of Independent Directors. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance. Four meetings of the Audit Committee were held during the year. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

Stakeholders Relationship Committee

The Committee met two times during the year. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') recommends to the Board the suitability of candidates for appointment as Director/Managing Director, Key Managerial Personnel and the remuneration packages payable to them. The Nomination and Remuneration Committee met seven times during the year. The composition, terms of reference and details of meetings held during the year are disclosed in the Report on Corporate Governance. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2019, which have been taken on record by the NRC.

Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and of the individual Directors (including the Chairman) as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the Nomination & Remuneration Committee. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The criteria for evaluation of the Board as a whole, inter-alia, covered parameters such as structure of the Board, meetings of the Board and functions of the Board. The criteria for evaluation of Individual Directors covered parameters such as details of professional qualifications and prior experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the Committee, structure of the Committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

Vigil Mechanism/Whistle Blower Policy

The Company has formulated and established a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, and to enable Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The details of the same are explained in the Report on Corporate Governance. The Whistle Blower Policy may be accessed on the Company's website at : https://www.capriglobal.in/policies/

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company being a non-banking finance company, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

There were no foreign exchange earnings during the year (previous year ₹ Nil); the foreign exchange outgo by the Company during the year was ₹ 77.64 lakhs (previous year ₹ 43.76 lakhs) towards Directors' sitting fees and travelling expenses.

Extract of Annual Return as prescribed under Section 92(3) of the Act and Rules made thereunder

In compliance with Section 134(3)(a) of the Act, the extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at https://www.capriglobal.in/MGT-9/

Particulars of Loans given, Investments made, Guarantees given or Security provided by the Company

The Company being a non-banking finance company, the provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons are not applicable to the Company.

As regards investments made by the Company, the details of the same are provided under notes in the financial statements of the Company for the year ended March 31, 2019.

Particulars of employees

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as **Annexure III** of this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure/information is related to any Director of the Company.

Significant and Material Orders passed by the Regulators or Courts

During the year, there were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI or any other regulator during the year under review.

Reserve Bank of India Directions

Your Company is categorized as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFC-NDSI). Accordingly, during the year,theCompany has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', amended from time to time and all other applicable Directions of RBI during FY 2018-19.

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2019, 99.99% of the Equity Shares are held in electronic form and only 25,410 Equity Shares out of 17,51,34,805 Equity Shares were held in physical form. SEBI has recently amended relevant provisions of Listing Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders holding shares in physical form were informed on prohibition on transfer of shares in physical form and demat of shares as per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and amendment circular dated 03.12.2018.

Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy ("POSH Policy"), which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, is in place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

Secretarial Standards

During the financial year 2018-19, the Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

Acknowledgements

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Corporate Affairs, Registrar of Companies, Insurance Regulatory and Development Authority of India, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

The Directors also place on record their sincere appreciation for the continued support extended by all the stakeholders and trust reposed by them in your Company. The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee of the Company and its subsidiaries across all levels, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors look forward to the long-term future with confidence.

For and on behalf of the Board

Rajesh Sharma	**Beni Prasad Rauka**
Managing Director	Director
DIN: 00020037	DIN: 00295213

Place: Mussoorie

Date: May 03, 2019

Annexure I

Annual Report on Corporate Social Responsibilty (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

   The Company's CSR policy is based on the firm belief that there can be nothing better than enriching the human capital of the society which can provide a sustainable socio-economic impact. CGCL is on a mission of creating a social impact through diverse CSR activities and firmly believes that the mandate of our Company does not end with multiplying returns for our shareholders, but must fulfil larger responsibility towards the society. Company strives to have a positive impact on the communities in which we live and operate. The Company's CSR initiative has been directed to provide to the most economically and socially marginalized people, particularly children, women and the differently–abled, an easy access to better education and vocational training. For more information please refer CSR policy at : https://www.capriglobal.in/policies/

   In accordance with the broad CSR philosophy, your Company adopted projects as specified under Schedule VII of the Companies Act, 2013.

   a. Education

   b. Livelihood development

   c. Health

2. The Composition of the CSR Committee:

   i. Ms. Bhagyam Ramani-Chairperson

   ii. Mr. Beni Prasad Rauka- Member

   iii. Mr. Rajesh Sharma- Member

3. Average net profit of the Company for last three financial years: ₹ 9,328.30 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 186.57 lakhs.

5. Details of CSR spend for the financial year:

   a) Total amount spent for the financial year: ₹ 186.62 lakhs

   b) Amount unspent : NA

   c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or program was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to the corpus of Capri Foundation towards CSR activities as per the focus areas and program areas listed in CSR Policy of CGCL	Areas specified under Schedule VII of the Companies Act, 2013	NA	5.01	Direct – NIL Overheads – NIL	5.01 (Contribution to the corpus of Capri Foundation 18-19)	Direct – NIL Through implementing Agency- 5.01 Contribution to Corpus of Capri Foundation*

(₹ in Lakhs)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or program was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2	Financial Assistance for Renovating Infrastructure, Sponsorship support for primary, secondary and higher education, provision of sanitation facilities, need assessment for school project. Supported 3390 candidates	Clause (ii) of Schedule VII Promoting Education	Maharashtra, Mumbai (Local area)	22.03	Direct –83.20 Overheads – NIL	83.20	Direct - NIL
			Madhya Pradesh, Bhopal (Local area)	00.31			Through Implementing Agency – 83.20 (Capri Foundation, IAPA, Swami Vivekananda Education Prathisthan, Thane Zillah Parishad, Nirmala Niketan college, Acharya college)
			Rajasthan – Jaipur (Local area)	01.55			
			Gujarat –Ahmedabad (Local area)	00.23			
			Delhi (Local area)	03.52			
			Maharashtra –Palghar (Local area)	05.50			
			Maharashtra –Thane (Local area)	38.27			
			Uttar Pradesh- Prayagraj (other areas)	08.93			
			Gujarat - Palanpur (Local area)	00.18			
			Gujarat –Vadodara (Local area)	02.00			
			Punjab –Ludhiana (Local area)	00.35			
			Maharashtra - Nashik (Local area)	00.12			
			Maharashtra - Akola (Local area)	00.14			
			Maharashtra - Satara (Local area)	0.02			
			Maharashtra - Amravati (Local area)	0.05			
3	Financial Assistance for Health Supported - 210 Candidates	Clause (i) of Schedule VII Health Care	Maharashtra - Mumbai (Local area)	02.78	Direct – 61.55 Overheads – NIL	61.55	Direct: Nil Through Implementing Agency - 61.55 (Capri Foundation, Parivaar, Isha Foundation)
			Maharashtra - Ratnagiri (Other area)	00.27			
			Rajasthan - Jaipur (Local area)	03.50			
			Madhya Pradesh - Sehore (Other area)	25.00			
			Tamilnadu Coimbatore (Other area)	30.00			
4	Livelihood Development Project : Sponsorship program for skill development Supported : 76 Candidates	Clause (ii) of Schedule VII Promoting Vocational Education	Maharashtra - Mumbai (Local area)	13.18	Direct – 26.12	26.12	Through Implementing Agency - Capri Foundation – 26.12 (Partner Asmita, I Care, Chaitanya, Entrepreneurs Association, Atul Skill Development)
			Nagaland - Kohima (Other area)	6.00	Overheads – NIL		
			Madhya Pradesh - Maheshwar (Other area)	4.00			
			Gujrat - Valsad (Other area)	2.94			
5	Administrative cost	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014	NA	10.74	Direct – NIL Overheads – 10.74	10.74	Direct: 10.74 Through Agency: NIL
	Total			186.62	186.62	186.62	

*Capri Foundation is an implementing organization, on a mission of creating positive social impact through implementing innovative CSR activities and development programs. Capri Foundation is registered under Bombay Public Trust Act 1950.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's report: Not Applicable

7. The CSR Committee confirms that the Policy on CSR is implemented and the Committee has monitored compliances with the CSR objective and Policy of the Company.

(Rajesh Sharma) Managing Director DIN: 00020037	(Bhagyam Ramani) Chairperson of the CSR Committee DIN: 00107097

Annexure II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Capri Global Capital Ltd (herein after called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31st March, 2019 complied with the statutory provision 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 hereunder :-

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of :

   I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

   II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

      e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

      f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

   VI. The Non-Banking Financial Companies Directions, Guidelines and Circulars issued by the Reserve Bank of India. We have also examined on test check basis the relevant documents and records maintained by the company and the Returns filed by the Company with the Reserve Bank of India ("RBI"). The Company is generally regular in filing the Returns with the RBI.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;

b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

c. The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009.

3. We have also examined compliance of the following to the extent applicable;

   a. Secretarial Standards issued by the Institute of Company Secretaries of India.

   b. The Listing Agreements entered into by the Company with the BSE Ltd ('BSE') and National Stock Exchange of India Ltd ('NSE').

   We report that during the year under review and as per the explanations and the clarifications given to us and the representation made by the Management of the Company, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable and subject to the following observations.

1. During the year under review the Company has filled up the vacancy caused by the resignation of Mr. Bipin Kabra, Director Finance on 31st July, 2018 by appointing Mr. Rajesh Sharma, Managing Director as Chief Financial Officer (CFO) pursuant to section 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 w.e.f 1st February, 2019.

2. The amount outstanding in the unpaid dividend account as on 31st March, 2019 is subject to reconciliation.

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals of the Company.

We further report that:

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

Adequate notice is given to all the directors to schedule the Board meetings, agenda and detail notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda item before the meeting and the meaningful participation in the meeting.

Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. There were no dissenting views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has made following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Three debenture series consisting of 1,250 debentures of ₹ 10,00,000/- each aggregating to ₹ 125,00,00,000/- have been redeemed during the year under report.

2. The consent of the Shareholders has been obtained at the Twenty Fourth Annual General Meeting of the Company held on 2nd August, 2018 for the following:

   a. To appoint Mr. Rajesh Sharma as Managing Director of the Company pursuant to the provisions of section 196,197 and 203 of the Companies Act, 2013 and the Rules made thereunder.

   b. To borrow in excess of the paid up Capital and free reserves of the Company not exceeding ₹ 4000 Crore.

   c. To create security on the assets of the Company pursuant to section 180(1) (a) of the Act.

   d. To issue non–convertible Debentures for an amount exceeding ₹ 1000 Crore pursuant to the provisions of section 23, 42 and 71 of the Companies Act, 2013.

   e. To enable the Company to covert loan into Equity Share Capital of the Company pursuant to section 62(3) of the Act.

For PRS Associates
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

Date:May 3, 2019
Place: Mumbai

Note: - This report is to be read with our letter of even date which is annexed as ANNEXURE 'A' and forms as integral part of this Report.

Annexure 'A' to Secretarial Audit Report

The Members,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Capri Global Capital Limited ('the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produce to us. We believe that the process and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Whenever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. 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 PRS Associates
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

Date:May 3, 2019
Place: Mumbai

Annexure III

Details pertaining to employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Particulars		Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	-	Mr. Bipin Kabra (Director-Finance) 48.61 x Mr. Rajesh Sharma (Managing Director) 8.33 x No other directors are in receipt of remuneration
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	-	Directors: 1) Mr. Bipin Kabra (Director-Finance) – NA 2) Mr. Rajesh Sharma (Managing Director) - Nil No other directors are in receipt of remuneration **Key Managerial Person:** Mr. Harish Agrawal, Sr. Vice President & Company Secretary - 10.00%*
iii	The percentage increase in the median remuneration of employees in the financial year	-	12.50%
iv	The number of permanent employees on the rolls of Company	-	1,593 employees as on 31.03.2019
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	-	Average increase in salary of eligible employees other than managerial personnel is 12.09%; Remuneration of Executive Director was not changed and Sr. Vice President and Company Secretary was increased by 10.00%*; Increase in salary of the managerial personnel i.e. KMP was as to keep pace with the industry norms.
vi	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees		

* Remuneration does not include variable pay.

Note:

Employee performance is appraised based on the performance of the Company during the previous year and the change in remuneration is made effective from the beginning of the financial year. The employees are paid revised remuneration on June 30 every year.

Report on Corporate Governance

Corporate governance is creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes. Corporate Governance is all about ethical conduct, integrity and accountability of an enterprise. Healthy Corporate Governance enjoins a commitment of the company to run the business in legal, ethical and transparent manner. It is one of the key elements in improving the economic efficiency of the enterprise.

The detailed report on Corporate Governance for the financial year ended March 31, 2019, as per the disclosure requirements prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is set out below:

1. Company's Philosophy on Corporate Governance

At Capri Global, it is imperative that the corporate affairs are managed in a fair and transparent manner for enhancing long-term shareholder value and retaining investor trust.

We, at Capri Global, ensure that we evolve and follow the best corporate governance practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our performance as well as the leadership and governance of the Company. The Company's philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through timely and transparent disclosures, equitable treatment of all shareholders and empowerment of employees and collective decision making.

Your Company has adopted various code and policies to carry out duties and functions in most ethical and compliant manner and some of them are:

i. Code of Conduct for Board Members and Senior Managerial Personnel;

ii. Internal Guidelines on Corporate Governance;

iii. Corporate Social Responsibility Policy;

iv. Nomination & Remuneration Policy;

v. Fair Practices Code;

vi. Code for regulating, monitoring and reporting of Trading by Insiders;

vii. Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information;

viii. Policy on Related Party Transactions;

ix. Policy on Material Subsidiaries;

x. Documents preservation and archival Policy;

xi. Policy for determining material events and information;

xii. Whistle Blower Policy;

xiii. Open Architectural Policy;

xiv. Prevention of Money Laundering- PMLA Policy

In addition to the above policies, all the business activities are policy driven and events & situations are addressed through Standard Operating Procedure laid down for it. All the above measures ensure that the organization is governed in an ethical and transparent manner.

The Company has complied with the requirements of Corporate Governance as laid down under the provisions of Companies Act, 2013 ('Act'), Listing Regulations and RBI directions.

2. Board of Directors

The Company has maintained an optimum combination of Executive and Non-executive Directors including one woman director. As of March 31, 2019, the Board of Directors (the 'Board') consisted of seven members of which five were Independent Directors. The Independent Directors bring independent judgment in the Board's deliberations and decisions. Considering the stringent requirement of the skill-sets on the Board, eminent persons, having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination & Remuneration Committee for appointment as Independent Directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Nomination & Remuneration Committee and takes appropriate decisions regarding continuance of and induction of new skill sets at the Board level to ensure the availability of these experienced professionals to guide the Company in an ever evolving business environment.

At the 24th Annual General Meeting held on August 02, 2018, the shareholders approved the appointment of Mr. Rajesh Sharma as the Managing Director of the Company to hold office for a term of five consecutive years with effect from July 04, 2018 to July 03, 2023.

During the year, your Company had a Non-executive Chairman and the management of the Company was led by the Managing Director, who operated under the overall supervision, direction and control of the Board.

None of the Director on the Company's Board is holding office of Director in more than twenty companies and Independent Director in more than seven listed companies. Further, none of the Director is a Member of more than ten committees and Chairman of more than five committees across all the companies in which he/she acts as Director. All Non-executive Directors are/were liable to retire by rotation.

There are no inter-se relationships between the Directors of the Company.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Familiarization Programme

At the time of appointing a Director, a formal letter of appointment is given to him, which inter-alia explains the roles, rights and responsibilities expected of him as a Director of the Company. The Director is also explained in detail about the compliances required from him under the Act, Listing Regulations, Code of Conduct for Board Members and Senior Management Personnel, Prohibition of Insider Trading Code, RBI directions and other relevant regulations.

By way of an introduction to the Company, the Director is presented with, relevant Annual Reports, welcome letter with Company's details. The Managing Director also has a one-to-one discussion with the incumbent Director. The Program aims to provide insights into the Company to enable the Director to be able to take well-informed timely decisions and contribute significantly to the Company.

At every Board meeting, the Managing Director and the departmental heads apprise the Board members of the business operations, significant changes in operating environment, risks and mitigation strategies of the Company, to keep them abreast of the developments taken place between the meetings.

The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and operations so as to understand the Company, business, industry and environment in which it functions.

The details of the familiarization programme for Independent Directors has been uploaded on the Company's website: https://www.capriglobal.in/policies/

Directors Profile

A brief resume of Directors, nature of their expertise and experience and other details are provided in the Annual Report.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

i) Knowledge:

   a. Industry knowledge/experience & technical expertise;

   b. Understanding methods of strategic analysis, Company's strategic objectives, and changes of relevance to the Company's strategy and future direction;

   c. Corporate Governance: Understanding the roles and responsibilities of a Board member within the larger governance framework;

   d. Risk: Knowledge and experience of risk management models.

ii) Skills:

   a. Strategic thinking and decision making;

   b. Interpersonal skills;

   c. Leadership;

   d. Analysis and Reporting;

   e. Ability to determine appropriate levels of remuneration of Executive Directors, KMPs and play a prime role in appointing and where necessary, recommending removal of Executive Directors and KMPs;

f. Ability to oversee strategic human resource management.

iii) Mind-Set:

a. Ethics

b. Commitment;

c. Instinct & Business Acumen;

d. Independent and Awareness (self and other) – ability to display independence by willing to disagree and take an independent stance in the face of dissenting views.

Meetings, Attendance and Other Details of Directors

During the year under review, seven meetings of the Board of Directors were held. Board meetings were held on May 26, 2018, July 04, 2018, July 23, 2018, August 02, 2018, September 08, 2018, November 15, 2018 and February 01, 2019. The Twenty Fourth Annual General Meeting ('AGM') of the Company was held on August 02, 2018. The maximum time gap between any two consecutive Board meetings did not exceed 120 days.

All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub Regulation 7 of Regulation 17 of the Listing Regulations.

The composition and category of Directors, attendance at the Board meetings held during the Financial Year under review and at the last AGM, number of Directorships, Memberships / Chairmanships of the Committees of public companies and their shareholding as on March 31, 2019 in the Company are as follows:-

Name of the Director	DIN	Category	No. of Board Meetings		Attendance at the last AGM	Directorships *			Committee position**		Shareholding (No. of shares)
			Held during their tenure	Attended		Total No. of Directorships	No. of Directorships in Listed companies other than the present	Name of Listed Companies & Category of directorship	Chairman	Member	
Mr. Quintin E. Primo III@	06600839	Non- Executive, Non Independent	7	4	Yes	1	0	NA	Nil	Nil	Nil
Mr. Rajesh Sharma ***	00020037	Managing Director	7	7	Yes	20	0	NA	Nil	1	500
Mr. Beni Prasad Rauka	00295213	Independent	7	7	Yes	12	1	Indergiri Finance Limited - Non-Executive - Non Independent Director	3	1	Nil
Ms. Bhagyam Ramani	00107097	Independent	7	7	Yes	10	3	1. Llyodys Metals & Energy - Independent Director 2. Gujarat Sidhee Cement Ltd -Independent Director 3. Saurashtra Cement Limited - Independent Director	Nil	5	Nil

Name of the Director	DIN	Category	No. of Board Meetings		Attendance at the last AGM	Directorships *			Committee position**		Shareholding (No. of shares)
			Held during their tenure	Attended		Total No. of Directorships	No. of Directorships in Listed companies other than the present	Name of Listed Companies & Category of directorship	Chairman	Member	
Mr. Mukesh Kacker	01569098	Independent	7	6	Yes	6	1	Arshiya Limited - Independent Director	Nil	1	Nil
Mr. T. R. Bajalia	02291892	Independent	7	7	Yes	12	2	India Steel Works Limited - Independent Director	1	3	Nil
								India Nivesh Limited- Independent Director			
Mr. D R Dogra$	00226775	Independent	5	5	Yes	7	3	Welspun Corp Limited - Independent Director	3	4	Nil
								S Chand & Company Ltd.- Independent Director			
								Sintex Plastics Technology Limited – Independent Director			
Mr. Bipin Kabra^	02879448	Executive	3	3	NA	1	NA	NA	Nil	1	Nil
Mr. Ajay Kumar Relan#	00002632	Independent	1	1	NA	7	2	Hindustan Media Ventures Ltd. - Independent Director	2	4	Nil
								HT Media Limited- Independent Director			

* Excludes Directorship of private limited companies, foreign companies and Government Bodies;

**Only Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered for the Committee positions as per Regulation 26 of Listing Regulations;

@ Ceased to be a Director of the Company with effect from June 1, 2019;

*** Appointed as a Managing Director with effect from July 04, 2018;

$ Ceased to be a Director of the Company with effect from September 19, 2018;

^ Ceased to be a Director of the Company with effect from July 31, 2018;

Appointed as a Director of the Company with effect from December 04, 2018.

The Companies Act, 2013 read with the relevant rules made thereunder, facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio-visual means. Accordingly, the facility to participate in the meeting through video conferencing/audio-visual was made available to the Directors travelling abroad or present at other locations.

Meeting of Independent Directors

For the year under review, the Independent Directors met once on May 03, 2019, without the attendance of Non-Independent Directors and members of the management, in compliance with Regulation 25(3) of Listing Regulations and Schedule IV of the Act, inter alia, to:

i. Evaluate the performance of Non-independent Directors and the Board as a whole;

ii. Evaluate performance of the Non-executive Chairman of the Company; and

iii. Evaluate the quality, quantity and timeliness of flow of information between the executive management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The suggestions made at the meeting of the Independent Directors were communicated to the Non-executive Chairman and the Managing Director for taking appropriate steps. The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of the flow of information between the Company management and the Board. All Independent Directors except Ms. Bhagyam Ramani, were present at the meeting.

3. Committees Of The Board

Board has constituted a set of committees with specific terms of reference/ mandate, as to effectively focus on the issues falling under their jurisdiction. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before the Board at their meetings for noting.

A. Audit Committee

The Company has constituted a qualified and independent Audit Committee, comprising of four Independent Directors who have considerable experience and expertise in accounting, financial management and financial services. The Audit Committee comprises of:

i. Mr. Beni Prasad Rauka- Chairman

ii. Ms. Bhagyam Ramani- Member

iii. Mr. Mukesh Kacker- Member

iv. Mr. T. R. Bajalia- Member

The Company Secretary acts as a Secretary to the Committee.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings and they attended all the meetings held during the year. The Internal Auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 02, 2018.

Terms of Reference

The powers, role and terms of reference of Audit Committee are wide enough, and cover the matters/areas as specified in Regulation 18 of the Listing Regulations as well as in Section 177 of the Act as applicable, which, inter-alia, includes the following:

a) oversee the Company's financial reporting process and disclosure of its financial information;

b) recommend appointment, remuneration and terms of appointment of auditors of the Company;

c) approve payment to statutory auditors for any other services rendered by them;

d) review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:

  i. matters to be included in Director's Responsibility Statements to be included in Board's report;

  ii. any changes in accounting policies and practices;

  iii. major accounting entries involving estimates based on the exercise of judgment by management;

  iv. significant adjustments resulting from the audit findings;

  v. compliance with listing and other legal requirements relating to financial statement;

  vi. disclosure of related party transactions;

  vii. qualification in draft audit report.

e) review with the management, the quarterly financial statement before submission to the Board for their approval;

f) recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;

g) discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;

h) review the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;

i) consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

j) consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;

k) discuss significant findings with internal auditors and initiate follow up action thereon;

l) look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

m) review performance of statutory and internal auditors and adequacy of internal control systems;

n) approve transaction with related parties and subsequent modification to terms of contract/ transaction;

o) scrutinize inter-corporate loans and investments;

p) valuation of any of the undertakings or assets as and when necessary;

q) evaluate adequacy of internal financial control and risk management system;

r) review with management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;

s) approve appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;

t) review functioning of the Whistle Blower Policy;

u) carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.

The composition and terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, requirements prescribed in Master Direction-Non-Banking Financial Companies– Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016 and Listing Regulations.

Meetings and attendance

During the year under review, four meetings of the Audit Committee were held on May 25, 2018, September 08, 2018, November 15, 2018 and February 01, 2019 and all the members of the Committee attended the aforesaid meetings.

B. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') is led by an Independent Director and is primarily responsible to review all matters connected with transfer of securities and redressal of shareholders complaints. The composition of SRC is as follows:

i. Mr. Beni Prasad Rauka- Chairman

ii. Ms. Bhagyam Ramani- Member

iii. Mr. Rajesh Sharma- Member

Terms of Reference

The terms of reference of the SRC inter-alia, includes the following:

i. oversee the redressal of security holder and investors' complaints/grievances pertaining to transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of securities and other miscellaneous complaints;

ii. oversee the performance and service standards of the Registrar and Share Transfer Agent and recommends measures to improve level of investor services.

The roles, responsibilities, composition and terms of reference of the SRC are as prescribed under Section 178 of the Act and Regulation 20 of the Listing Regulations.

Meetings and attendance

During the year under review, two meetings of the SRC were held on May 23, 2018 and November 14, 2018. The attendance of members at the SRC meeting was as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Beni Prasad Rauka	2	2
Ms. Bhagyam Ramani	2	2
Mr. Rajesh Sharma	2	2
Mr. Bipin Kabra^	1	1

^ Ceased to be a Member of the Committee with effect from July 23, 2018

Investor Grievance Redressal

The status of investor complaints is monitored by the SRC periodically and reported to the Board. The complaints received from the shareholders, regulators, stock exchanges are reviewed and they are expeditiously attended to by the Registrar and Share Transfer Agents.

Compliance Officer

Mr. Harish Agrawal, Senior Vice President and Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and Listing Regulations.

During the year under review one complaint was received which was disposed immediately. There were no instruments for transfer pending as on March 31, 2019.

C. Nomination and Remuneration Committee

The Nomination & Remuneration Committee ('NRC') is led by an Independent Director and is primarily responsible for recommending candidates for appointment as Directors and KMPs and their remuneration, evaluation of performance of Directors and formulation of remuneration policy. The composition of NRC is as follows:

i. Ms. Bhagyam Ramani - Chairperson

ii. Mr. Beni Prasad Rauka - Member

iii. Mr. T. R. Bajalia – Member

Terms of Reference

The powers, role and terms of reference of the NRC covers the areas as contemplated under Section 178 of the Act and Regulation 19 of Listing Regulations, which inter-alia, includes the following:

i. assess that a person to be appointed as Director is 'fit and proper' and fulfills the set criteria as may be required by the Company;

ii. review & recommend to the Board on the structure and composition of the Board of Directors of the Company;

iii. evaluate the eligibility of an individual on the basis of his/her qualification, positive attributes, independence and past experience, for appointment and removal as whole time director/managing director/senior management of the Company and advising the Board of Directors/ Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;

iv. review, recommend and /or approve the remuneration that can be offered to the proposed whole time director/managing director/non-executive director/ senior management of the Company;

v. evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment;

vi. review, recommend and /or approve the modification in the remuneration of the Whole time director/ managing director/manager/ non-executive director and senior managerial personnel;

vii. formulate remuneration policy relating to directors, key managerial personnel and other senior managerial employees of the Company;

viii. evaluate performance of directors with respect to their role as Independent Director and Board members;

ix. implement and administer the Employee Stock Option Scheme;

NRC is in compliance with provisions of Section 178 of the Act, Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Meetings and attendance

During the year under review, seven meetings of NRC were held on May 23, 2018, July 04, 2018, July 23, 2018, August 22, 2018, September 19, 2018, November 21, 2018 and January 31, 2019. The attendance at the meeting of NR Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Ms. Bhagyam Ramani	7	7
Mr. Beni Prasad Rauka	7	7
Mr. Rajesh Sharma #	2	2
Mr. T. R. Bajalia *	5	5

ceased to be a member of the Committee with effect from July 04, 2018;
*inducted as a member of the Committee with effect from July 04, 2018.

Nomination and Remuneration Policy

The Board of Directors of the Company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter-alia, to deal with the manner of selection of Board of Directors and KMP and their remuneration. The Policy is annexed as Annexure to this Report.

Director's Remuneration

The details of sitting fees/remuneration paid to Directors during the FY 2018-19, are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Board & Committee Meetings (₹)	Salary and Perquisites (₹)	Incentive/ Bonus (₹)	Total (₹)
1.	Mr. Quintin E Primo III*	2,85,000	N.A.	N.A.	2,85,000
2.	Mr. Rajesh Sharma@	Nil	17,80,645	Nil	17,80,645
3.	Mr. Bipin Kabra^	Nil	52,30,557	Nil	52,30,557
4.	Mr. Beni Prasad Rauka	12,00,000	N.A.	N.A.	12,00,000
5.	Ms. Bhagyam Ramani	15,00,000	N.A.	N.A.	15,00,000
6.	Mr. Mukesh Kacker	5,85,000	N.A.	N.A.	5,85,000
7.	Mr. T. R. Bajalia	8,40,000	N.A.	N.A.	8,40,000
8.	Mr. D. R. Dogra$	3,00,000	N.A.	N.A.	3,00,000
9.	Mr. Ajay Kumar Relan**	75,000	N.A.	N.A.	75,000

* ceased to be a Director of the Company with effect from June 1, 2019;

@ appointed as a Managing Director of the Company with effect from July 04, 2018;

^ ceased to be a Director of the Company with effect from July 31, 2018;

$ ceased to be a Director of the Company with effect from September 19, 2018;

**appointed as a Director of the Company with effect from December 04, 2018.

There were no pecuniary relationships or transactions of Non-executive Directors vis-a-vis the Company.

Service contract, Severance fees and Notice Period

Mr. Bipin Kabra resigned as Director – Finance of the Company with effect from July 31, 2018. His remuneration in FY 2018-19 (till July 31, 2018) comprises of all-inclusive salary of ₹ 52,30,557/-.

Mr. Rajesh Sharma was appointed as Managing Director of the Company with effect from July 04, 2018. His remuneration for FY 2018-19 (w.e.f. July 4, 2018) comprises of all-inclusive salary of ₹ 17,80,645/.

His appointment may be terminated by giving three months' notice on either side and no severance fees is payable.

Performance Evaluation of the Board, Directors and Committees of the Board

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee is primarily responsible for assisting the Board in discharging its social responsibilities by formulating and monitoring implementation of the framework of policy adopted by the Board. The CSR Committee is led by an Independent Director and the composition is as follows:

i. Ms. Bhagyam Ramani- Chairperson

ii. Mr. Beni Prasad Rauka- Member

iii. Mr. Rajesh Sharma- Member

Terms of Reference

Terms of Reference of the CSR Committee inter-alia, includes:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b) to recommend the amount of expenditure to be incurred on the CSR activities; and

c) to monitor the implementation of the CSR Policy of the Company from time to time.

The composition and terms of reference of the CSR Committee is in compliance with the provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Meetings and attendance

During the year under review three meetings of the CSR Committee were held on May 23, 2018, November 14, 2018 and March 15, 2019. The attendance at the meeting of CSR Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Ms. Bhagyam Ramani	3	3
Mr. Beni Prasad Rauka	3	3
Mr. Rajesh Sharma	3	3
Mr. Bipin Kabra*	1	1

* ceased to be a member of the committee with effect from July 23, 2018

E. Operations and Resources Committee

The Operations and Resources Committee was led by the Managing Director of the Company and comprised of the following:

i. Mr. Rajesh Sharma- Chairman

ii. Mr. Beni Prasad Rauka- Member

iii. Ms. Bhagyam Ramani- Member

Terms of Reference

The Operations and Resources Committee was constituted to decide and transact the business which is of a routine operational nature for the Company, such as opening bank accounts, availing various banking facilities, changes to the signatories, delegation of authority for initiating and defending litigation and borrowings of the Company and not requiring specific approval of the Board of Directors.

Meetings and attendance

During the year under review, the Operations & Resources Committee met seven times on May 23, 2018, June 28, 2018, September 08, 2018, October 08, 2018, December 14, 2018, December 26, 2018 and January 15, 2019. The attendance at the meeting of Operations & Resources Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rajesh Sharma*	7	6
Mr. Beni Prasad Rauka	7	6
Ms. Bhagyam Ramani	7	7
Mr. Bipin Kabra^	2	2

*Chairman of the Committee with effect from July 23, 2018

^Ceased to be a member of the Committee with effect from July 23, 2018

As the powers to borrow money were delegated to the Managing Director of the Company and other powers to decide on the routine operational matters to be exercised by Operations and Resources Committee were delegated to the 'Management Committee', the Operations and Resources Committee was dissolved on February 01, 2019.

F. Risk Management Committee

The Risk Management Committee is primarily responsible for review of risk associated with the nature of the business and appraising the Board of Directors at regular intervals regarding risk management policy and strategy.

Composition

The Risk Management Committee is led by the Managing Director of the Company and comprises of the following:

i. Mr. Rajesh Sharma – Chairman

ii. Mr. Beni Prasad Rauka - Member

iii. Mr. T. R. Bajalia -Member

iv. Ms. Bhagyam Ramani –Member

Terms of Reference:

Terms of reference of the Risk Management Committee inter-alia, includes the following:

i. Review of operational risk, information technology risk and integrity risk;

ii. taking strategic actions to mitigate the risk associated with the nature of the business;

iii. appraising the Board of Directors at regular intervals regarding risk management policy and strategy;

iv. to oversee the functioning of asset liability management committee.

Meetings and attendance

During the year under review, the Risk Management Committee met three times on May 23, 2018, November 21, 2018 and March 15, 2019. The attendance at the meeting of Risk Management Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rajesh Sharma*	2	2
Mr. Beni Prasad Rauka	3	3
Ms. Bhagyam Ramani	3	3
Mr. T. R. Bajalia	3	2
Mr. Bipin Kabra^	1	1
Mr. D. R. Dogra**	1	1

* Inducted as a Chairman of the Committee with effect from July 04, 2018;

^ Ceased to be a Member of the Committee with effect from July 04, 2018; and

** Ceased to be Member of the Committee with effect from September 19, 2018

4. EXECUTIVE COMMITTEES CONSTITUTED BY THE BOARD

Board has constituted a set of committees which are led by a Board member with senior executives of the Company contributing as members. Minutes of proceedings of these committees are circulated to the Directors and placed before the Board at their meetings for noting.

A. Asset Liability Management Committee

The Asset Liability Management Committee ('ALCO') is primarily responsible for cash flow and balance sheet planning, managing interest rate risks and liquidity risks associated with the business of the Company. It monitors the asset liability gap and strategizes action to mitigate the risk associated.

Composition

ALCO is led by the Managing Director of the Company and is joined by senior executives from Finance, Risk, Information Technology, Construction Finance, MSME & Retail business functions. ALCO comprises as follows:

i. Mr. Rajesh Sharma – Chairman

ii. Director - Finance /Chief Financial Officer

iii. Chief Risk Officer

iv. Mr. S. K. Sangar, Head- Construction Finance

v. Mr. Vikas Sharma, MSME & Retail Business-Head

vi. Mr. Vinay Surana, Director - Treasury

vii. IT- Head

The Composition of ALCO and its terms of reference are in compliance with the requirements of RBI directions.

Meetings and attendance

During the year under review, six meetings of the ALCO were held on April 13, 2018, May 31, 2018, July 13, 2018, September 28, 2018, October 15, 2018 and December 21, 2018. Attendance at ALCO meetings is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rajesh Sharma**	6	6
Mr. Surendra Sangar	6	6
Mr. Vikas Sharma	4	-
Mr. Vinay Surana	4	1
Mr. Ashok Agarwal $	1	1
Mr. Suresh Gattani $	1	1
Mr. Deepak Ayare*	2	2
Mr. Kaushik Chatterjee#	3	1
Mr. Bipin Kabra^	3	1

**Inducted as a member on May 26, 2018 & designated as a chairman of the Committee with effect from July 04, 2018;

$ Ceased to be a Member of the Committee with effect from May 26, 2018.

* Ceased to be a Member of the Committee with effect from June 30, 2018.

* Ceased to be a Member of the Committee with effect from July 27, 2018.

^ Ceased to be a Member of the Committee with effect from July 04, 2018;

B. Investment Committee

The Investment Committee decides on all proposals for investment and lending received by the Company within the exposure norms as laid down in the Lending and Investment Policies.

Composition

The Investment Committee of the Company is led by an Independent Director and comprises as follows:

i. Ms. Bhagyam Ramani- Chairperson

ii. Mr. S. K. Sangar - Head Construction finance

iii. Mr. Rajesh Sharma – Managing Director

Meetings and Attendance

During the year under review, the Investment Committee met thirteen times and the attendance at its meeting is as follows:

Name of the Member	No. of Meetings Held during their tenure	No. of Meetings Attended
Ms. Bhagyam Ramani	13	13
Mr. S. K. Sangar	13	13
Mr. Rajesh Sharma#	9	2
Mr. Kaushik Chatterjee*	5	3

#inducted as a member of the Committee with effect from July 23, 2018;

* ceased to be a member of the Committee with effect from July 27, 2018.

C. Management Committee

Management Committee was constituted on February 01, 2019 consequent to the dissolution of Operations and Resources Committee.

The Management Committee has been constituted to decide on and transact the business of routine operational nature for the Company, such as opening of bank account, availing various banking facilities, changes to the signatories, delegation of authority for initiating and defending litigation etc.

The Management Committee is led by the Managing Director and comprises of senior officials of the Company as members. One meeting of the Committee was held on February 25, 2019.

Terms of Reference

Terms of reference of the Management Committee inter-alia, includes the following:

i. to authorise officials to represent the Company before any regulatory authority(ies);

ii. to authorize officials of the Company to initiate, defend and represent Company in any suits and/or criminal proceedings for and against the Company;

iii. to authorize officials to sign, execute and file various return, forms, other relevant documents with various Authorities under Income Tax, Service Tax, Shops and Establishment Act, Provident Fund & Miscellaneous Provisions Act, ESIC, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), 2002 and Rules made thereunder, Insolvency and Bankruptcy Code, 2016 (IBC), Arbitration and Conciliation Act 1996 etc.;

iv. to open, operate and/or close banking, demat, escrow and other accounts;

v. to approve change in the authorized signatories to the aforesaid accounts;

vi. to register, approve and execute lease deed, Leave & License, Escrow and other agreements for day to day business operations and sub - delegate the authorities to the officials;

vii. to purchase/ sale of office premises, flats and taking the same on lease/ leave and license basis for housing the business operations and employees of the Company;

viii. to make application for registration of the intellectual property rights in trade mark, copy rights belonging to the Company and to defend any infringements in respect thereto;

ix. any other decision of routine nature having bearing on the day to day banking, operational and borrowing of the Company and not requiring specific approval of the Board of Directors.

5. GENERAL BODY MEETINGS

Annual General Meetings

The date, time and venue of the Annual General Meetings held during the preceding three years and the details of special resolutions passed thereat are as follows:

Year	Date	Time	Venue	Special Resolutions Passed
2017-18	August 02, 2018	04.00 P.M.	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	i. Borrowing in excess of paid-up capital and free reserves upto ₹ 4,000 crores; ii. Mortgage / create charge on the assets of the Company; iii. Issue of Non-convertible Debentures for an amount not exceeding ₹ 1,000 crores; iv. Enable conversion of loan into equity
2016-17	July 17, 2017	04.00 P.M.	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	i. Borrowing in excess of Paid- up Capital & Free reserves upto ₹ 3,000 crores; ii. Mortgage / Create charge on the assets of the Company; iii. Issue of Non-convertible Debentures for an amount not exceeding ₹ 750 Crores; iv. Enable conversion of loan into equity. v. Adoption of Articles of Association of the Company;
2015-16	July 26, 2016	11.00 A.M.	Merchants Chamber, LNM IMC Building, Opposite Churchgate Station, Churchgate, Mumbai - 400020	Four Special Resolutions were passed amending Memorandum of Association.

Postal Ballot

During the year under review, no resolution was passed through postal ballot.

Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance of the provisions of the Act, Listing Regulations or any other applicable laws.

6. DISCLOSURES

i. Related Party Transactions

During the year under review, the Company has not entered into any material transaction with any of the related parties. All related party transactions are at arm's length and in the ordinary course of business.

Further, there were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large.

Suitable disclosure as required by the Accounting Standards has been made in the Standalone Financial Statements and attention of the members is drawn to Note No.42.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: https://www.capriglobal.in/policies/

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions entered into between the Company with related parties.

ii. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

iii. Whistle Blower Policy

The Company has a Board approved Whistle Blower Policy and a vigil mechanism under which the employees are free to report instances of unethical behaviour, violation of laws and regulations and the Code of Conduct or policies of the Company. The employee can approach the Whistle Blower Committee which operated under the supervision of the Audit Committee. Employee may directly report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee for expressing his / her concerns or reporting grievances under the Whistleblower Policy and /or vigil mechanism.

iv. Policy on Material Subsidiaries

The Board has approved a Policy on Material Subsidiaries which has been uploaded on the Company's website: https://www.capriglobal.in/policies/

There are no material subsidiaries of the Company.

v. Status of Adoption of Mandatory requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, to the extent applicable to the Company.

vi. Secretarial Standards

The Company has complied with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

vii. Preparation of Accounts as per IND-AS

The Ministry of Corporate Affairs (MCA) had notified the Companies (Indian Accounting Standards (IND-AS) Rules 2015, pursuant to which IND AS is applicable to the Company for the financial year 2018-19. The Financial Statements are prepared by adopting IND-AS specified under Section 133 of the Act, read with relevant rules thereunder.

viii. Proceeds from Preferential Allotment or Qualified Institutional Placement

During the year under review, the Company has not raised funds either through Preferential Allotment or Qualified Institutional Placement.

ix. There was no instance during FY 2018-19 when the Board had not accepted any recommendation of any Committee of the Board.

x. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the Listing Regulations - NIL

xi. Disclosure with respect to demat suspense account / unclaimed suspense account – Not applicable

7. MEANS OF COMMUNICATION

The quarterly and half yearly results are published in widely circulating national and local newspapers, such as Business Standard in English and Mumbai Lakshdeep in Marathi. Details of quarterly performance and financial results are disseminated to the shareholders through press releases and are also uploaded on the web site of the Company: www.capriglobal.in

The Company communicates with its institutional shareholders through meetings with analysts and discussions between fund managers and management. During the year, the Company also participated at investor conferences and non-deal roadshows. All interactions with institutional shareholders, fund managers and analysts are based on the generally available information that is accessible to the public on a non-discriminatory basis. The presentations made to the analysts and fund managers are placed on the Company's website.

The official news releases are also displayed on the Company's website.

8. GENERAL SHAREHOLDER INFORMATION

i. Company Registration Details

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L65921MH1994PTC173469**.

ii. Annual General Meeting

(Day, Date, Time and Venue)

Date / Date / Time: Friday, August 02, 2019 at 4.00 p.m.

Venue: Nehru Centre, Hall of Harmony,
Dr. Annie Besant Road, Worli,
Mumbai-400 018

iii. Financial Year and Calendar (tentative)

Financial Year - April 1, 2019 to March 31, 2020

Results for the quarter ending –

June 30, 2019	- on or before August 14, 2019
September 30, 2019	- on or before November 14, 2019
December 31, 2019	- on or before February 14, 2020
March 31, 2020	- on or before May 30, 2020

iv. Book Closure Date

Saturday, July 27, 2019 to Friday, August 02, 2019 (both days inclusive)

v. E-voting period

Start Date: Tuesday, 30th July, 2019 (9.00 am)

End date: Thursday, 1st August, 2019 (5.00 pm)

Cut-off date for e-voting: Friday, 26th July, 2019. Shareholders holding shares as on the cut-off date shall be eligible to vote either through remote e-voting or at the venue of the AGM.

vi. Dividend

Dividend @ Re.0.36 per Equity Share of ₹ 2/- of the Company will be paid to the shareholders whose names appear in the Register of Members as on Friday, 26th July, 2019, subject to approval of the shareholders at the 25th Annual General Meeting, within the statutory time limit of 30 days.

vii. Listing

Equity Shares of the Company are listed on BSE Limited & National Stock Exchange of India Limited.

The International Securities Identification Number (ISIN) in respect of the equity shares of the Company is: INE180C01026

Non-convertible debentures of the Company are listed on BSE.

The International Securities Identification Number (ISIN) in respect of the Non-convertible debentures of the Company is: INE180C07023

a. BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Tel. Nos. : +91 22-2272 1233/34
Code: 531595

b. National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C1,
G-Block, Bandra - Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel. Nos. : +91 22-2659 8100-114
Code: CGCL

Listing Fees have been paid in full to both the Stock Exchanges for the Financial Year 2019-20.

viii. Market Price Data

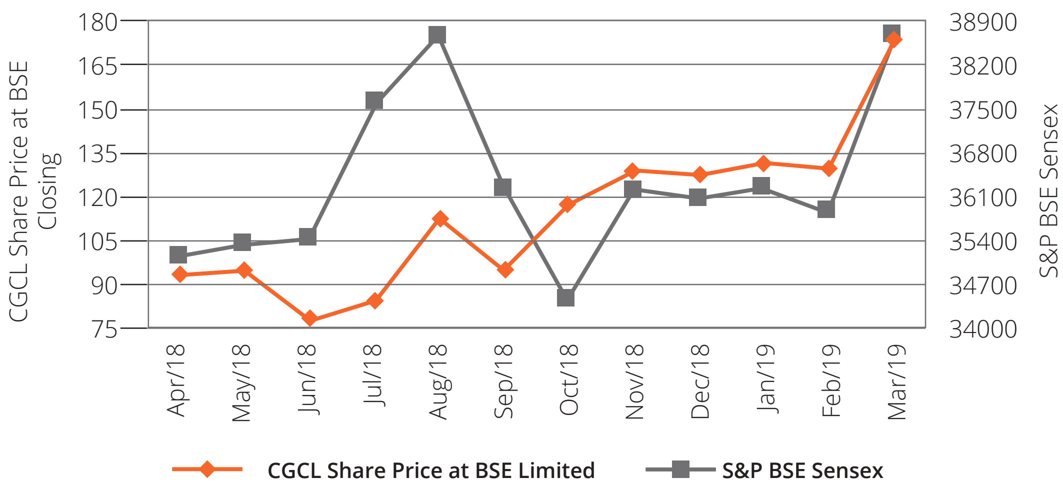
a) Equity Shares:

Monthly high/ low of the Closing Price and trading volumes on BSE/NSE of Equity Shares of the Company is given hereunder:

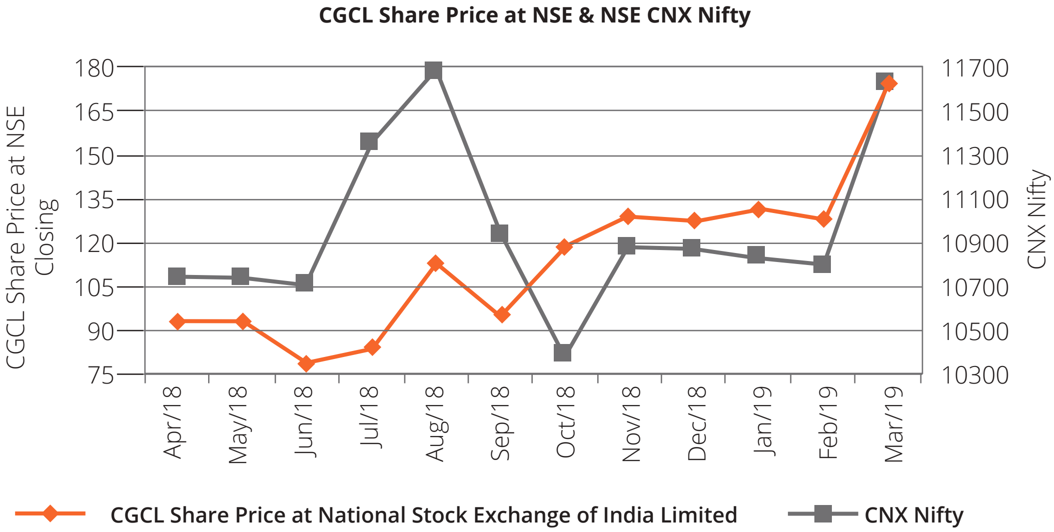
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume (No. of shares)	High Price (₹)	Low Price (₹)	Volume (No. of shares)
Apr-18	102.00	89.00	1,01,246	102.40	88.50	5,96,381
May-18	104.80	85.00	11,60,009	102.40	87.00	30,71,929
Jun-18	95.00	76.15	83,725	95.00	77.05	4,76,087
Jul-18	87.00	72.60	2,22,124	89.40	73.35	12,30,978
Aug-18	122.00	75.40	2,40,288	122.00	75.10	17,14,172
Sep-18	131.20	92.95	3,95,999	131.60	95.00	25,72,180
Oct-18	118.90	75.00	31,19,903	119.00	77.10	89,03,901
Nov-18	137.00	106.00	11,58,945	137.00	105.10	45,43,958
Dec-18	139.70	121.10	27,66,121	140.00	121.80	70,71,215
Jan-19	135.10	113.90	39,41,455	135.25	113.70	90,14,604
Feb-19	145.00	123.90	46,33,486	145.50	123.35	90,30,775
Mar-19	181.90	128.15	53,09,880	182.00	128.00	1,43,54,534

b) Performance of the Company's Stock Price vis-à-vis S&P BSE Sensex:

CGCL Share Price at BSE & S&P BSE Sensex



c) **Performance of the Company's Stock Price vis- a- vis NSE Nifty**



ix. Registrar and Share Transfer Agents

Members/shareholders are requested to correspond with the Company's Registrars and Transfer Agents quoting their Folio No. / DP ID & Client ID at the following address:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083
Tel: 02249186270; Telefax: 02249186060
e-mail: rnt.helpdesk@linkintime.co.in

x. Share Transfer System

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under Regulation 40(9) of Listing Regulations and files a copy of the certificate with Stock Exchanges.

xi. Shareholding Pattern as on March 31, 2019

Category	No. of Shares	% of Holding
A) Promoters Holding		
a) Individuals	45,900,835	26.21
b) Bodies Corporate	8,53,41,703	48.73
Sub- Total (A)	13,12,42,538	74.94
B) 1) Non- Promoters Holding		
a) Foreign Portfolio Investors	56,94,774	3.25
b) Financial Institutions / Banks	11,007	0.01
Sub- Total (B)(1)	57,05,781	3.26
2) Non- Institutions		
i. Bodies Corporate	3,26,49,751	18.64
ii. Individuals	45,61,675	2.60
iii. Non Resident Indians	74,854	0.04
iv. Clearing Member	2,05,395	0.12
v. HUF	6,59,096	0.38
vi. IEPF	35,615	0.02
vii. NBFCs registered with RBI	100	0.00
Sub- Total(B)(2)	3,81,86,386	21.80
Grand Total (A+B)	17,51,34,805	100.00

Distribution Schedule of Equity shareholders as on March 31, 2019

Range (No. of Shares)	No. of Shareholders	%	No. of Shares	%
1 – 500	4,429	81.5954	5,92,601	0.34
501 – 1000	379	6.9823	3,14,575	0.18
1001– 2000	238	4.3847	3,63,874	0.21
2001– 3000	106	1.9528	2,75,217	0.16
3001– 4000	38	0.7001	1,37,881	0.08
4001- 5000	64	1.1791	3,03,675	0.17
5001-10000	64	1.1791	4,74,130	0.27
10001 and Above	110	2.0265	17,26,72,852	98.59
Total	5,428	100.0000	17,51,34,805	100.0000

Dematerialisation of Equity Shares and Liquidity

The Company's shares are currently traded only in dematerialised form over NSE & BSE. To facilitate trading in dematerialised form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the Depository Participants registered with any of these depositories. As on March 31, 2019, 99.99% of the Company's equity shares were held in dematerialised form.

xii. The Company has not issued any GDRs/ADRs.

xiii. Commodity price risk or foreign exchange risk and hedging activities - Not Applicable

xiv. Branches

Company has 84 branches located in the States of Maharashtra, Madhya Pradesh, Gujarat, Chhattisgarh, Karnataka, Rajasthan, Punjab, Delhi, NCR and Haryana,

xv. Address for Correspondence

For any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate/missing share certificates, demat and other matters please write to or contact Registrar & Share Transfer Agent of the Company at address mentioned at (ix) above. For any query on the Annual Report and for any complaints or suggestions please write to or contact:

Mr. Harish Agrawal
Senior Vice President and Company Secretary
Capri Global Capital Limited
502, A Tower, Peninsula Business Park
Lower Parel, Senapati Bapat Marg,
Mumbai-400013
Tel. No. (022)–40888100
e-mail : investor.relation@capriglobal.in

xvi. Credit Rating

During the year, Credit Analysis and Research Ltd. ("CARE") has accorded a rating with respect to the bank facilities availed by the Company, as follows:

Sl. No	Nature of Borrowing	Amount (₹ lakh)	Rating
1	NCDs	30,000	CARE A+; Stable (Single A Plus; Outlook: Stable)
2	CPs	35,000	CARE A1+ (A One Plus)
3	Long Term Bank Facilities	4,50,000	CARE A+; Stable (Single A Plus; Outlook: Stable)

Furthermore, new ratings were assigned by Brickwork Rating India Pvt. Ltd and Infomerics Valuation and Rating Pvt. Ltd. (Infomerics) to the bank loan facilities and debt facilities (existing and proposed) of the Company.

In September 2018, Brickwork Rating India Pvt. Ltd assigned a rating of "BWR AA-" Pronounced as BWR Double A Minus) Outlook - Stable" for the following facilities of the Company:

Sl. No	Instrument/ Facility	Amount (₹ in lakh)	Rating Assigned
1	Cash Credit	12,000	BWR AA- (Pronounced as BWR Double A Minus) Outlook - Stable
2	Term Loans - Existing	2,50,000	

In February 2019, Infomerics assigned rating with respect to the bank facilities availed by the Company, as follows:

Sl. No	Instrument/ Facility	Amount (₹ lakhs)	Rating Assigned
1	Cash Credit	12,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
2	Term Loans	4,38,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
3	Non-Convertible Debentures	30,000	IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
4	Proposed Commercial Papers	35,000	IVR A1+ (IVR A One Plus)

xvii. Fees to Statutory Auditor

Total fees paid by the Company and its subsidiaries for all the services, during FY 2018-19, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm / network entity of which the Statutory Auditors is a part is given herein below:

Particulars		Amount (₹ in lakh)
a)	For audit	19.00
b)	For tax audit	5.00
c)	For Limited Review	7.82
d)	For other services (Certification Fees)	7.10

xviii. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

9. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has adopted following discretionary requirements of Regulation 27(1) of Listing Regulations.

i. **Audit Qualifications:** There are no audit qualifications and the Company is in the regime of unmodified audit opinion.

ii. **Separate posts of Chairman and Managing Director:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director.

iii. **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee and he attends the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee.

10. COMPLIANCE CERTIFICATE

The Company has complied with the mandatory requirements as stipulated under the Listing Regulations. The Company has submitted the quarterly compliance report on corporate governance to the stock exchanges within the prescribed time limit.

M/s. PRS Associates, Practising Company Secretaries, have certified that the Company has complied with the mandatory requirements as stipulated under the Listing Regulations.

M/s. PRS Associates, Practising Company Secretaries, have certified that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors of Companies, by the Board / Ministry of Corporate Affairs or any such statutory authority.

These certificates are annexed to the Corporate Governance Report and will be submitted to the stock exchanges and the Ministry of Corporate Affairs along with the Annual Report.

11. MD AND CFO CERTIFICATION

Managing Director and CFO of the Company have issued a certificate in terms of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. They also certify the accuracy of the quarterly financial results while placing results before the Board.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT AS REQUIRED PURSUANT TO SCHEDULE V OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Rajesh Sharma, Managing Director of the Company, hereby declare that, all the Members of the Board and Senior Management Personnel have confirmed their compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2019.

For **Capri Global Capital Limited**

(Rajesh Sharma)
Managing Director
DIN: 00020037

Place: Mussoorie;
Date: May 03, 2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE PURSUANT TO SCHEDULE V (C) (10) (i) OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members of Capri Global Capital Limited,

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified by Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority, from being appointed or continuing as Directors of Companies.

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
Membership No. FCS2857
CP No. 6107

Place: Mumbai;

Date: May 03, 2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Capri Global Capital Limited,
Mumbai

We PRS Associates, Company Secretaries have examined the compliance of conditions of Corporate Governance by Capri Global Capital Limited ('the Company') for the year ended 31st March, 2019 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended on 31st March, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
Membership No. FCS-2857
CP No. 6107

Place: Mumbai;

Date: May 03, 2019

Annexure

Nomination and Remuneration Policy

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of Section 178 of Companies Act, 2013 and Listing Regulations.

1.1 Objectives

The Policy lays down the:

(i) Criteria for determining inter-alia qualification, positive attributes and independence of Directors for their appointment on the Board of the Company;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

1.2 Definitions

i. "Board" means Board of Directors of the Company.

ii. "Company" means "Capri Global Capital Limited."

iii. "Employees' Stock Option" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iv. 'fit and proper 'shall mean an individual who is:

a. more than thirty years in age;

b. a graduate;

c. has minimum five years' experience;

d. a person of integrity, reputation and character in the opinion of the Committee;

v. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

vi. "Key Managerial Personnel" (KMP) means

a) Chief Executive Officer or the Managing / Executive Director or the Manager,

b) Company Secretary,

c) Whole-time Director,

d) Chief Financial Officer and

e) Such other officer as may be prescribed.

vii. "Committee" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

viii. "Policy or This Policy" means, "Nomination and Remuneration Policy."

ix. "Managerial Person" means the Managing Director, Whole-time Director and/or Manager.

x. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

xi. "Senior Management" means, personnel of the Company who are members of its core management team excluding Board of Directors and who may be qualified to become directors.

1.3 Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management Personnel

i. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his / her appointment.

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation/advice/recommendations of the respective Functional Heads/ Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term / Tenure:

a) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.

b) No Independent Director shall hold office for more than two consecutive Terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

c) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.

d) the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of the Company.

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act'), rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 Disqualification for appointment of Directors

i. A person shall not be eligible for appointment as director of the company if:

a) he is of unsound mind and stands so declared by a competent court;

b) he is undischarged insolvent;

c) he has applied to be adjudicated as an insolvent and his application is pending;

d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:

1) an order disqualifying him for appointment as a director has been

passed by a court or Tribunal and the order in force;

2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;

3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:

a) has not filed financial statements or annual returns for any continuous period of three financial years; or

b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' by the Committee.

1.6 Remuneration Policy

Remuneration Policy of CGCL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Person and the Board of Directors.

The policy captures remuneration strategies, policies and practices of CGCL, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at CGCL

The Company adopts a total compensation philosophy in rewarding employees. The total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. Fixed Component: Consists of Basic Pay (Usually 40%-60% of the gross Fixed Salary).

ii. Perquisites: In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. Retirement Benefits: Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. Severance payments: In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. Personal benefits: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. Medical Insurance – Coverage of ₹ 5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. Term Insurance – Coverage between ₹ 50 Lacs to ₹ 1 Cr. based on the grade.

viii. Variable pay is linked to the below three factors:

  a) the financial results of the company;

  b) targets achieved;

  c) the individual performance and that of the department/team

ix. Annual Performance Linked Bonus: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

a) In the beginning of the year, the Board sets the organization performance objectives based on qualitative and quantitative measures.

b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

c) These objectives form part of the performance targets for the Managerial Personnel.

d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-executive Directors including Independent Directors

The Non-Executive Directors of the Company (who are not in the employment of the Company and/or its subsidiaries/associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013. Commission, if any, payable to NEDs shall be approved by the Board of the Company based on the recommendation of the Committee.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 Deviations from the Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 Amendments

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

Financial Statements

Independent Auditor's Report

To the Members of Capri Global Capital Limited

Report on the Audit of the Standalone Financial Statement

Opinion

We have audited the accompanying standalone financial statements of Capri Global Capital Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2019, and 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Revenue Recognition:** The Company recognizes interest income using the effective rate of interest method ("EIR") as prescribed under IND AS 109. The recognition of Interest income as per the EIR requires computation involving the contractual interest rate and transaction costs. The completeness and accuracy of the interest income computed on EIR basis therefore is KAM. Relevant reference in the Accounts :- Accounting policies - Point no. 2.5 (i) Note 22 of the standalone financial statements.	Principal audit procedures performed: We have tested the design and operating effectiveness of the controls directly associated with the calculation and reporting of interest income using EIR on loans to customers and tested a sample of loans and recomputed EIR interest income for those loans. We tested the portfolio level computations of interest income on EIR basis and traced the total EIR income to the standalone financial statement.
2	**Impairment of loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:	Principal audit procedures performed: • We tested the design and effectiveness of internal controls implemented by the management for the following: a. Identification and classification of loans which have impaired in correct buckets

• Timely identification and classification of the impaired loans, and • Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors	b. Validation of the Model used for the impairment provision c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision d. Completeness and accuracy of the data inputs used • We tested the completeness and accuracy of data including the bucketing of loans into delinquency bands and the calculation of PDs and LGDs. We critically assessed and tested the key underlying assumptions and significant judgements used by the management. • For loans identified by management as potentially impaired, on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence. • We examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed our own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "Reports"), but does not include the standalone financial statements and our auditors' report thereon. The Reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial 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 system 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 the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore KAM. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for transition date opening balance sheet as at 1st April 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the year ended 31st March 2017 dated 13th May 2017 expressed an unmodified opinion on this standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the matter on comparative standalone financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with the 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 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company does not have any pending litigations which would impact its financial position as at 31st March 2019;

        ii. The Company did not have any long-term contracts including derivative contracts as at year-end for which there were any material foreseeable losses; and

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place : Mumbai,
Date : May 3, 2019

Report on the Internal Financial Controls Over Financial Reporting .

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Capri Global Capital Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place : Mumbai,
Date : May 3, 2019

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title deeds, comprising of the immovable property of the Buildings is held in the name of the Company as at the balance sheet date. In respect of immovable properties of buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regards to the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and cess to the appropriate authorities. There were no amounts payable in respect of Customs Duty, Work Contract Tax, and Excise Duty.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and cess as at 31st March, 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Provident Fund, Employees' state insurance, Income tax, and Goods and Service Tax as on 31st March, 2019 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loan from government and financial institutions.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The

Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year except for an instance of fraud noticed by the Management involving the officer of the Company amounting to Rs 412 lakh and the same have been suitably dealt with in the financial statements of the Company.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place : Mumbai,
Date : May 3, 2019

Balance Sheet
as at March 31, 2019

(₹ in Lakh)

Particulars		Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS					
1	**Financial Assets**				
a.	Cash and cash equivalents	3	2,669.09	2,841.39	990.88
b.	Bank Balances other than above	4	829.23	725.25	532.81
c.	Receivables	5	455.25	57.97	675.97
d.	Loans	6	324,627.45	255,985.21	177,814.61
e.	Investments	7	18,750.70	13,378.78	10,073.32
f.	Other financial assets	8	161.96	158.24	165.93
	Total Financial Assets		**347,493.68**	**273,146.84**	**190,253.52**
2	**Non-Financial assets**				
a.	Current Tax Assets (Net)	9	598.53	311.00	871.08
b.	Deferred tax assets (Net)	10	1,914.27	1,494.02	1,028.60
c.	Property, plant and equipment	11	839.82	967.82	1,012.39
d.	Other intangible assets		171.46	205.60	232.23
e.	Intangible Assets Under Development		8.17	-	26.72
f.	Other non-financial assets	12	2,159.32	2,778.65	2,702.31
	Total Non-Financial Assets		**5,691.57**	**5,757.09**	**5,873.33**
	Total Assets		**3,53,185.25**	**2,78,903.93**	**1,96,126.85**
EQUITY AND LIABILITIES					
LIABILITIES					
1	**Financial Liabilities**				
a.	Payables				
	Trade Payables	13			
	i. total outstanding dues of micro enterprises and small enterprises		-	-	-
	ii. total outstanding dues of creditors other than micro enterprises and small enterprises		1,085.13	1,158.44	874.02
b.	Debt Securities	14	4,994.84	24,761.97	12,481.72
c.	Borrowings (Other than Debt Securities)	15	204,238.22	120,988.90	60,023.43
d.	Other financial liabilities	16	6,645.26	7,988.01	6,263.31
	Total Financial Liabilities		**216,963.45**	**154,897.32**	**79,642.48**
2	**Non-Financial Liabilities**				
a.	Current tax liabilities (Net)	17	142.28	469.20	-
b.	Provisions	18	674.31	573.07	256.86
c.	Other non-financial liabilities	19	258.12	251.42	112.66
	Total Non-Financial Liabilities		**1,074.71**	**1,293.69**	**369.52**
	Total liabilities		**218,038.16**	**156,191.01**	**80,012.00**
3	**Equity**				
a.	Equity Share Capital	20	3,502.70	3,502.70	3,502.70
b.	Other equity	21	131,644.39	119,210.22	112,612.15
	Total equity		**135,147.09**	**122,712.92**	**116,114.85**
	Total equity and liabilities		**353,185.25**	**278,903.93**	**196,126.85**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in Lakh)

	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
	REVENUE FROM OPERATIONS			
i.	Interest Income	22	46,290.60	31,124.36
ii.	Dividend Income		52.25	49.93
iii.	Fees and commission Income	23	383.99	116.34
iv.	Net gain on fair value changes	24	315.75	184.77
v.	Other operating income	25	2,933.21	1,945.93
I	**Total Revenue from Operations**		**49,975.80**	**33,421.33**
II	**Other Income**	26	433.50	276.26
III	**Total Income (I+II)**		**50,409.30**	**33,697.59**
	EXPENSES			
i.	Finance costs	27	16,989.11	9,507.00
ii.	Net loss on fair value changes	24 A	200.85	756.96
iii.	Impairment on financial instruments (Expected Credit Loss)	28	739.64	649.13
iv.	Employee benefit expense	29	9,743.15	7,036.73
v.	Depreciation and amortisation expense	11	487.86	570.24
vi.	Other expenses	30	4,511.11	3,628.02
IV	**Total expenses**		**32,671.72**	**22,148.08**
V	**Profit before Tax (III-IV)**		**17,737.58**	**11,549.51**
	Tax expense			
	- Current tax		5,290.00	4,785.19
	- Deferred tax		(420.25)	(470.00)
VI	**Total tax expense**		4,869.75	4,315.19
VII	**Net Profit After Tax**		**12,867.83**	**7,234.32**
VIII	**Other comprehensive income**			
	i. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	31	6.62	15.70
	ii. Income tax relating to items that will not be reclassified to profit or loss		(1.93)	(4.57)
	Other Comprehensive Income		**4.69**	**11.13**
IX	**Total comprehensive income (VII+VIII)**		**12,872.52**	**7,245.45**
X	**Earnings per equity share**			
	Basic (₹)		**7.35**	**4.13**
	Diluted (₹)		**7.31**	**4.12**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
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T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Cash Flow Statement
for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operating activities		
Profit before tax from continuing operations	17,737.58	11,549.51
Profit before tax	17,737.58	11,549.51
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	487.86	570.24
Impairment on financial instruments	739.64	649.13
Net loss on financial asset designated at FVOCI	200.85	756.96
Loss/(Gain) on sale of Fixed Assets	(7.62)	7.14
Share Based Payments to employees	195.06	(15.02)
Dividend income	(52.25)	(49.93)
Provision for Bonus	600.00	600.00
Provision for Gratuity	35.80	26.48
Provision for Leave Encashment	100.54	121.37
Operating Profit before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**20,037.46**	**14,215.88**
Working capital changes		
Loans	(69,381.88)	(78,819.74)
Trade receivables and contract asset	(400.99)	625.69
Other Non-financial Assets	619.33	(76.34)
Trade payables and contract liability	(73.31)	284.42
Other financial liability	(1,342.75)	1,724.70
Other Non-financial liability	6.71	138.76
Provision	(628.48)	(415.94)
Cash flows used in operating activities	**(51,163.91)**	**(62,322.57)**
Income tax paid	(5,906.39)	(3,755.90)
Net cash flows from/(used in) operating activities	**(57,070.29)**	**(66,078.47)**
Investing activities		
Proceeds from Maturity of Fixed Deposits	(103.27)	(192.26)
Purchase of fixed and intangible assets	(375.55)	(521.69)
Intangible Assets Under Development	(8.17)	-
Proceeds from sale of property and equipment	57.42	42.25
Purchase of investment at amortised cost	(5,572.78)	(4,062.41)
Dividend received	52.25	49.93
Net cash flows from/(used in) investing activities	**(5,950.10)**	**(4,684.18)**

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Financing activities		
Debt securities issued	(19,767.13)	12,280.25
Borrowings other than debt securities issued	83,249.33	60,965.46
Dividends paid including DDT	(633.40)	(632.36)
Net cash flows from financing activities	**62,848.80**	**72,613.35**
Net increase in cash and cash equivalents	(171.60)	1,850.70
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April 2018	2,842.87	992.17
Cash and cash equivalents at 31 March 2019	**2,671.27**	**2,842.87**
Components of cash and cash equivalents		
Cash on hand	33.99	16.29
Balances with banks		
In current accounts	2,635.10	2,825.10
In Unpaid Dividend Account	2.18	1.47
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	-	-
Total cash and cash equivalents	**2,671.27**	**2,842.87**
1. Operational cash flows from interest and dividends		
Interest paid	16,954.65	9,484.77
Interest received	44,580.64	30,901.72
Dividend received	52.25	49.93

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.

3. Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.

4. Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Reg. No.117366W/W-100018

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

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Independent Director
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Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mussoorie
Date: May 03, 2019

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

As at April 01, 2017	Changes in equity s hare capital during the year 2017-18	As at March 31, 2018	Changes in equity share capital during the year 2018-19	As at March 31, 2019
3,502.70	-	3,502.70	-	3,502.70

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Employee Benefit Expenses (Gratuity - OCI)	
Balance as at April 1, 2017	**6,420.53**	**44,710.06**	**47,335.38**	**126.19**	**14,020.00**	**-**	**112,612.15**
Restated balance at the beginning of the reporting year	6,420.53	44,710.06	47,335.38	126.19	14,020.00	-	112,612.15
Total Comprehensive Income for the year	-	-	-	-	-	15.70	15.70
Dividends ##	-	-	(632.36)	-	-	-	(632.36)
Transfer from retained earnings	-	-	(1,895.70)	-	1,880.00	-	(15.70)
Received during the year	-	-	7,245.45	-	-	-	7,245.45
Utilised during the year	-	-	-	(15.02)	-	-	(15.02)
Balance as at March 31, 2018	**6,420.53**	**44,710.06**	**52,052.77**	**111.17**	**15,900.00**	**15.70**	**119,210.22**

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Employee Benefit Expenses (Gratuity - OCI)	
Balance as at April 1, 2018	**6,420.53**	**44,710.06**	**52,052.77**	**111.17**	**15,900.00**	**15.70**	**119,210.22**
Restated balance at the beginning of the reporting year	6,420.53	44,710.06	52,052.77	111.17	15,900.00	15.70	119,210.22
Total Comprehensive Income for the year	-	-		-	-	(9.07)	(9.07)
Dividends #	-	-	(633.40)	-	-	-	(633.40)
Transfer from retained earnings	-	-	9.07	-	-	-	9.07
Received during the year	-	-	12,872.52	195.03	2,580.00	-	15,647.55
Utilised during the year	-	-	(2,580.00)			-	(2,580.00)
Balance as at March 31, 2019	**6,420.53**	**44,710.06**	**61,720.96**	**306.20**	**18,480.00**	**6.63**	**131,644.39**

During the FY 2018-19 the Company has paid the dividend of ₹. 633.40 Lakh (including dividend distribution tax of ₹108.00 Lakh) at Re.0.30 per equity share (on face value of ₹.2/- per equity share) approved in its Annual General Meeting held on 2nd August, 2018.

During the FY 2017-18 the Company has paid the dividend of ₹ 632.36 Lakh (including dividend distribution tax of ₹106.95 Lakh) at Re.0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on 7th July, 2017.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Notes forming part of Standalone Financial Statements

1. CORPORATE INFORMATION

Capri Global Capital Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

The standalone financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the board of directors on May 03, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The standalone financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of standalone financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.13- Significant accounting judgements, estimates and assumptions.

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

2.2 Presentation of standalone financial statements

The standalone financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) 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

2.3 Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

2.4 Financial instruments

i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through profit or loss

   The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Debt instruments

These financial assets comprises of bank balances, receivables, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

iii. Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

iv. Debt securities and other borrowed funds

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

v. Reclassification

If the business model under which the Company holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

vi. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds are received by the Company.

d) Other Financial assets and liabilities 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.

Derecognition of financial assets due to substantial modification of terms and conditions:

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

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

Derecognition of financial assets other than due to substantial modification

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

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) **Financial liabilities**

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

vii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs) and Construction Finance.

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. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced , and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Company calculates ECLs based on 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 the Company in accordance with the contract and the cash flows that the Company expects to receive.

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

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

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

viii. Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

ix. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note.) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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 not recognised at the initial recognition stage.

2.5 Revenue from operations

i. Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the company applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

ii. Dividend Income

Dividend income is recognised when the right to receive the payment is established.

iii. Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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 service 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.

iv. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

v. Loan Processing Fees

Loan processing fees is collected towards processing of loan, is amortised on EIR basis over the life of the loan.

2.6 Expenses

i. Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

ii. Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to the Gratuity Fund created for the said purpose. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

iii. Rent Expense:

Identification of Lease:

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 fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

iv. Other income and expenses

All Other income and expense are recognized on accrual basis in the period they occur.

v. Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi. Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /service tax/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.8 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. 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.

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

2.9 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii. Impairment of loans portfolio

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.

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

iii. Effective Interest Rate (EIR) method

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

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

2.14 First time adoption

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

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

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

i. Investment in Subsidiaries

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the transition date.

ii. Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

The Company has opted not to re-evaluate financial assets derecognized in the past.

iii. Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

2.15 Operating Cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

Notes to Financial Statements
for the year ended March 31, 2019

Note 3. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
i. Cash on hand	33.99	16.29	2.51
ii. Balances with banks:			
- In Current Accounts	2,635.10	2,825.10	988.37
Total	**2,669.09**	**2,841.39**	**990.88**

Note 4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Earmarked balances with banks			
- original Maturity more than 3 months	827.05	723.78	531.52
- Unclaimed Dividend Account	2.18	1.47	1.29
Total	**829.23**	**725.25**	**532.81**

The Fixed deposits have been kept as lien with banks against Overdraft facility availed by company.

Note 5. RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured considered good			
- Outstanding for a period exceeding six months from the due date of payment	-	-	181.41
- Outstanding for a period less than six months	455.25	57.97	494.56
Total	**455.25**	**57.97**	**675.97**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Company has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. LOANS

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Amortised cost	Total	Amortised cost	Total	Amortised cost	Total
A						
Loans	327,686.15	327,686.15	258,290.17	258,290.17	179,636.42	179,636.42
Loan to employees	126.34	126.34	115.65	115.65	135.52	135.52
Loans and advances to related parties - Subsidiary	54.30	54.30	44.00	44.00	26.50	26.50
Total – Gross (A)	**327,866.80**	**327,866.80**	**258,449.82**	**258,449.82**	**179,798.44**	**179,798.44**
Less: Expected Credit Loss	(3,239.35)	(3,239.35)	(2,464.61)	(2,464.61)	(1,983.84)	(1,983.84)
Total – Net (A)	**324,627.45**	**324,627.45**	**255,985.21**	**255,985.21**	**177,814.61**	**177,814.61**
B						
a. Secured by tangible assets	327,686.15	327,686.15	258,290.17	258,290.17	179,636.42	179,636.42
b. Unsecured	180.65	180.65	159.65	159.65	162.02	162.02
Total – Gross (B)	**327,866.80**	**327,866.80**	**258,449.82**	**258,449.82**	**179,798.44**	**179,798.44**
Less: Expected Credit Loss	(3,239.35)	(3,239.35)	(2,464.61)	(2,464.61)	(1,983.84)	(1,983.84)
Total – Net (B)	**324,627.45**	**324,627.45**	**255,985.21**	**255,985.21**	**177,814.61**	**177,814.61**
C						
Loans in India						
i. Public Sector	-	-	-	-	-	-
ii. Others	327,866.80	327,866.80	258,449.82	258,449.82	179,798.44	179,798.44
Total (C) Gross	**327,866.80**	**327,866.80**	**258,449.82**	**258,449.82**	**179,798.44**	**179,798.44**
Less: Expected Credit Loss	(3,239.35)	(3,239.35)	(2,464.61)	(2,464.61)	(1,983.84)	(1,983.84)
Total (C) Net	**324,627.45**	**324,627.45**	**255,985.21**	**255,985.21**	**177,814.61**	**177,814.61**

Note 1 - The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.

Note 2 - Term loans are secured against tangible assets kept as collateral of immovable property and portfolio hypothecation(Book Debt Receivable).

Note 3 - The Company does not have any loans outside India.

Note 7. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2019		
	At Fair Value Through profit or loss	Others	Total
	(1)	(2)	(3)=(1)+(2)
Equity Instruments	932.62		932.62
Subsidiaries - Equity Shares*	-	17,818.08	17,818.08
Total – Gross (A)	**932.62**	**17,818.08**	**18,750.70**
i. Investments outside India**	-	13.08	13.08
ii. Investments in India	932.62	17,805.00	18,737.62
Total (B)	**932.62**	**17,818.08**	**18,750.70**

(₹ in Lakh)

Particulars	As at March 31, 2018		
	At Fair Value Through profit or loss	Others	Total
	(1)	(2)	(3)=(1)+(2)
Other approved securities (Bonds)	4,337.04	-	4,337.03
Equity Instruments	1,223.66	-	1,223.66
Subsidiaries - Equity Shares*	-	7,805.00	7,805.00
Subsidiary - Share Application Money	-	13.08	13.08
Total – Gross (A)	**5,560.70**	**7,818.08**	**13,378.78**
i. Investments outside India**	-	13.08	13.08
ii. Investments in India	5,560.70	7,805.00	13,365.70
Total (B)	**5,560.70**	**7,818.08**	**13,378.78**

(₹ in Lakh)

Particulars	As at March 31, 2017		
	At Fair Value Through profit or loss	Others	Total
	(1)	(2)	(3)=(1)+(2)
Mutual funds	3,996.50	-	3,996.50
Equity Instruments	3,520.82	-	3,520.82
Subsidiaries - Equity Shares	-	2,556.00	2,556.00
Total – Gross (A)	**7,517.32**	**2,556.00**	**10,073.32**
i. Investments outside India	-	-	-
ii. Investments in India	7,517.32	2,556.00	10,073.32
Total (B)	**7,517.32**	**2,556.00**	**10,073.32**

(₹ in Lakh)

	As at March 31, 2019 Numbers/Units	As at March 31, 2018 Numbers/Units	As at April 1, 2017 Numbers/Units
Investment in Subsidiaries			
1. Capri Global Housing Finance Limited Equity Shares of ₹ 10/- each fully paid up	60,714,280	36,904,760	25,000,000
2. Capri Global Resources Private Limited Equity Shares of ₹ 10/- each fully paid up	550,000	550,000	550,000
3. Capri Global Asset Reconstruction Private Limited Equity Shares of ₹ 10/- each fully paid up	2,500,000	2,500,000	10,000
4. Capri Global Capital (Mauritius) Limited Equity Shares of 1 Mauritian Rupee each fully paid up	675,921	1	-
Investment in Equity			
1. Equity Shares of CARE of ₹ 10/- each fully paid up	94,242	101,238	208,000
Investment in Bonds			
1. 7.37% NTPC Limited Bond (Series 66) of ₹ 10,00,000/- each fully paid up	-	200	-
2. 8.25% The Great Eastern Shipping Company Ltd of ₹ 10,00,000/- each fully paid up	-	239	-
Investment in Mutual Funds			
1. Units of BSL-Cash Plus-Direct Growth	-	-	574,194.55
2. Units of Kotak Mahindra MF	-	-	37,472.40
3. Units of Sundaram MF	-	-	4,374,874.22

* The Company invested an amount of ₹100 crores @ ₹ 42 per equity share of ₹ 10/- each in its subsidiary Capri Global Housing Finance Limited during the year 2018-19 (₹ 50 crore in 2017-18).

** Company has remitted share application money of ₹ 13.08 Lakh during 2017-18 against which 6,75,921 shares of 1 Mauritian Rupee were alloted during 2018-19.

Note 8. OTHERS FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Deposits	161.96	158.24	165.93
Total	**161.96**	**158.24**	**165.93**

Note 9. CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax (net of provision for tax)	598.53	311.00	871.08
Total	**598.53**	**311.00**	**871.08**

Note 10. DEFERRED TAX ASSETS (NET)

The major components of deferred tax assets and liabilities are :

(₹ in Lakh)

Particulars		As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
		Assets	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
a.	Provisions for employee benefit	67.80	-	43.83	-	8.49	-
b.	Depreciation	232.11	-	142.68	-	64.34	-
c.	Provisions for Loans	687.89	-	687.89	-	602.84	-
d.	Financial Instruments at FVTPL	3.28	-	-	11.24	1.99	-
e.	Amortised Finance Cost	-	259.81	-	201.44	-	81.72
f.	Amortised Fees Income	1183.01	-	836.88	-	432.66	-
g.	Others	-	-	-	4.57	-	-
Total		**2,174.08**	**259.81**	**1,711.28**	**217.26**	**1,110.33**	**81.72**
Net Deferred Tax Asset		**1,914.27**		**1,494.02**		**1,028.60**	

Note 11. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2018	Additions	Deduc-tions	As at March 31,2019	As at April 01,2018	For the Year	Deduc-tions	As at March 31,2019	As at March 31,2019	As at March 31,2018
Buildings :										
Buildings	27.00	-	-	27.00	1.29	1.30	-	2.59	24.41	25.71
Leasehold Premises	227.62	0.88	-	228.50	54.45	46.31	-	100.76	127.74	173.17
Computer Hardware	524.40	79.44	19.28	584.56	375.32	112.44	18.32	469.44	115.12	149.08
Furniture and Fixtures	551.62	17.09	-	568.71	259.92	81.80	-	341.72	226.99	291.70
Office Equipments	264.90	13.26	2.84	275.32	182.18	40.63	2.60	220.21	55.11	82.72
Vehicles	472.84	160.71	114.38	519.17	300.22	47.20	65.76	281.66	237.51	172.62
Electrical Installation	125.04	0.14	-	125.18	52.22	20.02	-	72.24	52.94	72.82
Total	**2,193.42**	**271.52**	**136.50**	**2,328.44**	**1,225.60**	**349.70**	**86.68**	**1,488.62**	**839.82**	**967.82**

Intangible assets :

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2018	Additions	Deduc-tions	As at March 31,2019	As at April 01,2018	For the Year	Deduc-tions	As at March 31,2019	As at March 31,2019	As at March 31,2018
Software	360.84	104.02	-	464.86	207.78	85.62	-	293.40	171.46	153.06
Royalty	705.40	-	-	705.40	652.86	52.54	-	705.40	-	52.54
Total	**1,066.24**	**104.02**	**-**	**1,170.26**	**860.64**	**138.16**	**-**	**998.80**	**171.46**	**205.60**

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2017	Additions	Deduc-tions	As at March 31,2018	As at April 01,2017	For the Year	Deduc-tions	As at March 31,2018	As at March 31,2018	As at March 31,2017
Buildings :										
Buildings	27.00	-	-	27.00	0.03	1.26	-	1.29	25.71	26.97
Leasehold Premises	128.98	98.64	-	227.62	5.58	48.87	-	54.45	173.17	123.40
Computer Hardware	407.30	130.84	13.74	524.40	294.29	93.85	12.82	375.32	149.08	113.01
Furniture and Fixtures	489.71	61.91	-	551.62	169.41	90.51	-	259.92	291.70	320.30
Office Equipments	241.37	24.20	0.67	264.90	110.79	72.02	0.63	182.18	82.72	130.58
Vehicles	465.61	86.30	79.07	472.84	257.01	73.86	30.65	300.22	172.62	208.60
Electrical Installation	118.12	6.92	-	125.04	28.59	23.62	-	52.22	72.82	89.53
Total	**1,878.09**	**408.81**	**93.48**	**2,193.42**	**865.70**	**403.99**	**44.10**	**1,225.60**	**967.82**	**1,012.39**

Intangible assets :

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2017	Additions	Deduc-tions	As at March 31,2018	As at April 01,2017	For the Year	Deduc-tions	As at March 31,2018	As at March 31,2018	As at March 31,2017
Software	221.21	139.63	-	360.84	177.34	30.44	-	207.78	153.06	43.88
Royalty	705.40	-	-	705.40	517.05	135.81	-	652.86	52.54	188.35
Total	**926.61**	**139.63**	**-**	**1,066.24**	**694.39**	**166.25**	**-**	**860.64**	**205.60**	**232.23**

Note 12. OTHER NON-FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital Advances	1,384.81	2,041.87	1,959.99
Prepaid Expenses	144.08	149.05	114.12
Other Assets	482.37	429.81	429.81
GST/Service tax Input Credit	-	6.92	19.34
Others	34.14	23.66	65.10
Deferred lease rentals	113.92	127.34	113.95
Total	**2,159.32**	**2,778.65**	**2,702.31**

Note 13. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	423.30	558.44	554.38
Accrued Employee Benefit Expense	661.83	600.00	319.64
Total	**1,085.13**	**1,158.44**	**874.02**

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(₹ in Lakh)

Particulars	As at March 31, 2019	As at April 01, 2018
a. Amount outstanding but not due as at year end	-	-
b. Amount due but unpaid as at the year end	-	-
c. Amounts paid after appointed date during the year	-	-
d. Amount of interest accrued and unpaid as at year end	-	-
e. The amount of further interest due and payable even in the succeeding year	-	-
Total	**-**	**-**

Note 14. DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	At Amortised Cost	Total	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	4,994.84	4,994.84	9,983.90	9,983.90	7,481.72	7,481.72
Commercial Papers	-	-	14,778.07	14,778.07	5,000.00	5,000.00
Total (A)	**4,994.84**	**4,994.84**	**24,761.97**	**24,761.97**	**12,481.72**	**12,481.72**
Debt securities in India	4,994.84	4,994.84	24,761.97	24,761.97	12,481.72	12,481.72
Debt securities outside India	-	-	-	-	-	-
Total (B)	**4,994.84**	**4,994.84**	**24,761.97**	**24,761.97**	**12,481.72**	**12,481.72**

Terms of repayment, nature of security & rate of interest in case of Non Convertible Debentures.

(₹ in Lakh)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Series I Tranche II (FV ₹10 Lakh)	17-02-2020	Bullet payment on maturity	9.50%	5,000.00	5,000.00	5,000.00
Series I Tranche III (FV ₹10 Lakh)	07-03-2019	Bullet payment on maturity	10.25%	-	1,500.00	1,500.00
Series I Tranche I (FV ₹10 Lakh)	20-01-2020	Bullet payment on maturity with put option after 2 years from date of issue	10.50%	-	1,000.00	1,000.00
Series I Tranche III (FV ₹10 Lakh)	27-09-2019	Bullet payment on maturity with put option every 3 months from date of issue	9.75%	-	2,500.00	-
		Total		**5,000.00**	**10,000.00**	**7,500.00**

The above Non Convertible Debentures are secured against pari-passu charge on book debts and Immovable Property.

Note 15. BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Term Loans from Banks*	193,405.55	120,898.44	57,154.30
Loan Repayable on Demand			
From Banks (Overdraft)	46.08	90.48	34.56
From Banks (Cash Credit)	10,786.59	-	2,834.57
Total (A)	**204,238.22**	**120,988.92**	**60,023.43**
Borrowings in India	204,238.22	120,988.92	60,023.43
Borrowings outside India	-	-	-
Total (B)	**204,238.22**	**120,988.92**	**60,023.43**

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts with asset cover of 1.33 times

Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
State Bank Of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from April 2019	25,000.00	-	-
Bank of Maharashtra - Term Loan 2	December 31, 2019	12 quarterly instalments starting from Mar 2017	20,000.00	20,000.00	20,000.00
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	20,000.00	5,000.00	-
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	20,000.00	20,000.00	-
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	10,000.00	10,000.00	2,500.00
Punjab National Bank - Term Loan	December 31, 2024	16 quarterly instalments starting from Mar 2019	10,000.00	7,000.00	-
State Bank Of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	10,000.00	100.00	-
Indian Bank - Term Loan	February 15, 2025	24 quarterly instalments starting from Mar 2019	10,000.00	10,000.00	-
Vijaya Bank - Term Loan 2	September 30, 2020	12 quarterly instalments starting from Dec 2017	7,500.00	7,500.00	7,500.00
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from March 2020	7,500.00	-	-
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	5,000.00	-	-
Andhra Bank - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Mar 2018	5,000.00	5,000.00	5,000.00
Bank of India - Term Loan 2	October 13, 2020	12 quarterly instalments starting from Jan 2018	5,000.00	5,000.00	3,500.00
Vijaya Bank - Term Loan 1	February 10, 2020	12 quarterly instalments starting from May 2017	5,000.00	5,000.00	5,000.00
Vijaya Bank - Term Loan 3	March 27, 2021	12 quarterly instalments starting from June 2018	5,000.00	5,000.00	3,500.00
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	5,000.00	5,000.00	-
United Bank - Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	5,000.00	3,500.00	-
Punjab Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	5,000.00	2,500.00	-
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	5,000.00	-	-
Vijaya Bank - Term Loan 4	March 31, 2024	16 quarterly instalments starting from June 2020	5,000.00	-	-
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	4,500.00	4,500.00	-
Andhra Bank - Term Loan 1	August 30, 2019	12 quarterly instalments starting from Nov 2016	3,000.00	3,000.00	3,000.00

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Andhra Bank - Term Loan 2	February 10, 2020	12 quarterly instalments starting from May 2017	3,000.00	3,000.00	3,000.00
Dena Bank - Term Loan	September 30, 2021	12 quarterly instalments starting from Dec 2018	2,500.00	2,500.00	-
ICICI Bank - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	2,500.00	2,500.00	-
Sinhan Bank - Term Loan	February 20, 2020	8 quarterly instalments starting from May 2018	2,500.00	2,500.00	-
Kotak Bank - Term Loan	March 31, 2020	24 monthly instalments starting from Mar 2018	2,500.00	2,500.00	-
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from March 2020	2,500.00	-	-
Karnataka Bank - Term Loan	March 31, 2021	12 quarterly instalments starting from June 2018	2,000.00	1,000.00	-
HDFC Bank - Term Loan	June 30, 2021	36 monthly instalments starting from July 2018	1,000.00	-	-
YES Bank - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	500.00	-	-
YES Bank - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	300.00	-	-
YES Bank - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	300.00	-	-
YES Bank - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	300.00	-	-
YES Bank - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	200.00	-	-
YES Bank - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	200.00	-	-
YES Bank - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	200.00	-	-
YES Bank - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	500.00	500.00	-
YES Bank - Term Loan 1	March 28, 2022	Repayable in 16 quarterly instalments starting from July 2018	5,000.00	-	-
YES Bank - Term Loan 1	April 25, 2022	Repayable in 16 quarterly instalments starting from July 2018	7,500.00	-	-
Bank of Maharashtra - Term Loan 1	June 30, 2018	12 quarterly instalments starting from Sep 2015	-	5,000.00	5,000.00
Bank of India - Term Loan 1	September 10, 2019	12 quarterly instalments starting from Dec 2016	-	2,500.00	2,500.00
OBC - Term Loan	Sept,2017	12 quarterly instalments starting from June 2018	-	-	5,000.00

The weighted average cost on above Term Loans is 9.69% per annum.

Note 16. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Book Overdraft	6,121.81	6,604.03	5,832.13
Unclaimed dividend	2.18	1.47	1.29
Advances from customers	138.93	79.18	264.97
Interest Accrued but not due on borrowings	74.69	109.15	86.91
Others	307.65	1,194.18	78.00
Total	**6,645.26**	**7,988.01**	**6,263.31**

Note 17. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Tax (Net of Advance Tax)	142.28	469.20	-
Total	**142.28**	**469.20**	**-**

Note 18. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision on non-fund exposure	342.10	377.20	208.84
Provision for Employee Benefits			
- Gratuity	81.14	45.34	18.86
- Compensated Absences	251.07	150.53	29.16
Total	**674.31**	**573.07**	**256.86**

Note 19. OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Other Payables			
Statutory Remittances	258.12	251.42	112.66
Total	**258.12**	**251.42**	**112.66**

Note 20. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
36,00,00,000 Equity Shares of ₹ 2 each	7,200.00	7,200.00	7,200.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)			
	7,200.00	**7,200.00**	**7,200.00**
Issued, Subscribed and fully paid up			
17,51,34,805 Equity Shares of ₹ 2 each	3,502.70	3,502.70	3,502.70
(Previous Year 17,51,34,805 Equity Shares of ₹ 2 each)			
	3,502.70	**3,502.70**	**3,502.70**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Amount	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70	17,51,34,805	3,502.70
Issued during the year	-	-	-	-	-	-
Equity shares outstanding as at the end of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70	17,51,34,805	3,502.70

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	Amount	Number	Amount	Number	Amount
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.73%	6,78,24,643	38.73%	6,60,40,395	37.71%
Mr. Rameshchandra Sharma	4,37,64,930	24.99%	4,37,64,930	24.99%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	10.00%	1,75,17,060	10.00%	1,75,17,060	10.00%

Terms/Rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Board of Directors at their meeting held on 3rd May, 2019 have recommended a dividend of Re. 0.36 per equity share on face value of ₹ 2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. During the year the Company has paid the dividend of ₹ 633.40 Lakh (including dividend distribution tax of ₹108.00 Lakh) at Re.0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on 2nd August, 2018.

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

Note 21. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Balance as per the last Financial Statements	15,900.00	14,020.00	12,860.00
Add: Amount transferred from surplus balance in the statement of profit and loss	2,580.00	1,880.00	1,160.00
Closing balance	**18,480.00**	**15,900.00**	**14,020.00**
Securities premium account			
Balance as per the last financial statements	44,710.06	44,710.06	44,710.06
Closing balance	**44,710.06**	**44,710.06**	**44,710.06**
General Reserve			
Balance as per the last financial statements	6,420.53	6,420.53	5,970.53
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-	450.00
Closing balance	**6,420.53**	**6,420.53**	**6,420.53**
Other reserves & surplus - Employee stock option outstanding			
Balance as per the last Financial Statements	111.17	126.19	126.19
Add/Less: Amount transferred from surplus balance in the statement of profit and loss	195.06	(15.02)	-
Closing balance	**306.23**	**111.17**	**126.19**
Retained earnings (Surplus/deficit in statement of profit and loss)			
Surplus/deficit in statement of profit and loss	52,068.44	47,335.38	45,727.69
Profit for the year:	12,872.54	7,245.45	-
Less: Appropriations			
Dividend Paid	(525.40)	(525.40)	-
Tax on Dividend Paid	(108.00)	(106.96)	-
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(2,580.00)	(1,880.00)	-
Add/Less: Ind AS adjustments on transition	-	-	1,607.69
	61,727.57	**52,068.46**	**47,335.38**
Total	**131,644.39**	**119,210.22**	**112,612.15**

Securities premium reserve

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

General reserve

Genral Reserves majorly consist of annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Every non-banking financial company shall create a reserve fund to transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

Employee stock option outstanding reserves

This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.

Note 22. INTEREST INCOME

(₹ in Lakh)

Particulars	As at March 31, 2019			As at March 31, 2018		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVTPL	Total	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVTPL	Total
Interest on Loans	46,024.92	-	46,024.92	31,041.05	-	30,924.71
Interest on deposits	54.34	-	54.34	37.37	-	37.37
Interest income from investments	-	211.35	211.35	-	162.28	162.28
Total	**46,079.26**	**211.35**	**46,290.60**	**31,078.42**	**162.28**	**31,124.36**

Note 23. FEE AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Application fees	383.99	116.34
Total	**383.99**	**116.34**

Note 24. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
A	Net gain on financial instruments at fair value through profit or loss			
i.	On trading portfolio			
	-	Mutual Fund & Bonds	315.75	184.77
ii.	On financial instruments designated at fair value through profit or loss		-	-
B	Others		-	-
C	Total Net gain on fair value changes		315.75	184.77
D	Fair Value changes:			
	-	Realised	315.75	226.19
	-	Unrealised	-	(41.42)
Total Net gain on fair value changes			**315.75**	**184.77**

Note 24A. NET LOSS ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
A	Net loss on financial instruments at fair value through profit or loss			
i.	On trading portfolio			
	-	Investments in share	200.85	756.96
	-	Mutual Fund & Bonds	-	-
ii.	On financial instruments designated at fair value through profit or loss		-	-
B	Others		-	-
C	Total Net loss on fair value changes		200.85	756.96
D	Fair Value changes:			
	-	Realised	(5.63)	(763.54)
	-	Unrealised	206.48	1520.50
Total Net gain on fair value changes			**200.85**	**756.96**

Note 25. OTHER OPERATING INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement Income	1,277.97	764.16
Foreclosure Fees Received	1,109.62	916.33
Bad Debts Recovered	92.35	199.50
Other charges from customers	453.28	65.94
Total	**2,933.21**	**1,945.93**

Note 26. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit on sale of Assets	125.73	-
Profit on sale of fixed asset	7.62	28.88
Interest on Income Tax Refund	-	85.84
Others*	300.15	161.54
Total	**433.50**	**276.26**

*Others majorly consists of service fees received from Capri Global Housing Finance Limited a 100% Subsidiary of the company

Note 27. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	15,134.47	7,553.21
Interest on Bank Overdraft	86.64	4.99
Interest on debt securities	1,315.84	737.09
Commercial Paper	227.67	1,155.89
Interest on Bank CC	223.46	55.82
Interest Others	1.03	-
Total	**16,989.11**	**9,507.00**

Note 28. IMPAIRMENT ON FINANCIAL INSTRUMENTS (EXPECTED CREDIT LOSS)

The table below shows the ECL charges in terms of IND AS guidelines on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹ in Lakh)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	63.26	94.24	617.24	774.74	402.73	129.74	(51.70)	480.77
Loan commitments	(36.69)	1.62	(0.04)	(35.10)	168.32	0.01	0.04	168.36
Total impairment loss	**26.58**	**95.86**	**617.20**	**739.64**	**571.05**	**129.75**	**(51.67)**	**649.13**

The ECL figures given in brackets indicate stagewise release of the provision amount.

Note 29. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Bonus	9,085.75	6,701.45
Contribution to Provident Fund and Other Funds	319.29	214.74
Staff Training and Welfare Expenses	164.35	140.48
Share Based Payments to employees	173.75	(19.94)
Total	**9,743.15**	**7,036.73**

Note 30. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertising	27.03	10.48
Auditors' Remuneration (Refer Note 1 below)	34.49	24.24
Bad Debts Written Off	669.20	262.17
Banking Charges	15.46	10.39
Business Development Expenses	52.51	33.39
Corporate Social Responsibility Expenses (Refer Note 2 below)	186.62	192.23
Directors' Fees and Commission	52.32	21.67
Donation	0.55	2.51
Electricity Charges	59.77	58.79
General Expenses	145.73	131.68
Insurance Charges	44.13	5.89
Legal Expenses	1,382.72	1,129.57
Manpower Outsourcing Expenses	68.76	105.60
Membership & Subscription Expenses	20.38	25.75
Postage, Telephone and Fax	187.47	179.06
Printing and Stationery	101.48	89.93
Registration Expenses	3.10	1.65
Rent	623.20	597.45
Repairs and Maintenance	18.21	53.06
Software Expenses	93.64	149.69
Filing & Other Fees to ROC	1.32	0.54
Loss On Sale Of Fixed Assets	-	7.14
Computer Maintenance	21.41	35.30
Travelling and Conveyance	536.33	465.03
Miscellaneous Expenses	165.27	34.80
Total	**4,511.11**	**3,628.02**

1. Auditors' Remuneration

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a. For Audit	14.00	10.00
b. For Tax Audit	4.00	3.00
c. For Limited Review	7.82	7.77
d. For other services (Certification Fees)	7.10	3.47
e. For reimbursement of expenses	1.57	-
Total	**34.49**	**24.24**

2. Corporate Social Responsibility Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross Amount Required to be spent during the year	186.62	192.23
Amount spent during the year on CSR	186.62	192.23

Note 31. OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement gain on defined benefit plan	6.62	15.70
Income tax relating to these items	(1.93)	(4.57)
Total other comprehensive income for the year, net of tax	**4.69**	**11.13**

Note 32. MSME LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018				As at March 31, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing												
High grade	1,71,612.23	-	-	1,71,612.23	1,35,689.35	-	-	1,35,689.35	1,10,247.23	-	-	1,10,247.23
Standard grade	7,619.22	-	-	7,619.22	7,122.01	-	-	7,122.01	3,044.89	-	-	3,044.89
Sub-standard grade	-	6,170.80	-	6,170.80	-	3,598.03	-	3,598.03	-	3,029.95	-	3,029.95
Past due but not impaired	-	4,403.67	-	4,403.67	-	4,334.97	-	4,334.97	-	351.62	-	351.62
Individually impaired	-	-	4,614.12	4,614.12	-	-	3,377.45	3,377.45	-	-	3,472.09	3,472.09
Total	**1,79,231.45**	**10,574.47**	**4,614.12**	**1,94,420.04**	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**	**1,13,292.12**	**3,381.57**	**3,472.09**	**1,20,145.78**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**	**1,13,292.12**	**3,381.57**	**3,472.09**	**1,20,145.78**
New assets originated	86,920.68	-	-	86,920.68	81,656.28	-	-	81,656.28
Assets derecognised or repaid (excluding write offs)	(43,170.94)	(1,747.11)	(1,035.20)	(45,953.25)	(44,670.73)	(1,831.37)	(915.98)	(47,418.08)
Transfers to Stage 1	9,727.69	(6,386.64)	(3,341.05)	0.00	7,416.05	(6,205.05)	(1,211.00)	-
Transfers to Stage 2	(12,279.24)	12,348.58	(69.34)	0.00	(12,584.41)	13,384.23	(799.82)	-
Transfers to Stage 3	(4,778.10)	(1,573.36)	6,351.46	0.00	(2,297.95)	(796.38)	3,094.33	-
Amounts written off*	-	-	(669.20)	(669.20)	-	-	(262.17)	(262.17)
Gross carrying amount closing balance	**1,79,231.45**	**10,574.47**	**4,614.12**	**1,94,420.04**	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the company.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**504.47**	**231.45**	**853.09**	**1,589.01**	**445.48**	**109.19**	**992.60**	**1,547.27**
New assets originated	1,552.90	-	-	1,552.90	638.87	-	-	638.87
Assets derecognised or repaid (excluding write offs)	(202.80)	(48.17)	(426.56)	(677.53)	(202.63)	(57.22)	(337.28)	(597.13)
Transfers to Stage 1	6.76	(6.26)	(0.50)	0.00	1.93	(0.86)	(1.07)	-
Transfers to Stage 2	(404.42)	405.75	(1.33)	(0.00)	(361.05)	381.37	(20.32)	-
Transfers to Stage 3	(914.26)	(249.60)	1,163.86	(0.00)	(18.13)	(201.03)	219.16	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**542.65**	**333.17**	**1,588.56**	**2,464.38**	**504.47**	**231.45**	**853.09**	**1,589.01**

***Internal rating grades are classified on below basis**

	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
LGD*	20.66	24.46	26.97

*LGD has improved over the year from 2017 to 2019 on account of continious monitoring resulting in better collections.

Probability of Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stage 1	1.45	1.43	1.44
Stage 2	13.51	11.10	10.74
Stage 3	100.00	100.00	100.00

Note 32.1 CONSTRUCTION FINANCE LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018				As at March 31, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing												
High grade	1,33,632.35	-	-	1,33,632.35	1,03,287.18	-	-	1,03,287.18	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-	59,577.57	-	-	59,577.57
Sub-standard grade	-	-	-	-	-	1,070.21	-	1,070.21	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	167.51	167.51	-	-	910.41	910.41	-	-	439.12	439.12
Total	**1,33,632.35**	**-**	**167.51**	**1,33,799.86**	**1,03,287.18**	**1,070.21**	**910.41**	**1,05,267.80**	**59,577.57**	**-**	**439.12**	**60,016.69**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,03,287.18**	**1,070.21**	**910.41**	**1,05,267.81**	**59,577.57**	**-**	**439.12**	**60,016.69**
New assets originated	58,384.90	-	-	58,384.90	71,114.81	-	-	71,114.81
Assets derecognised or repaid (excluding write offs)	(28,039.73)	(1,070.21)	(742.90)	(29,852.85)	(25,424.58)	-	(439.12)	(25,863.70)
Transfers to Stage 1			-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	(1,639.79)	1,639.79	-	-
Transfers to Stage 3	-	-	-	-	(340.83)	(569.58)	910.41	
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**1,33,632.35**	**-**	**167.51**	**1,33,799.86**	**1,03,287.18**	**1,070.21**	**910.41**	**1,05,267.80**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**723.22**	**7.48**	**144.89**	**875.59**	**379.48**	**-**	**57.09**	**436.57**
New assets originated	327.48	-	-	327.48	635.81	-	-	635.81
Assets derecognised or repaid (excluding write offs)	(302.39)	(7.48)	(118.23)	(428.10)	(139.70)	-	(57.09)	(196.79)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	(10.40)	10.39	-	-
Transfers to Stage 3	-	-	-	-	(141.97)	(2.91)	144.89	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**748.31**	**-**	**26.66**	**774.97**	**723.22**	**7.48**	**144.89**	**875.59**

Internal rating grades are classified on below basis*

	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
LGD	15.91	15.91	13.00

Probability of Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stage 1	3.52	4.39	4.88
Stage 2	N.A.	4.39	N.A.
Stage 3	100.00	100.00	100.00

Note 33. INCOME TAXES RELATING TO CONTINUING OPERATIONS

1. Income Tax recognised in statement of profit and loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of the current year	5,290.00	4,812.00
In respect of prior years	-	(26.81)
	5,290.00	**4,785.19**
Deferred Tax		
In respect of the current year	(420.25)	(470.00)
On Other Comprehensive Income	-	(4.57)
	(420.25)	**(474.57)**
Total Income tax expense recognised in the current year relating to continuing operations	**4,869.75**	**4,310.62**

2. Reconciliation of income tax expense for the year:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Standalone Profit before tax	17,737.59	11,549.50
	-	-
Adjustments of allowable and non-allowable income and expenses:	-	-
Tax Effect of non-deductible expenses	2,782.09	3,319.24
Tax Effect of income exempt from tax/ deduction allowable	(2,050.95)	(813.47)
Tax Effect of income considered separatey	(446.58)	(312.03)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	237.35	259.69
Tax Effect of deduction under Chapter VI A/ Other Sections	(93.31)	(98.62)
Taxable Profits/ (loss)	**18,166.19**	**13,904.31**
Income tax expense recognised in statement of profit and loss	**5,290.00**	**4,812.00**

3. Reconciliation of income tax rate is as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Normal Tax Rate	25.00	30.00
Surcharge (@ 12% of Normal Tax Rate)	3.00	3.60
Education cess (including secondary and higher education cess) Applicable for AY 2018-19	-	1.01
Health and Education Cess Applicable for AY 2019-20	1.12	-
Total Tax Rate	**29.12**	**34.61**
Adjustments of Tax Effect of allowable and non-allowable income and expenses:		
Non-deductible expenses	4.57	9.95
Income exempt from tax/ deduction allowable	(3.37)	(2.44)
Income considered separatey	(0.73)	(0.94)
Capital Gain on sale of shares,mutual funds, interest etc	0.39	0.78
Deduction under Chapter VI A/ Other Sections	(0.15)	(0.30)
Deferred Tax Assets	(2.37)	(4.07)
Prior Period Expenses	-	(0.23)
Effecttive Tax Rate	**27.45**	**37.36**

Note 34. DEFERRED TAX

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

(₹ in Lakh)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	2018-19	2018-19
Provisions	67.80	-	23.96	-
Depreciation	232.11	-	89.43	-
Impairment allowance for financial assets	687.89	-	-	-
Financial Instruments at FVTPL	3.28	-	14.52	-
Unmortised borrowing Cost	-	259.81	(58.37)	-
Other Comprehensive Income	-	-	4.57	-
Unmortised Fees and commission	1,183.01	-	346.13	-
Total	**2,174.09**	**259.81**	**420.24**	**-**

(₹ in Lakh)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	2017-18	2017-18
Provisions	43.83	-	35.34	-
Depreciation	142.68	-	78.34	-
Impairment allowance for financial assets	687.89	-	85.05	-
Other Comprehensive Income	-	4.57	-	4.57
Financial Instruments at FVTPL	-	11.24	(12.60)	-
Unmortised borrowing Cost	-	201.44	(120.36)	-
Unmortised Fees and commission	836.88	-	404.21	-
Total	**1,711.28**	**217.26**	**470.00**	**4.57**

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at April 1, 2017	As at April 1, 2017
Provisions	8.49	-
Depreciation	64.34	-
Impairment allowance for financial assets	602.84	-
Financial Instruments at FVTPL	1.99	-
Unmortised borrowing Cost	-	81.72
Unmortised Fees and commission	432.66	-
Total	**1,110.33**	**81.72**

Deffered Tax Assets / Liabilities are calculated at the applicable rate of 29.12%

Note 35. 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. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the EIR.

(₹ in Lakh)

Particulars	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	2,669.09	-	2,669.09	2,841.39	-	2,841.39	990.88	-	990.88
Bank Balance other than above	827.05	2.18	829.23	722.17	3.08	725.25	531.52	1.29	532.81
Trade Receivables	455.25	-	455.25	57.97	-	57.97	675.97	-	675.97
Loans	91,843.93	2,32,783.52	3,24,627.45	42,598.00	2,13,387.21	2,55,985.21	27,638.87	1,50,175.74	1,77,814.61
Investments	932.62	17,818.08	18,750.70	5,560.70	7,818.08	13,378.78	7,517.32	2,556.00	10,073.32
Other financial Assets	2.80	159.16	161.96	1.37	156.87	158.24	-	165.93	165.93
Total Assets	**96,730.74**	**2,50,762.94**	**3,47,493.68**	**51,781.60**	**2,21,365.24**	**2,73,146.84**	**37,354.56**	**1,52,898.96**	**1,90,253.52**
LIABILITIES									
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	1,085.13	-	1,085.13	1,158.44	-	1,158.44	874.02	-	874.02
Debt Securities	4,994.84	-	4,994.84	16,500.00	8,261.97	24,761.97	5,000.00	7,481.72	12,481.72
Borrowings (Other than debt securities)	57,731.56	1,46,506.66	2,04,238.22	19,211.38	1,01,777.52	1,20,988.90	2,869.13	57,154.30	60,023.43
Other financial liabilities	6,504.15	141.11	6,645.26	7,907.36	80.65	7,988.01	5,997.05	266.26	6,263.31
Total liabilities	**70,315.68**	**1,46,647.77**	**2,16,963.45**	**44,777.18**	**1,10,120.14**	**1,54,897.32**	**14,740.20**	**64,902.28**	**79,642.48**
Net	**26,415.06**	**1,04,115.17**	**1,30,530.23**	**7,004.42**	**1,11,245.11**	**1,18,249.53**	**22,614.36**	**87,996.68**	**1,10,611.04**

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 shareholders 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. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) refer Note no. 54.1

Note 36. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at March 31, 2018	Cash flows	As at March 31, 2019
Debt securities	24,761.97	(19,767.13)	4,994.84
Borrowings other than debt securities	120,988.90	83,249.32	204,238.22
Total liabilities from financing activities	**145,750.87**	**63,482.19**	**209,233.06**

Note 37. RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Equity as reported under the previous GAAP (A)	**123,160.41**	**114,380.98**
(B) Ind AS Adjustments on account of:		
a. Fair Valuation of Investments through Profit and Loss	509.19	1,995.23
b. Reduction in provision on application of expected credit loss	529.40	(87.46)
c. Interest Income on NPA	185.61	92.54
d. Amortisation of processing fees received/paid as per effective interest rate	(2,182.12)	(1,205.15)
e. Amortisation of deferred lease rentals till transition	(7.64)	(3.34)
f. Employee Stock Option Outstanding	4.92	-
g. Deferred tax asset(net)	513.15	942.05
Total adjustment to Equity (B)	**(447.49)**	**1,733.87**
Total Equity under Ind AS (A+B)	**122,712.92**	**116,114.85**

Note 38. RECONCILIATION STATEMENT OF PROFIT AND LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ in Lakh)

Particulars	Year ended March 31, 2018		
	IGAAP	Adjustments	Ind AS
Revenue from Operations			
Interest Income	32,662.48	(1,295.02)	31,367.46
Dividend Income	49.93	-	49.93
Fees and commission Income	65.94	-	65.94
Net gain on fair value changes	150.31	34.46	184.77
Other operating income	1,115.83	-	1,115.83
Total Revenue from Operations	**34,044.49**	**(1,260.56)**	**32,783.93**
Other Income	1,240.07	-	1,240.07
Total Income	**35,284.56**	**(1,260.56)**	**34,024.00**
Expenses			
Finance costs	9,918.13	(411.13)	9,507.00
Net loss on fair value changes	(763.54)	1,520.50	756.96
Impairment on financial instruments (Expected Credit Loss)	1,528.14	(616.83)	911.31
Employee benefit expense	7,052.77	(16.04)	7,036.73
Depreciation and amortisation expense	570.24	-	570.24
Other expenses	3,687.96	4.30	3,692.26
Total expenses	**21,993.70**	**480.80**	**22,474.50**
Profit before exceptional items and Tax	**13,290.86**	**(1,741.37)**	**11,549.50**
Exceptional items	-	-	-
Profit before tax	**13,290.86**	**(1,741.37)**	**11,549.50**
Tax expense			
- Current tax	4,785.19	-	4,785.19
- Deferred tax	(894.33)	424.33	(470.00)
Total tax expense	**3,890.86**	**424.33**	**4,315.19**
Net Profit After Tax	**9,400.00**	**(2,165.70)**	**7,234.31**

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method
2. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.
3. Under the previous GAAP, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.
4. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.
5. Under previous GAAP, the investment in equity shares and mutual funds other than subsidiaries were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.
6. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

Note 39. FAIR VALUE MEASUREMENTS

39.1 Financial instruments by category

(₹ in Lakh)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018			Year ended March 31, 2017		
	FVTPL	Others*	Amortised cost	FVTPL	Others*	Amortised cost	FVTPL	Others*	Amortised cost
Financial assets									
Investments									
- Equity instruments (Other than subsidiaries)	932.62	-	-	1,223.66	-	-	3,520.82	-	-
- Bonds and debentures	-	-	-	4,337.04	-	-	-	-	-
- Mutual funds	-	-	-	-	-	-	3,996.50	-	-
- Equity Shares - Subsidiaries	-	17,818.08	-	-	7,818.08	-	-	2,556.00	-
Trade receivables	-	-	455.25	-	-	57.97	-	-	675.97
Loans	-	-	324,627.45	-	-	255,985.21	-	-	177,814.61
Cash and cash equivalents	-	-	2,669.09	-	-	2,841.39	-	-	990.88
Bank Balances other than above	-	-	829.23	-	-	725.25	-	-	532.81
Security deposits	-	-	161.96	-	-	158.24	-	-	165.93
Total financial assets	**932.62**	**17,818.08**	**328,742.98**	**5,560.70**	**7,818.08**	**259,768.06**	**7,517.32**	**2,556.00**	**180,180.20**
Financial liabilities									
Borrowings	-	-	209,233.06	-	-	145,750.87	-	-	72,505.15
Trade payables	-	-	1,085.13	-	-	1,158.44	-	-	874.02
Other financial liabilities	-	-	6,645.26	-	-	7,988.01	-	-	6,263.31
Total financial liabilities	**-**	**-**	**216,963.45**	**-**	**-**	**154,897.32**	**-**	**-**	**79,642.48**

* Investment in subsidiaries measured at cost

39.2 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair 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 the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

Particulars			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2019						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	932.62	932.62	-	-	932.62
Total financial assets		**932.62**	**932.62**	**-**	**-**	**932.62**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

Particulars			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2019						
Financial assets						
Cash and cash equivalents	3	2,669.09	2,669.09	-	-	2,669.09
Bank Balance other than above	4	829.23	829.23	-	-	829.23
Trade Receivable	5	455.25	-	-	455.25	455.25
Loans						
Loans to subsidiaries	6	54.30	-	-	54.30	54.30
Loans to employees		126.34	-	-	126.34	126.34
Loans - SME & CF		327,686.15	-	-	327,686.15	327,686.15
Investment in Subsidiaries - Equity Shares	7	17,818.08	-	-	17,818.08	17,818.08
Other financial assets	8	161.96	-	-	161.96	161.96
Total financial assets		**349,800.40**	**3,498.32**	**-**	**346,302.08**	**349,800.40**
Financial Liabilities						
Trade Payable	13	1,085.13	-	-	1,085.13	1,085.13
Debt Securities	14	4,994.84	4,994.84	-	-	4,994.84
Borrowings other than Debt Securities	15	204,238.22	-	-	204,238.22	204,238.22
Other Financial Liabilities	16	6,645.26	-	-	6,645.26	6,645.26
Total financial liabilities		**216,963.45**	**4,994.84**	**-**	**211,968.61**	**216,963.45**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

Particulars	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2018						
Financial assets						
Financial Investments at FVTPL						
Listed Bond	7	4,337.03	4,337.03	-	-	4,337.03
Listed equity investments		1,223.66	1,223.66	-	-	1,223.66
Total financial assets		**5,560.69**	**5,560.69**	**-**	**-**	**5,560.69**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

Particulars	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
As at March 31, 2018						
Financial assets						
Cash and cash equivalents	3	2,841.39	2,841.39	-	-	2,841.39
Bank Balance other than above	4	725.25	725.25	-	-	725.25
Trade Receivable	5	57.97	-	-	57.97	57.97
Loans						
Loans to subsidiaries	6	44.00	-	-	44.00	44.00
Loans to employees		115.65	-	-	115.65	115.65
Loans - SME & CF		258,290.17	-	-	258,290.17	258,290.17
Investment in Subsidiaries - Equity Shares	7	7,818.08	-	-	7,818.08	7,818.08
Other financial assets	8	158.24	-	-	158.24	158.24
Total financial assets		**270,050.75**	**3,566.64**	**-**	**266,484.11**	**270,050.75**
Financial Liabilities						
Trade Payable	13	1,158.44	-	-	1,158.44	1,158.44
Debt Securities	14	24,761.97	24,761.97	-	-	24,761.97
Borrowings other than Debt Securities	15	120,988.90	-	-	120,988.90	120,988.90
Other Financial Liabilities	16	7,988.01	-	-	7,988.01	7,988.01
Total financial liabilities		**154,897.32**	**24,761.97**	**-**	**130,135.35**	**154,897.32**

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in Lakh)

Particulars			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at April 1, 2017						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	3,520.82	3,520.82	-	-	3,520.82
Mutual funds		3,996.50	-	3,996.50	-	3,996.50
Total financial assets		**7,517.32**	**3,520.82**	**3,996.50**	**-**	**7,517.32**
Financial liabilities		-	-	-	-	-
Total financial liabilities		-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakh)

Particulars			Fair Value			
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at April 1, 2017						
Financial assets						
Cash and cash equivalents	3	990.88	990.88	-	-	990.88
Bank Balance other than above	4	532.81	532.81	-	-	532.81
Trade Receivable	5	675.97	-	-	675.97	675.97
Loans						
Loans to subsidiaries	6	26.50	-	-	26.50	26.50
Loans to employees		135.52	-	-	135.52	135.52
Loans - SME & CF		179,636.42	-	-	179,636.42	179,636.42
Investment in Subsidiaries - Equity Shares	7	2,556.00	-	-	2,556.00	2,556.00
Other financial assets	8	165.93	-	-	165.93	165.93
Total financial assets		**184,720.03**	**1,523.69**	**-**	**183,196.34**	**184,720.03**
Financial Liabilities						
Trade Payable	13	874.02	-	-	874.02	874.02
Debt Securities	14	12,481.72	12,481.72	-	-	12,481.72
Borrowings other than Debt Securities	15	60,023.43	-	-	60,023.43	60,023.43
Other Financial Liabilities	16	6,263.31	-	-	6,263.31	6,263.31
Total financial liabilities		**79,642.48**	**12,481.72**	**-**	**67,160.76**	**79,642.48**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) 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 carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The Company gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 40. RISK MANAGEMENT

40.1. Risk Disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk. It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

40.2. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

40.2.1 Impairment assessment

40.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor.The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3. Another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

40.2.1.2 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

40.2.1.3 Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

40.2.1.4 PD estimation process

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.Probability of Default is computed based on number of accounts that default during a year as a percentage of average number of accounts outstanding.

a) The Company has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

40.2.1.5 Loss given default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based on discounted expected recoveries at an account level based on collateral valuation after applying appropriate hair cut and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level.

40.2.2 Analysis of risk concentration - Refer Note 54.12(d)

40.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has guidelines in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothication of Receivables.

2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recovers the dues.

40.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note no.54.5

40.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the company is providing loans to MSME and Construction Finance. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
	2018-19				
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	648.47	Impact on equity	459.64
	50 Basis point Up		1,296.95		919.28
	25 Basis point Down		(648.47)		(459.64)
	50 Basis point Down		(1,296.95)		(919.28)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(366.44)	Impact on equity	(259.73)
	50 Basis point Up		(732.87)		(519.46)
	25 Basis point Down		366.44		259.73
	50 Basis point Down		732.87		519.46

(₹ in Lakh)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
	2017-18				
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	450.41	Impact on equity	294.52
	50 Basis point Up		900.81		589.04
	25 Basis point Down		(450.41)		(294.52)
	50 Basis point Down		(900.81)		(589.04)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(181.88)	Impact on equity	(118.93)
	50 Basis point Up		(363.76)		(237.86)
	25 Basis point Down		181.88		118.93
	50 Basis point Down		363.76		237.86

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Note 41. DEFINED BENEFIT PLAN

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund.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 separation/ retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

(₹ in Lakh)

Particulars	As at April 1, 2018	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2019
Defined benefit obligation	(203.78)	(88.88)	(15.90)	24.67	-	0.30	(5.20)	12.77	-	(276.02)
Fair value of plan assets	158.44	-	12.36	(24.67)	(1.25)	-	-	-	50.00	194.88
Benefit liability	**(45.34)**	**(88.88)**	**(3.54)**	**-**	**(1.25)**	**0.30**	**(5.20)**	**12.77**	**50.00**	**(81.14)**

(₹ in Lakh)

Particulars	As at April 1, 2018	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2019
Defined benefit obligation	(161.40)	(75.14)	(11.65)	20.26	-	9.13	8.19	6.82	-	(203.78)
Fair value of plan assets	142.72	-	10.30	(20.26)	0.68	-	-	-	25.00	158.44
Benefit liability	**(18.68)**	**(75.14)**	**(1.35)**	**-**	**0.68**	**9.13**	**8.19**	**6.82**	**25.00**	**(45.34)**

Category of assets

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Insurance Fund	194.88	158.45	-
Total	**194.88**	**158.45**	**-**

Senstivity analysis

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1. Discount Rate	(15.64)	(12.84)	17.52	14.50
2. Future Salary Increases	16.13	13.36	(14.88)	(12.20)
3. Employee Turnover	(0.93)	0.18	0.68	(0.48)

Maturity Analysis of benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	23.07	15.02
Between 2 and 5 years	119.94	80.86
Between 6 and 10 years	142.72	104.58
Beyond 10 years	197.21	194.26
Total expected payments	**482.94**	**394.72**

Note 42. RELATED PARTY DISCLOSURES IN RESPECT OF TRANSACTIONS FOR THE YEAR

Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Employee benefits	70.11	130.44
Total	**70.11**	**130.44**

A. List of Related Parties and related party relationship:

a) Related Parties over which control exists:

Sr. No.	Name of the Related Party	Relationship
1	Capri Global Housing Finance Limited	Wholly owned Subsidiary
2	Capri Global Resources Private Limited	Wholly owned Subsidiary
3	Capri Global Asset Reconstruction Private Limited	Wholly owned Subsidiary
4	Capri Global Capital (Mauritius) Limited	Wholly owned Subsidiary

b) Enterprises over which Management and/or their relatives have control

Sr. No.	Name of the Related Party
1	Budhinath Advisory Services Private Limited
2	Parijat Properties Private Limited
3	Dreamwork Media & Entertainment Private Limited
4	Capri Global Holdings Private Limited
5	Ramesh Chandra Sharma - HUF

c) Key Management Personnel of the Company

Sr. No.	Name of KMP	March 31, 2019	March 31, 2018
1	Mr. Quintin E Primo III	Non Executive Chairman	Non Executive Chairman
2	Mr. Rajesh Sharma	Managing Director (w.e.f. July 04,2018)	Director
3	Mr. Beni Prasad Rauka	Independent Director	Independent Director
4	Bhagyam Ramani	Independent Director	Independent Director
5	Mr. Mukesh Kacker	Independent Director	Independent Director
6	Mr. Tilak Raj Bajalia	Independent Director	Independent Director
7	Mr. Ajay Relan	Independent Director (w.e.f. December 04, 2018)	Not Applicable
8	Mr. Deshraj Dogra	Independent Director (Upto September 19, 2018)	Independent Director (w.e.f May 10, 2017)
9	Mr. Bipinchandra Kabra	Director-Finance (Upto July 31, 2018)	Director-Finance (w.e.f July 17, 2017)
10	Mr. Sunil Kapoor	Not Applicable	Executive Director (Upto July 04, 2017)

d) Post-employment benefit plan:

1 Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme

e) Corporate Social Responsibility:

1 Capri Foundation

c) **Key Management Personnel of the Company**

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
a.	**Statement of Profit and Loss Items:**										
I	**INCOMES :**										
i	Rent Received										
	Dreamwork Media & Entertainment Private Limited	-	-	-	0.95	-	-	-	-	-	0.95
ii	Interest on Loan Given to Subsidiaries	-	-	-	-	-	-	-	-		
	Capri Global Resources Private Limited	4.71	4.04	-	-	-	-	-	-	4.71	4.04
iii	Service Charge Income from Subsidiary	-	-	-	-	-	-	-	-		
	Capri Global Housing Finance Limited	182.75	127.75	-	-	-	-	-	-	182.75	127.75
II	**EXPENSES :**	-	-	-	-	-	-	-	-		
i	Rent Paid	-	-	-	-	-	-	-	-		
	Parijat Properties Private Limited	-	-	-	12.18	-	-	-	-	-	12.18
	Capri Global Holdings Private Limited	-	-	-	0.50	-	-	-	-	-	0.50
	Ramesh Chandra Sharma (HUF)	-	-	33.00	33.00	-	-	-	-	33.00	33.00
	Parshwanath Buildcon Private Limited	-	-	0.40	-	-	-	-	-	0.40	-
ii	Salaries, Commission and other benefits	-	-	-	-	-	-	-	-		
	Mr. Rajesh Sharma	-	-	-	-	17.81	-	-	-	17.81	-
	Mr. Sunil Kapoor	-	-	-	-	-	31.46	-	-	-	31.46
	Mr. Bipinchandra Kabra	-	-	-	-	52.31	98.98	-	-	52.31	98.98
iii	Director Sitting Fees	-	-	-	-	-	-	-	-		
	Mr. Quintin E Primo III	-	-	-	-	2.85	1.50	-	-	2.85	1.50
	Mr. Beni Prasad Rauka	-	-	-	-	12.00	4.65	-	-	12.00	4.65
	Ms. Bhagyam Ramani	-	-	-	-	15.00	6.15	-	-	15.00	6.15
	Mr. Mukesh Kacker	-	-	-	-	5.85	1.80	-	-	5.85	1.80
	Mr. Tilak Raj Bajalia	-	-	-	-	8.40	2.70	-	-	8.40	2.70
	Mr. Deshraj Dogra	-	-	-	-	3.00	2.10	-	-	3.00	2.10
	Mr. Ajay Kumar Relan	-	-	-	-	0.75	-	-	-	0.75	-
iv	Employee Benefits	-	-	-	-	-	-	-	-		
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	36.43	15.73	36.43	15.73
v	Corporate Social Responsibility										
	Capri Foundation	-	-	185.30	184.55	-	-	-	-	185.30	184.55

c) Key Management Personnel of the Company

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
b	**Balance Sheet Items:**										
i	Recoverable Amount										
	(a) Expenses payable/ incurred to/ for related parties										
	Capri Global Housing Finance Limited	26.24	17.33	-	-	-	-	-	-	26.24	17.33
	(b) Reimbursement of Expenses/Income	-	-	-	-	-	-	-	-		
	Capri Global Resources Private Limited	-	19.38	-	-	-	-	-	-	-	19.38
c	**Balance Sheet Items (Closing Balances):**										
	Other Liabilities for rendering services	-	-	-	-	-	-	-	-		
i	Investment in Equity Shares of Subsidiaries	-	-	-	-	-	-	-	-		
	Capri Global Housing Finance Limited	17,500.00	7,500.00	-	-	-	-	-	-	17,500.00	7,500.00
	Capri Global Resources Private Limited	55.00	55.00	-	-	-	-	-	-	55.00	55.00
	Capri Global Asset Reconstruction Private Limited	250.00	250.00	-	-	-	-	-	-	250.00	250.00
	Capri Global Capital(Mauritius) Ltd	13.08	13.08	-	-	-	-	-	-	13.08	13.08
ii	Loan Given to Subsidiary	-	-	-	-	-	-	-	-		
	Capri Global Resources Private Limited	48.02	44.00	-	-	-	-	-	-	48.02	44.00
iii	Interest Accrued but not due from Subsidiary	-	-	-	-	-	-	-	-		
	Capri Global Resources Private Limited	6.28	2.04	-	-	-	-	-	-	6.28	2.04
iv	Other Payable	-	-	-	-	-	-	-	-		
	Capri Global Housing Finance Limited	26.24	17.33	-	-	-	-	-	-	26.24	17.33
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	81.14	45.35	81.14	45.35

Note 43. SEGMENT INFORMATION (IND-AS 108)

Operating Segment:

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 44. LEASES

Operating Leases:

The company has taken office premises & guest houses under operating lease. The lease arrangements are normally renewable on expiry of the lease period at the option of the lessor/ lessee ranging from 3 to 10 years. Some of the lease agreements are having lock in period of six months to five years which are non-cancellable during that period. After the expiry of the lock in period, the lease agreements becomes cancellable in nature at the option of the lessor or the lessee by giving 1-3 months notice to the either party. There is no contingent rent in the lease agreement. There is escalation clause in some lease agreements. The future minimum lease payments in respect of the non cancellable lease are as follows :

(₹ in Lakh)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
a) Payable not later than one year	520.90	484.55
b) Payable later than one year and not later than five years	2,882.67	2,106.04
c) Payable later than five years	579.14	1,317.68

The lease payments recognized in the statement of profit and loss for the year is ₹ 623.20 Lakh (March 31, 2018: ₹ 597.45 Lakh).

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the statement of profit and loss for the year amounting to ₹ NIL (March 31, 2018: ₹ 0.95 Lakh).

Note 45. IN ACCORDANCE WITH IND AS - 33 EARNINGS PER SHARE

The computation of earning per share is set out below:

(₹ in Lakh)

Particulars			For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ In Lakh	12,867.84	7,234.31
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	175,134,805	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	176,107,601	175,505,832
Basic earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(B)	₹	7.35	4.13
Diluted earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(C)	₹	7.31	4.12
Weighted average number of equity shares for calculating EPS		.	175,134,805	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP		.	972,796	371,027
Weighted average number of equity shares in calculation of diluted EPS		.	176,107,601	175,505,832

Note 46. EMPLOYEE STOCK OPTION

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Company/Subsidiary spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under:-

Name of Plan	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	1,744,000	₹ 2 to ₹100

The activity of the Stock Plans is summarised below

(₹ in Lakh)

Particulars	Year ended			
	As at March 31, 2019		As at March 31, 2018	
	Numbers	Exercise Price/ Vesting Price	Numbers	Exercise Price/ Vesting Price
Outstanding at the beginning of the year	777,500	100.00	1,600,000	40.00
	300,000	70.00	250,000	62.00
	150,000	66.27	-	-
	250,000	62.00	-	-
Granted	289,000	100.00	777,500	100.00
	60,000	70.00	300,000	70.00
	710,000	2.00	150,000	66.27
Exercised				
Forfieted, expired and cancelled	295,000	100.00	1,600,000	40.00
	75,000	70.00	-	-
	150,000	66.27	-	-
	250,000	62.00	-	-
	22,500	2.00	-	-
Outstanding at the end of the year	771,500	100.00	250,000	62.00
	285,000	70.00	777,500	100.00
	687,500	2.00	300,000	70.00
	-	-	150,000	66.27

The following table summarises information about stock option plans

(₹ in Lakh)

Exercise Price (₹)	Year ended			
	As at March 31, 2019		As at March 31, 2018	
	Numbers	Weighted Average Remaining Life (Months)	Numbers	Weighted Average Remaining Life (Months)
62.00	-	-	250,000	30
66.27	-	-	150,000	41
100.00	771,500	35	777,500	44
70.00	285,000	35	300,000	44
2.00	687,500	42	-	-

Note 47. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling Expenses	₹ 74.79 Lakh (March 31, 2018 ₹ 42.26 Lakh)
Director Sitting Fees	₹ 2.85 Lakh (March 31, 2018 ₹ 1.50 Lakh)

48. CONTINGENT LIABILITIES

Income Tax matters under dispute: March 31, 2019 ₹ NIL (March 31, 2018 ₹ 40.14 Lakh)

49. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2019 ₹ 17.50 Lakh (March 31, 2018 ₹ NIL)

b) Amount payable towards acquisition of Property for March 31, 2019 ₹ 596.31 Lakh (March 31, 2018 ₹ 912.60 Lakh)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31,2019 ₹ 72,394.57 Lakh (March 31, 2018 ₹ 77510.14 Lakh)

50. The company has reported frauds aggregating ₹ 411.74 Lakh (March 31, 2018: ₹ 60.52 Lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

51. STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

52. Schedule to the Balance Sheet under Annex I of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Liabilities Side

(₹ In lakh)

	Particulars	Amount O/S	Amount Overdue
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
	a) Debentures:		
	Secured	4,994.84	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	b) Deferred Credits	-	-
	c) Term Loans	1,93,405.55	-
	d) InterCorporate loans and borrowings	-	-
	e) Commercial Paper	-	-
	f) Other Loans (Cash Credit & Overdraft Facility)	10,832.67	-
	Total	**2,09,233.06**	**-**

Assets Side

		Amount Outstanding
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	
	a) Secured	3,27,685.15
	b) Unsecured	54.30
3	Breakup of Leased Asets and stock on hire and other assets counting towards AFC activities	
	i) Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	-
	b) Operating Lease	-
	ii) Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	-
	b) Repossed Assets	-
	iii) Other loans counting towards AFC activities	
	a) Loans where assets have been repossessed	-
	b) Loans other than (a) above	-
4	Breakup of Investments:	
	Current Investments:	
	1. Quoted:	
	i) Shares: (a) Equity	-
	(b) Preference	-
	ii) Debentures and Bonds	-
	iii) Units of mutual funds	-
	iv) Government Securities	-
	v) Others (please specify)	-
	- Certificate of Deposits	-
	2. Unquoted:	
	i) Shares: (a) Equity	-
	(b) Preference	-
	ii) Debentures and Bonds	-
	iii) Units of mutual funds	-
	iv) Government Securities	-
	v) Others (please specify)	-
	Long Term investments:	
	1. Quoted:	
	i) Shares: (a) Equity	932.62
	(b) Preference	-
	ii) Debentures and Bonds	-
	iii) Units of mutual funds	-
	iv) Government Securities	-
	v) Others (please specify)	-
	2. Unquoted:	
	i) Shares: (a) Equity	17,818.08
	(b) Preference	-
	ii) Debentures and Bonds	-
	iii) Units of mutual funds	-
	iv) Government Securities	-
	v) Others	-

5 Borrower groupwise classification of assets financed as in (2) and (3) above:

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries		54.30	54.30
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	324,627.45	-	324,627.45
Total	**324,627.45**	**54.30**	**324,681.75**

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

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	21,623.89	17,818.08
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	932.62	694.36
Total	**22,556.51**	**18,512.45**

7 Other information

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than related parties	5,600.04
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than related parties	4,768.76
iii) Assets acquired in satisfaction of debt	429.81

Note : Figures in Note no 52.6 and 52.7 are provided as per RBI Regulations considering these are specifically defined under the RBI prudential norms.

53 Disclosure of Restructured Accounts as per Appendix 4 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 - Not Applicable

54 Disclosure as required under Annexure XII of Master Direction - Non - Banking Finacial Compnay systemically Important Non-Deposit taking Company and deposit taking Compnay (Reserve Bank) Directions, 2016

Note 1 : The Figures for March 31, 2018 are as per RBI Regulations which have been taken from the Financial Statements of earlier year.

Note 2 : Figures in Note no 54.2 to Note no. 54.12 are provided as per RBI Regulations considering these are specifically defined under the RBI prudential norms.

54.1 Disclosure for CRAR :-

CRAR	Items	As at March 31, 2019	As at March 31, 2018
i)	CRAR (%)	34.47%	39.29%
ii)	CRAR - Tier I Capital (%)	33.95%	38.43%
iii)	CRAR - Tier II Capital (%)	0.52%	0.86%
iv)	Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

54.2 Asset Liability Profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off balance sheet

Particulars			As at March 31, 2019	As at March 31, 2018
1	Value of Investments			
	(i)	Gross Value of Investments		
		(a) In India	18,499.37	12,932.38
		(b) Outside India,	13.08	13.08
	(ii)	Provisions for Depreciation		
		(a) In India	Nil	75.88
		(b) Outside India,	Nil	Nil
	(iii)	Net Value of Investments		
		(a) In India	18,499.37	12,856.50
		(b) Outside India.	13.08	13.08
2	Movement of provisions held towards depreciation on investments.			
	(i)	Opening balance	75.88	Nil
	(ii)	Add: Provisions made during the year	Nil	75.88
	(iii)	Less: Write-off/write-back of excess provisions during the year	75.88	Nil
	(iv)	Closing balance	Nil	75.88

54.3 Derivatives

The Company has not entered into any derivative transactions.

54.4 Disclosures relating to Securitisation

There are no securitization/ Assignment transactions during the year ended 31st March, 2019. Hence, the related disclosures are not applicable.

54.5 Maturity Pattern of Assets & Liabilities as at March 31, 2019

	1 Day to 30/31 days(One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks(Refer Note iii)	14,989.33	3,671.92	7,099.55	14,930.01	28,281.76	78,784.02	36,696.07	20,672.62	205,125.28
	(520.16)	(2,790.66)	(3,894.16)	(8,454.80)	(20,051.60)	(67,791.48)	(13,699.25)	(4,372.00)	(121,574.11)
Market Borrowings	-				5,000.00				5,000.00
	-	(5,000.00)	(5,000.00)	(5,000.00)	(1,500.00)	(6,000.00)	-	-	(22,500)
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	12,510.60	4,511.58	6,150.35	22,677.86	49,429.31	102,356.55	45,856.64	87,618.80	331,111.68
	(12,378.43)	(6,241.57)	(1,232.49)	(4,529.15)	(18,216.36)	(88,017.50)	(36,914.14)	(89,413.65)	(256,943.29)
Investments	-	-	-	-	694.36	-	-	17,818.08	18,512.45
	(124.24)	(2,104.24)	(2,450.31)	(372.72)	-	-	-	(7,818.08)	(12,869.59)
Foreign Currency assets	-	-	-	-	-	-	-	-	-

Note :

i) Maturity pattern of the Investments are based on the Management's intention to hold them for a desired period.

ii) Figures of Previous years are given in brackets

iii) Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.

54.6 Exposures

Exposure to Real Estate Sector

(₹ In Lakh)

Category	As at March 31, 2019	As at March 31, 2018
a) Direct Exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 Lacs may be shown separately)	-	17.75
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates(office buildings, retail space, multipurpose commercial premises, multi-family residential buldings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	120,092.83	103,797.22

(₹ In Lakh)

	Category	As at March 31, 2019	As at March 31, 2018
	iv) Investments in Mortgage Backed Securities(MBS)		
	and other securitised exposures -		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
	b) Indirect Exposure		
	Fund based and non-fund based exposure on National Housing Bank(NHB) and Housing Finance Companies(HFCs.)	Nil	Nil
54.7	**Exposure to Capital Market**		
	Category		
	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;	694.36	745.43
	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;	Nil	Nil
	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;	Nil	Nil
	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;	Nil	Nil
	v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
	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;	Nil	Nil
	vii) bridge loans to companies against expected equity flows / issues;	Nil	Nil
	viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	**694.36**	**745.43**

(₹ In Lakh)

	Category	As at March 31, 2019	As at March 31, 2018
54.8	**Details of financing of parent company products**	Not Applicable	Not Applicable
54.9	**Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**	Not Applicable	Not Applicable
54.10	Unsecured Advances	54.30	44.00
54.11	i. RBI Registration No.		
	ii. Penalties, if any, levied by any regulator;		B-13.01882
	iii. Ratings assigned by credit rating agencies and migration of ratings during the year;		NIL

(₹ In Lakh)

Sr. No.	Instrument	Rating assigned	Agency	Date of Rating	Amount
1	Long Term Bank Facilities	A+	CARE Ratings	21-Sep-18	450,000
2	Commercial Paper	A1+	CARE Ratings	8-Aug-18	35,000
3	Non-Convertible Debentures	A+	CARE Ratings	26-Dec-18	30,000
4	Long Term Bank Facilities	AA-	Brickwork Rating	3-Sep-18	238,000
5	Cash Credit	AA-	Brickwork Rating	3-Sep-18	12,000
6	Long Term Bank Facilities	AA	Infomerics Rating	14-Feb-19	438,000
7	Commercial Paper	A1+	Infomerics Rating	14-Feb-19	35,000
8	Non-Convertible Debentures	AA	Infomerics Rating	14-Feb-19	30,000
9	Cash Credit	AA	Infomerics Rating	14-Feb-19	12,000
10	Commercial Paper	A1+	Acuite Ratings & Research	7-Dec-18	5,000

54.12 Additional Disclosures

a) Provisions and Contingencies

(₹ In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions fordepreciationonInvestment	Nil	75.88
Provision towards NPA	187.95	357.09
Provisionmadetowards Incometax	5,698.23	3,890.87
OtherProvisionandContingencies		
ProvisionforStandardAssets	39.74	387.52
Floating Provision Against Standard Asset	-	783.52
Provision for Depreciation	487.86	570.24
Provision for Gratuity	92.42	60.79
Provision for Compensated Absence	129.50	121.37

b) DrawDownfrom Reserves

The Company has not made any draw down from reserves during the previous year.

c) Concentration of Public deposits, Advances, Exposures and NPAs

There are no Public Deposits during the year ended 31st March 2019. Hence Related Disclosures are not applicable.

d) ConcentrationofAdvances

(₹ In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	54,584.42	50,767.10
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	16.49%	19.43%

e) Concentrationof Exposures

(₹ In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers	63,214.09	75,203.10
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC onborrowers / customers	15.95%	22.19%

f) Concentration of NPAs

(₹ In Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NP Aaccounts (Gross)	1,202.48	1,811.56

g) Sector-wise NPAs

(₹ In Lakh)

Sl. No.	Sector	Percentageof NPAs to TotalAdvances in that sector	
		As at March 31, 2019	As at March 31, 2018
1.	Agriculture & allied activities	Nil	Nil
2.	MSME	2.76%	2.23%
3.	Corporate borrowers	0.14%	0.96%
4.	Services	Nil	Nil
5.	Unsecured personal loans	Nil	Nil
6.	Autoloans	Nil	Nil
7.	Other personal loans	Nil	Nil

h) Movement of NPAs

(₹ In Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Net NPAs to Net Advances (%)	1.44%	1.44%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	4,386.33	1,783.69
	(b) Additions during the year	6,227.75	6,095.15
	(c) Reductions during the year	5,014.04	3,492.51
	(d) Closing balance	5,600.04	4,386.33
(iii)	Movement of Net NPAs		
	(a) Opening balance	3,743.01	1,519.42
	(b) Additions during the year	5,604.97	5,394.59
	(c) Reductions during the year	4,579.22	3,171.00
	(d) Closingbalance	4,768.76	3,743.01
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	643.32	264.27
	(b) Provisions made during the year	622.78	700.56
	(c) Write-off/write-back of excess provisions	434.83	321.51
	(d) Closing balance	831.27	643.32

i) Overseas Assets

(₹ In Lakh)

Particulars	Country	As at March 31, 2019	As at March 31, 2018
Capri Global Capital (Mauritius) Ltd	Mauritius	13.08	13.08

j) Off-balance Sheet SPVs sponsored: Not Applicable.

k) Customer Complaints

(₹ In Lakh)

	Particulars	Current Year	Previous Year
(a)	No. of complaint spending at the beginning of the year	1	1
(b)	No. of complaints received during the year	42	31
(c)	No. of complaints redressed during the year	43	31
(d)	No. of complaint spending at the end of the year	-	1

Previous year figures

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mussoorie
Date: May 03, 2019

Independent Auditors' Report

To The Members of Capri Global Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Capri Global Capital Limited ("the Parent"/ "the Holding Company") and its subsidiaries, (the Parent/ Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Revenue Recognition:** The Holding Company and its Housing subsidiary recognizes interest income using the effective rate of interest method ("EIR") as prescribed under IND AS 109. The recognition of Interest income as per the EIR requires computation involving the contractual interest rate and transaction costs. The completeness and accuracy of the interest income computed on EIR basis therefore is KAM. Relevant reference in the Accounts :- - Accounting policies - Point no. 2.6 (i) - Note 23 of the consolidated financial statements.	Principal audit procedures performed: We have tested the design and operating effectiveness of the controls directly associated with the calculation and reporting of interest income using EIR on loans to customers and tested a sample of loans and recomputed EIR interest income for those loans. We tested the portfolio level computations of interest income on EIR basis and traced the total EIR income to the standalone financial statement.

2	**Impairment of loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, and • Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors	Principal audit procedures performed: • We tested the design and effectiveness of internal controls implemented by the management for the following: a. Identification and classification of loans which are impaired, in correct buckets b. Validation of the Model used for the impairment provision c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision d. Completeness and accuracy of the data inputs used • We tested the completeness and accuracy of data including the bucketing of loans into delinquency bands and the calculation of PDs and LGDs. We critically assessed and tested the key underlying assumptions and significant judgements used by the management. • For loans identified by management as potentially impaired, on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence. • We examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed our own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "Reports"), but does not include the consolidated financial statements and our auditors' report thereon. The Reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial 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 Holding Company has adequate internal financial controls system 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 the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of ₹ 12 lakh as at 31st March 2019, total revenues of ₹ Nil, total net loss after tax of ₹ 3 lakh and total comprehensive loss of ₹ 3 lakh for the period 30th January 2018 (date of incorporation) to 31st March 2019, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on the reports of the other auditor.

The comparative consolidated financial information of the Holding Company for transition date opening balance sheet as at 1st April 2017 included in these consolidated financial statements, have been prepared by the Holding Company after adjusting previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose report for the year ended 31st March 2017 dated 13th May 2017 expressed an unmodified opinion on this consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding Company so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

    i) The Holding Company has disclosed the impact of pending litigations on the consolidated financial position of the Group in Note 49 to its consolidated financial statements as at 31st March 2019

    ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at year-end for which there were any material foreseeable losses.

    iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place : Mumbai
Date : May 3, 2019

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Capri Global Capital Limited (hereinafter referred to as "the Holding Company" / "Parent") and its subsidiary companies, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies 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 (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place : Mumbai
Date : May 3, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakh)

Particulars		Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS					
1	**Financial Assets**				
a.	Cash and cash equivalents	3	15,043.01	2,890.45	1,060.65
b.	Bank Balance other than above	4	1,867.53	1,942.57	2,873.73
c.	Receivables	5	862.70	99.00	686.36
d.	Loans	6	4,02,221.09	2,79,736.10	1,78,428.60
e.	Investments	7	932.62	5,560.70	10,186.08
f.	Other financial assets	8	228.48	212.42	171.18
	Total Financial Assets		**4,21,155.43**	**2,90,441.24**	**1,93,406.60**
2	**Non-Financial assets**				
a.	Current tax assets (net)	9	610.46	322.78	932.95
b.	Deferred tax assets	10	2,334.91	1,905.63	1,203.55
c.	Investment Properties	11	109.74	109.74	109.74
d.	Property, plant and equipment	12	1,066.53	1,210.53	1,025.30
e.	Other Intangible assets		190.71	222.35	236.52
f.	Intagible Assets under development		14.06	-	26.72
g.	Other non financial assets	13	2,219.43	2,897.30	2,714.56
	Total Non-Financial Assets		**6,545.84**	**6,668.33**	**6,249.34**
	Total Assets		**4,27,701.27**	**2,97,109.57**	**1,99,655.94**
EQUITY AND LIABILITIES					
LIABILITIES					
1	**Financial Liabilities**				
a.	Payables				
	Trade Payables				
	i. total outstanding dues of micro enterprises and small enterprises		-	-	-
	ii. total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,480.17	1,444.22	892.11
b.	Debt Securities	15	4,994.84	24,761.97	12,481.72
c.	Borrowings (Other than Debt Securities)	16	2,71,875.65	1,31,852.39	60,023.43
d.	Other financial liabilities	17	9,514.86	12,459.52	6,583.28
	Total Financial Liabilities		**2,87,865.52**	**1,70,518.10**	**79,980.54**
2	**Non-Financial Liabilities**				
a.	Current tax liabilities (Net)	18	142.28	469.12	-
b.	Provisions	19	766.88	621.44	270.98
c.	Other non-financial liabilities	20	658.67	335.85	119.28
	Total Non-Financial Liabilities		**1,567.83**	**1,426.41**	**390.26**
	Total liabilities		**2,89,433.35**	**1,71,944.51**	**80,370.80**
3	**Equity**				
a.	Equity Share Capital	21	3,502.70	3,502.70	3,502.70
b.	Other equity	22	1,34,765.22	1,21,662.36	1,15,782.44
	Total equity		**1,38,267.92**	**1,25,165.06**	**1,19,285.14**
	Total Equity and Liabilities		**4,27,701.27**	**2,97,109.57**	**1,99,655.94**

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mussoorie
Date: May 03, 2019

Consolidated Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in Lakh)

	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
	REVENUE FROM OPERATIONS			
i.	Interest income	23	53,073.96	32,189.90
ii.	Dividend income		52.25	49.93
iii.	Fee and commission income	24	759.89	199.96
iv.	Net gain on fair value changes	25	532.42	184.77
v.	Other operating income	26	4,439.89	2,338.57
I	**Total Revenue from operations**		**58,858.41**	**34,963.13**
II	Other Income	27	271.53	151.53
III	**Total Income (I + II)**		**59,129.94**	**35,114.66**
	EXPENSES			
i.	Finance cost	28	20,710.25	9,671.88
ii.	Net loss on fair value changes	25 A	200.85	819.93
iii.	Impairment of financial instruments	29	985.52	691.64
iv.	Employee benefit expenses	30	11,754.79	8,131.87
v.	Depreciation, amortization and impairment		664.23	622.49
vi.	Other expenses	31	6,145.44	4,353.04
IV	**Total Expenses**		**40,461.08**	**24,290.85**
V	**Profit before tax (III- IV)**		**18,668.86**	**10,823.81**
VI	Tax Expense:			
	-Current tax		5,752.90	4,785.35
	-Deferred tax		(650.34)	(613.63)
	-Earlier years adjustments		-	162.07
VII	**Net profit after tax**		**13,566.30**	**6,490.02**
VIII	**Other Comprehensive Income**			
	i. Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans		2.99	16.45
	ii. Income tax relating to items that will not be reclassified to profit or loss		(0.92)	(4.78)
	Other Comprehensive Income		**2.07**	**11.67**
IX	**Total comprehensive income (VII+VIII)**		**13,568.37**	**6,501.69**
X	**Earnings per equity share**			
	Basic (₹)		7.75	3.71
	Diluted (₹)		7.70	3.70

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Reg. No.117366W/W-100018

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
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T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mussoorie
Date: May 03, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operating activities		
Profit before tax from continuing operations	18,668.86	10,823.81
Profit before tax	18,668.86	10,823.81
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	664.23	622.49
Impairment on financial instruments	985.52	691.64
Net loss on financial asset designated at FVOCI	200.85	819.93
Loss/(Gain) on sale of Fixed Assets	(7.62)	7.14
Share Based Payments to employees	167.27	10.52
Dividend income	(52.25)	(49.93)
Provision for Bonus	800.00	690.00
Provision for Gratuity	42.62	28.44
Provision for Leave Encashment	116.52	143.86
Operating gain before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**21,586.00**	**13,787.90**
Working capital changes		
Loans	(1,23,470.51)	(1,01,999.15)
Trade receivables and contract asset	(763.71)	587.36
Other Non-financial Assets	677.87	(182.74)
Trade payables and contract liability	(16.06)	(41.24)
Other financial liability	(2,908.71)	6,428.35
Other Non-financial liability	322.83	216.57
Provision	(804.70)	(495.84)
Cash flows used in operating activities	**(1,05,377.01)**	**(81,698.81)**
Income tax paid	(6,145.80)	(3,960.99)
Net cash flows used in operating activities	**(1,11,522.81)**	**(85,659.80)**
Investing activities		
Purchase of fixed and intangible assets	(552.73)	(842.93)
Intangible Assets Under Development	(14.06)	26.72
Proceeds from sale of property and equipment	65.86	42.25
Maturity from FD	74.07	931.35
Sale of investments	4,427.22	3,805.45
Dividend received	52.25	49.93
Net cash flows from investing activities	**4,052.61**	**4,012.77**

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Financing activities		
Debt securities issued	(19,767.13)	12,280.25
Borrowings other than debt securities issued	1,40,023.29	71,828.94
Dividends paid including DDT	(633.40)	(632.36)
Net cash flows from financing activities	**1,19,622.76**	**83,476.83**
Net increase in cash and cash equivalents	12,152.56	1,829.80
Cash and cash equivalents as at 1 April 2018	2,890.45	1,060.65
Cash and cash equivalents as at 31 March 2019	**15,043.01**	**2,890.45**
Components of cash and cash equivalents		
Cash on hand	41.30	17.10
Balances with banks	-	-
In current accounts	8,301.71	2,873.35
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	6,700.00	-
Total cash and cash equivalents	**15,043.01**	**2,890.45**
1. Operational cash flows from interest and dividends		
Interest paid	20,678.24	9,649.65
Interest received	50,933.51	31,879.01
Dividend received	52.25	49.93

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.

3. Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.

4. Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
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Managing Director
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Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

As at April 01, 2017	Changes in equity s hare capital during the year 2017-18	As at March 31, 2018	Changes in equity share capital during the year 2018-19	As at March 31, 2019
3,502.70	-	3,502.70	-	3,502.70

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (Gratuity - OCI)	
Balance as at April 1, 2017	**6,420.53**	**44,710.06**	**50,433.43**	**128.42**	**14,020.00**	**70.00**	**-**	**1,15,782.44**
Dividends #	-	-	(632.36)	-	-	-	-	(632.36)
Transfer from retained earnings	-	-	(2,102.67)	-	1,880.00	211.00	11.67	-
Transfer to retained earnings	-	-	6,501.69	10.59	-	-	-	6,512.28
Balance as at March 31, 2018	**6,420.53**	**44,710.06**	**54,200.09**	**139.01**	**15,900.00**	**281.00**	**11.67**	**1,21,662.36**

(₹ in Lakh)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	General Reserve	Securities Premium	Retained Earnings	Employee Share Option Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve Section 29C of the National Housing Bank Act, 1987	Employee Benefit Expenses (Gratuity - OCI)	
Balance as at April 1, 2018	**6,420.53**	**44,710.06**	**54,200.09**	**139.01**	**15,900.00**	**281.00**	**11.67**	**1,21,662.36**
Dividends ##	-	-	(633.40)	-	-	-	-	(633.40)
Transfer from retained earnings	-	-	(2,710.40)	-	2,580.00	140.00	(9.60)	-
Transfer to retained earnings	-	-	13,568.37	167.89	-	-	-	13,736.26
Balance as at March 31, 2019	**6,420.53**	**44,710.06**	**64,424.67**	**306.90**	**18,480.00**	**421.00**	**2.07**	**1,34,765.22**

During the FY 2017-18 the Capri Global Capital Limited has paid the dividend of ₹ 632.36 Lakh (including dividend distribution tax of ₹ 106.95 Lakh) at Re.0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on 7th July, 2017.

During the FY 2018-19 the Capri Global Capital Limited has paid the dividend of ₹ 633.40 Lakh (including dividend distribution tax of ₹ 108.00 Lakh) at Re.0.30 per equity share (on face value of ₹ 2/- per equity share) approved in its Annual General Meeting held on 2nd August, 2018.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Reg. No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 03, 2019

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
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Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mussoorie
Date: May 03, 2019

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

1. CORPORATE INFORMATION

Capri Global Capital Limited (the Company) having principal place of business at Registered office, 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 is engaged in the business of providing loans to Micro, Small and Medium Enterprises (MSMEs), providing long term finance for construction of residential houses in India, retail Lending in India and in providing ancillary services related to the said business activities. The Company is NBFC – Investment and Credit Company (NBFC-ICC), holding a Certificate of Registration No. B-13.01882 from the Reserve Bank of India ("RBI") dated November 05, 2007, having CIN: L65921MH1994PLC173469.

The financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the board of directors on May 03, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of holding and its subsidiary companies (together the "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 2.13- Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

2.2 Presentation of financial statements

The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) 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 Group and/or its counterparties

2.3 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Effective April 1, 2018, the Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

2.4 Basis of Consolidation

The consolidated financial statements relate to Capri Global Capital Limited (the holding Company) and its wholly owned subsidiary companies which are as follows.

1) Capri Global Housing Finance Limited
2) Capri Global Resources Private Limited
3) Capri Global Asset Reconstruction Private Limited
4) Capri Global Capital (Mauritius) Limited

(i) Principles of Consolidation:

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110 - "Consolidated Financial Statements" notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Group have been combined on a line by line basis of like items of assets, liabilities, equity, income, expenses and cash flows of the holding with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements as at March 31, 2019.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the holding Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.

c) Elimination of the carrying amount of the holding's investment in each subsidiary and the holding's portion of equity of each subsidiary.

d) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the holding Company i.e. period ended on March 31, 2019.

2.5 Financial instruments

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through profit or loss

   The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case'

or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

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

(v) Reclassification

If the business model under which the Group holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the settlement date.

c) Debt securities and borrowings are initially recognised when funds are received by the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets due to substantial modification of terms and conditions:

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

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

Derecognition of financial assets other than due to substantial modification

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

The Group has transferred the financial asset if, the Group has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b) Financial liabilities

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs), Construction Finance and Housing Finance.

The Group 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. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Group calculates ECLs based on 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 the Group and the cash flows that the Group expects to receive.

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

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

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(viii) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note no. 40) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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 Group 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 not recognised at the initial recognition stage.

2.6 Revenue from operations

(i) Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the group applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established,

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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 goods or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Group on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed as “Net loss on fair value changes” under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Loan Processing Fees

Loan processing fees is collected towards processing of loan, is amortised on EIR basis over the contractual life of the loan.

2.7 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Group who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group fully contributes all ascertained liabilities to the respective Trusts created for this purpose. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued based on valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Rent Expense:

Identification of Lease:

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 fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognized on accrual basis in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit can be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. 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.

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

2.10 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

(i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement 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.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust as and when necessary.

(iii) Effective Interest Rate (EIR) method

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

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well expected changes to the base rate and other fee income/expense that are integral parts of the instrument

2.14 First time adoption

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

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

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:

(i) Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

The Group has opted not to re-evaluate financial assets derecognized in the past.

(ii) Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Group has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

2.15 Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months.

Notes to Financial Statements
for the year ended March 31, 2019

Note 3. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
i. Cash on hand	41.30	17.10	2.51
ii. Balances with banks:			
- In Current Accounts	8,301.71	2,873.35	1,058.14
- In Deposit accounts with original maturity of 3 months or less	6,700.00	-	-
Total	**15,043.01**	**2,890.45**	**1,060.65**

Note 4. BANK BALANCES OTHER THAN ABOVE

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Earmarked balances with banks			
- Original Maturity more than 3 months	1,865.35	1,941.10	2,872.44
- Unclaimed Dividend Account	2.18	1.47	1.29
Total	**1,867.53**	**1,942.57**	**2,873.73**

The Fixed deposits have been kept as lien with banks against Overdraft facility availed by Group.

Note 5. RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured, considered good			
Outstanding for a period exceeding six months from the due date of payment	-	-	181.53
Outstanding for a period less than six months	862.70	99.00	504.83
Total	**862.70**	**99.00**	**686.36**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Group has assessed that, the impact of impairment of trade receivables is immaterial and hence no impairment loss has been provided.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. LOANS

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Amortised cost	**Total**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
A						
Loans	4,05,577.50	4,05,577.50	2,82,114.89	2,82,114.89	1,80,277.53	1,80,277.53
Others:						
Loan to employees	140.28	140.28	118.67	118.67	135.52	135.52
Total – Gross (A)	**4,05,717.78**	**4,05,717.78**	**2,82,233.56**	**2,82,233.56**	**1,80,413.05**	**1,80,413.05**
Less : Expected Credit Loss	(3,496.69)	(3,496.69)	(2,497.46)	(2,497.46)	(1,984.45)	(1,984.45)
Total – Net (A)	**4,02,221.09**	**4,02,221.09**	**2,79,736.10**	**2,79,736.10**	**1,78,428.60**	**1,78,428.60**
B						
(a) Secured by tangible assets and intangible assets	4,05,577.50	4,05,577.50	2,82,114.89	2,82,114.89	1,80,277.53	1,80,277.53
(b) Unsecured	140.28	140.28	118.67	118.67	135.52	135.52
Total – Gross (B)	**4,05,717.78**	**4,05,717.78**	**2,82,233.56**	**2,82,233.56**	**1,80,413.05**	**1,80,413.05**
Less: Expected Credit Loss	(3,496.69)	(3,496.69)	(2,497.46)	(2,497.46)	(1,984.45)	(1,984.45)
Total – Net (B)	**4,02,221.09**	**4,02,221.09**	**2,79,736.10**	**2,79,736.10**	**1,78,428.60**	**1,78,428.60**
C						
Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,05,717.78	4,05,717.78	2,82,233.56	2,82,233.56	1,80,413.05	1,80,413.05
Total (C) Gross	**4,05,717.78**	**4,05,717.78**	**2,82,233.56**	**2,82,233.56**	**1,80,413.05**	**1,80,413.05**
Less: Expected Credit Loss (C)	(3,496.69)	(3,496.69)	(2,497.46)	(2,497.46)	(1,984.45)	(1,984.45)
Total (C) Net	**4,02,221.09**	**4,02,221.09**	**2,79,736.10**	**2,79,736.10**	**1,78,428.60**	**1,78,428.60**

Note 1 - The Group's business model is to Collect contractual cash flows, being the payment of Principal and Interest, accordingly the loans are measured at amortised cost.

Note 2 - Term loans are secured against tangible assets kept as collateral of immovable property and portfolio hypothecation (Book Debt Receivable)

Note 3 - The Group does not have any loans outside India.

Note 7. INVESTMENTS

(₹ in Lakh)

Investments	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	At Fair Value Through profit and loss	Total	At Fair Value Through profit and loss	Total	At Fair Value Through profit and loss	Total
i) Other approved securities (Bonds)	-	-	4,337.04	4,337.04	-	-
ii) Equity instruments	932.62	932.62	1,223.66	1,223.66	6,144.50	6,144.50
iii) Mutual funds	-	-	-	-	4,041.58	4,041.58
Total - Gross (A)	**932.62**	**932.62**	**5,560.70**	**5,560.70**	**10,186.08**	**10,186.08**
i) Investments outside India	-	-	-	-	-	
ii) Investments in India	932.62	932.62	5,560.70	5,560.70	10,186.08	10,186.08
Total (B)	**932.62**	**932.62**	**5,560.70**	**5,560.70**	**10,186.08**	**10,186.08**

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Numbers/Units	Numbers/Units	Numbers/Units
Investment in Mutual Funds			
1. Units of BSL-Cash Plus-Direct Growth	-	-	5,74,194.55
2. Units of Kotak Mahindra MF	-	-	37,472.40
3. Units of Sundaram MF	-	-	43,74,874.22
4. Units of ICICI PRU MF Money Market-D-G-Inv	-	-	6,676.29
5. Units of ICICI PRU Liquid Fund DG Investment	-	-	12,482.26
Investment in Bonds			
1. 7.37% NTPC Limited Bond (Series 66) of ₹ 10,00,000/- each fully paid up	-	200	-
2. 8.25% The Great Eastern Shipping Company Ltd of ₹ 10,00,000/- each fully paid up	-	239	-
Investment in Equity			
1. Equity Shares of CARE of ₹ 10/- each fully paid up	94,242	1,01,238	3,63,000

Note 8. OTHERS FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security Deposits	228.48	212.42	169.88
Other receivable	-	-	1.30
Total	**228.48**	**212.42**	**171.18**

Note 9. CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Tax (net of provision for tax)	610.46	322.78	932.95
Total	**610.46**	**322.78**	**932.95**

Note 10. DEFERRED TAX ASSETS (NET)

The major components of deferred tax assets and liabilities are :

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
a) Depreciation	259.18	-	142.54	-	64.75	-
b) Provision for employee benefits	79.87	-	48.09	-	9.26	-
c) Amortised Finance Cost	-	104.92	-	35.29	-	-
d) Provisions for loans	726.37	-	700.32	-	602.27	-
e) Carry forward of losses	-	-	29.09	-	146.59	-
f) MAT Credit Entitlement	36.25	-	258.52	-	-	-
g) Others	1,338.16	-	766.93	4.57	380.68	-
Total	**2,439.83**	**104.92**	**1,945.49**	**39.86**	**1,203.55**	**-**
Net Deferred tax assets		**2,334.91**		**1,905.63**		**1,203.55**

Note 11. INVESTMENT PROPERTIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment Properties*	109.74	109.74	109.74
Total	**109.74**	**109.74**	**109.74**

(₹ in Lakh)

Cost or Deemed Cost	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	109.74	109.74
Additions during the year	-	-
Disposals	-	-
Balance at the end of the year	**109.74**	**109.74**

*Investment properties are in the nature of freehold land and the fair value of properties is ₹ 172.39 Lakh

Note 12. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2018	Additions	Deductions	As at March 31,2019	As at April 01,2018	For the Year	Deductions	As at March 31,2019	As at March 31,2019	As at March 31,2018
Buildings :										
Buildings	27.00	-	-	27.00	1.29	1.30	-	2.59	24.41	25.71
Leasehold Premises	227.62	0.88	-	228.50	54.45	46.31	-	100.76	127.74	173.17
Computer Hardware	694.08	168.89	19.28	843.69	418.71	224.04	18.32	624.43	219.26	275.37
Furniture and Fixtures	624.15	30.59	2.40	652.34	267.61	100.90	0.65	367.86	284.48	356.54
Office Equipments	314.54	49.17	3.12	360.59	189.65	70.76	2.71	257.70	102.89	124.89
Vehicles	483.62	180.84	125.16	539.30	304.14	52.26	70.03	286.37	252.93	179.48
Electrical Installation	128.05	0.14	-	128.19	52.68	20.69	-	73.37	54.82	75.37
Total	**2,499.06**	**430.51**	**149.96**	**2,779.61**	**1,288.53**	**516.26**	**91.71**	**1,713.08**	**1,066.53**	**1,210.53**

Intangible assets :

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2018	Additions	Deductions	As at March 31,2019	As at April 01,2018	For the Year	Deductions	As at March 31,2019	As at March 31,2019	As at March 31,2018
Software	383.11	116.33	-	499.44	213.29	95.44	-	308.73	190.71	169.82
Royalty	705.40	-	-	705.40	652.87	52.53	-	705.40	-	52.53
Total	**1,088.51**	**116.33**	**-**	**1,204.84**	**866.16**	**147.97**	**-**	**1,014.13**	**190.71**	**222.35**

Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2017	Additions	Deductions	As at March 31,2018	As at April 01,2017	For the Year	Deductions	As at March 31,2018	As at March 31,2018	As at March 31,2017
Buildings :										
Buildings	27.00	-	-	27.00	0.03	1.26	-	1.29	25.71	26.97
Leasehold Premises	128.98	98.64	-	227.62	5.58	48.87	-	54.45	173.17	123.40
Computer Hardware	424.00	283.83	13.75	694.08	308.06	123.47	12.82	418.71	275.37	115.94
Furniture and Fixtures	489.71	134.44	-	624.15	169.41	98.20	-	267.61	356.54	320.30
Office Equipments	241.50	73.70	0.66	314.54	110.79	79.49	0.63	189.65	124.89	130.71
Vehicles	476.39	86.30	79.07	483.62	257.93	76.86	30.65	304.14	179.48	218.46
Electrical Installation	118.12	9.93	-	128.05	28.60	24.08	-	52.68	75.37	89.52
Total	**1,905.70**	**686.84**	**93.48**	**2,499.06**	**880.40**	**452.23**	**44.10**	**1,288.53**	**1,210.53**	**1,025.30**

Intangible assets :

(₹ in Lakh)

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01,2017	Additions	Deductions	As at March 31,2018	As at April 01,2017	For the Year	Deductions	As at March 31,2018	As at March 31,2018	As at March 31,2017
Software	227.02	156.09	-	383.11	178.85	34.44	-	213.29	169.82	48.17
Royalty	705.40	-	-	705.40	517.05	135.82	-	652.87	52.53	188.35
Total	**932.42**	**156.09**	**-**	**1,088.51**	**695.90**	**170.26**	**-**	**866.16**	**222.35**	**236.52**

Note 13. OTHERS NON FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances	1,384.81	2,041.87	1,959.99
Prepaid expenses	168.26	186.50	114.89
Other Assets	482.37	429.81	429.81
Deferred lease rentals	134.23	151.36	113.95
GST/Service Tax Input Credit	4.37	37.35	30.18
Others	45.39	50.41	65.74
Total	**2,219.43**	**2,897.30**	**2,714.56**

Note 14. TRADE PAYABLE

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	618.34	754.22	556.14
Accrued Employee Benefit Expense	861.83	690.00	335.97
Total	**1,480.17**	**1,444.22**	**892.11**

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Group. The amount of principal and interest outstanding during the year is given below.

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Amount outstanding but not due as at year end	-	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
Total	**-**	**-**

Note 15. DEBT SECURITIES

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	At Amortised Cost	Total	At Amortised Cost	Total	At Amortised Cost	Total
Non Convertible Debentures	4,994.84	4,994.84	9,983.90	9,983.90	7,481.72	7,481.72
Commercial Papers	-	-	14,778.07	14,778.07	5,000.00	5,000.00
Total (A)	**4,994.84**	**4,994.84**	**24,761.97**	**24,761.97**	**12,481.72**	**12,481.72**
Debt securities in India	4,994.84	4,994.84	24,761.97	24,761.97	12,481.72	12,481.72
Debt securities outside India	-	-	-	-	-	-
Total (B)	**4,994.84**	**4,994.84**	**24,761.97**	**24,761.97**	**12,481.72**	**12,481.72**

Terms of repayment, nature of security & rate of interest in case of Non Convertible Debtenture.

(₹ in Lakh)

Name of Security	Maturity date	Terms of repayment	Coupon/ Interest rate	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Series I Tranche II (FV ₹ 10 Lakh)	17-02-2020	Bullet payment on maturity	9.50%	5,000.00	5,000.00	5,000.00
Series I Tranche III (FV ₹ 10 Lakh)	07-03-2019	Bullet payment on maturity	10.25%	-	1,500.00	1,500.00
Series I Tranche I (FV ₹ 10 Lakh)	20-01-2020	Bullet payment on maturity with put option after 2 years from date of issue	10.50%	-	1,000.00	1,000.00
Series I Tranche III (FV ₹ 10 Lakh)	27-09-2019	Bullet payment on maturity with put option every 3 months from date of issue	9.75%	-	2,500.00	-
		Total		**5,000.00**	**10,000.00**	**7,500.00**

The above Non Convertible Debentures are secured against pari-passu charge on book debts and Immovable Property.

Note 16. BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Term Loans from Banks*	2,61,042.98	1,31,761.91	57,154.30
Loan Repayable on Demand			
From Banks (Overdraft)	46.08	90.48	34.56
From Banks (Cash Credit)	10,786.59	-	2,834.57
Total (A)	**2,71,875.65**	**1,31,852.39**	**60,023.43**
Borrowings in India	2,71,875.65	1,31,852.39	60,023.43
Borrowings outside India	-	-	-
Total (B)	**2,71,875.65**	**1,31,852.39**	**60,023.43**

*First pari-passu charge by way of hypothecation of the company's loan receivables / book debts with asset cover of 1.33/1.10 times

Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
State Bank Of India - Term Loan 2	January 1, 2026	28 quarterly instalments starting from April 2019	25,000	-	-
Bank of Maharashtra - Term Loan 2	December 31, 2019	12 quarterly instalments starting from Mar 2017	20,000	20,000	20,000
Union Bank of India - Term Loan 3	March 31, 2025	24 quarterly instalments starting from Jun 2019	20,000	5,000	-
Bank Of Baroda - Term Loan	June 30, 2021	12 quarterly instalments starting from Sept 2018	20,000	20,000	-
Union Bank of India - Term Loan 1	November 30, 2020	12 quarterly instalments starting from May 2018	10,000	10,000	2,500
Punjab National Bank - Term Loan	December 31, 2024	16 quarterly instalments starting from Mar 2019	10,000	7,000	-
State Bank Of India - Term Loan 1	October 31, 2021	12 quarterly instalments starting from Jan 2019	10,000	100	-
Indian Bank - Term Loan	February 15, 2025	24 quarterly instalments starting from Mar 2019	10,000	10,000	-
Vijaya Bank - Term Loan 2	September 30, 2020	12 quarterly instalments starting from Dec 2017	7,500	7,500	7,500
Union Bank of India - Term Loan 4	December 31, 2025	24 quarterly instalments starting from March 2020	7,500	-	-
Union Bank of India - Term Loan 4	November 30, 2025	24 quarterly instalments starting from Feb 2020	5,000	-	-
Andhra Bank - Term Loan 3	November 30, 2020	12 quarterly instalments starting from Mar 2018	5,000	5,000	5,000
Bank of India - Term Loan 2	October 13, 2020	12 quarterly instalments starting from Jan 2018	5,000	5,000	3,500
Vijaya Bank - Term Loan 1	February 10, 2020	12 quarterly instalments starting from May 2017	5,000	5,000	5,000
Vijaya Bank - Term Loan 3	March 27, 2021	12 quarterly instalments starting from June 2018	5,000	5,000	3,500
Union Bank of India - Term Loan 2	December 31, 2024	24 quarterly instalments starting from Feb 2019	5,000	5,000	-
United Bank - Term Loan	September 11, 2021	12 quarterly instalments starting from Dec 2018	5,000	3,500	-
Punjab Sind Bank - Term Loan	February 16, 2025	24 quarterly instalments starting from May 2019	5,000	2,500	-
Bank of Maharashtra - Term Loan 3	October 30, 2025	24 quarterly instalments starting from Jan 2020	5,000	-	-
Vijaya Bank - Term Loan 4	March 31, 2024	16 quarterly instalments starting from June 2020	5,000	-	-
UCO Bank - Term Loan 1	July 4, 2021	12 quarterly instalments starting from Oct 2018	4,500	4,500	-
Andhra Bank - Term Loan 1	August 30, 2019	12 quarterly instalments starting from Nov 2016	3,000	3,000	3,000

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Andhra Bank - Term Loan 2	February 10, 2020	12 quarterly instalments starting from May 2017	3,000	3,000	3,000
Dena Bank - Term Loan	September 30, 2021	12 quarterly instalments starting from Dec 2018	2,500	2,500	-
ICICI Bank - Term Loan	December 31, 2021	16 quarterly instalments starting from Dec 2017	2,500	2,500	-
Sinhan Bank - Term Loan	February 20, 2020	8 quarterly instalments starting from May 2018	2,500	2,500	-
Kotak Bank - Term Loan	March 31, 2020	24 monthly instalments starting from Mar 2018	2,500	2,500	-
UCO Bank - Term Loan 2	December 31, 2025	24 quarterly instalments starting from March 2020	2,500	-	-
Karnataka Bank - Term Loan	March 31, 2021	12 quarterly instalments starting from June 2018	2,000	1,000	-
HDFC Bank - Term Loan	June 30, 2021	36 monthly instalments starting from July 2018	1,000	-	-
YES Bank - Term Loan 2	July 30, 2022	16 quarterly instalments starting from Nov 2018	500	-	-
YES Bank - Term Loan 3	August 22, 2022	16 quarterly instalments starting from Dec 2018	300	-	-
YES Bank - Term Loan 4	September 19, 2022	16 quarterly instalments starting from Jan 2019	300	-	-
YES Bank - Term Loan 5	September 24, 2022	16 quarterly instalments starting from Jan 2019	300	-	-
YES Bank - Term Loan 3	September 19, 2022	16 quarterly instalments starting from Jan 2019	200	-	-
YES Bank - Term Loan 4	September 24, 2022	16 quarterly instalments starting from Jan 2019	200	-	-
YES Bank - Term Loan 5	October 3, 2022	16 quarterly instalments starting from Jan 2019	200	-	-
YES Bank - Term Loan 1	December 30, 2021	16 quarterly instalments starting from Mar 2018	500	500	-
YES Bank - Term Loan 1	March 28, 2022	16 quarterly instalments starting from July 2018	5,000	-	-
YES Bank - Term Loan 1	April 25, 2022	16 quarterly instalments starting from July 2018	7,500	-	-
Bank of Maharashtra - Term Loan 1	June 30, 2018	12 quarterly instalments starting from Sep 2015	-	5,000	5,000
Bank of India - Term Loan 1	September 10, 2019	12 quarterly instalments starting from Dec 2016	-	2,500	2,500
OBC - Term Loan	September 30, 2017	12 quarterly instalments starting from June 2018	-	-	5,000
Union Bank of India - Term Loan	November 30, 2025	28 Quarterly Installment starting from 28 Feb 2019	5,000	2,000	-

(₹ in Lakh)

Name of Bank	Maturity date	Repayable In	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
State Bank Of India - Term Loan	December 31, 2025	28 Quarterly Installment starting from 31 March 2019	5,000	5,000	-
YES Bank - Term Loan	April 25, 2023	20 Quarterly Installment starting from 31 March 2018	4,000	500	-
Bank of Maharashtra - Term Loan	December 31, 2024	24 Quarterly Installment starting from 15 May 2019	7,500	1,000	-
Andhra Bank - Term Loan	February 27, 2026	28 Quarterly Installment starting from 28 May 2019	2,500	500	-
Vijaya Bank - Term Loan	February 28, 2026	28 Quarterly Installment starting from 31 May 2019	3,000	1,000	-
United Bank - Term Loan	February 28, 2026	28 Quarterly Installment starting from 31 May 2019	2,500	10	-
UCO Bank - Term Loan	February 28, 2026	28 Quarterly Installment starting from 31 May 2019	5,000	1,000	-
Punjab Sindh Bank - Term Loan	June 14, 2026	28 Quarterly Installment starting from Sept 2019	2,500	-	-
YES Bank - Term Loan 2	December 31, 2023	20 Quarterly Installment starting from Nov 2018	2,500	-	-
YES Bank - Term Loan 3	December 31, 2023	20 Quarterly Installment starting from April 2019	2,500	-	-
YES Bank - Term Loan 4	October 19, 2023	20 Quarterly Installment starting from Feb 2019	2,500	-	-
YES Bank - Term Loan 5	October 19, 2023	20 Quarterly Installment starting from Feb 2019	2,500	-	-
Indian Bank - Term Loan	August 15, 2026	28 Quarterly Installment starting from Nov 2019	7,500	-	-
Union Bank of India - Term Loan 2	August 30, 2025	24 Quarterly Installment starting from Nov 2019	2,000	-	-
Union Bank of India - Term Loan 2	September 30, 2025	24 Quarterly Installment starting from Dec 2019	5,000	-	-
Union Bank of India - Term Loan 2	November 30, 2025	24 Quarterly Installment starting from Feb 2020	4,000	-	-
Union Bank of India - Term Loan 2	December 31, 2025	24 Quarterly Installment starting from Mar 2020	4,000	-	-

The Weighted Average cost on above Term Loans is 9.58%

Note 17. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Book Overdraft	8,988.96	11,075.54	6,152.11
Unclaimed dividend	2.18	1.47	1.29
Advances from customers	138.93	79.18	264.97
Interest Accrued but not due on borrowings	77.14	109.15	86.91
Others	307.65	1,194.18	78.00
Total	**9,514.86**	**12,459.52**	**6,583.28**

Note 18. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for Tax (Net of Advance Tax)	142.28	469.12	-
Total	**142.28**	**469.12**	**-**

Note 19. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision on non-fund exposure	373.31	387.02	208.86
Provision for employee benefits			
- Gratuity	101.03	58.41	29.97
- Compensated Absences	292.54	176.01	32.15
Total	**766.88**	**621.44**	**270.98**

Note 20. OTHER NON - FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Other Payables			
Statutory Remittances	411.37	335.85	119.28
Others	247.30	-	-
Total	**658.67**	**335.85**	**119.28**

Note 21. SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
AUTHORISED			
36,00,00,000 Equity Shares of ₹ 2 each	7,200.00	7,200.00	7,200.00
(Previous Year 36,00,00,000 Equity Shares of ₹ 2 each)			
	7,200.00	**7,200.00**	**7,200.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP			
17,51,34,805 Equity Shares of ₹ 2 each	3,502.70	3,502.70	3,502.70
(Previous Year 17,51,34,805 Equity Shares of ₹ 2 each)			
	3,502.70	**3,502.70**	**3,502.70**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares outstanding as at the beginning of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70	17,51,34,805	3,502.70
Issued during the year	-	-	-	-	-	-
Equity shares outstanding as at the end of the year	**17,51,34,805**	**3,502.70**	**17,51,34,805**	**3,502.70**	**17,51,34,805**	**3,502.70**

Details of shareholders holding more than 5 percent shares in the Company are given below:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number	**%**	**Number**	**%**	**Number**	**%**
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.73%	6,78,24,643	38.73%	6,60,40,395	37.71%
Mr. Rameshchandra Sharma	4,37,64,930	24.99%	4,37,64,930	24.99%	4,37,64,930	24.99%
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	10.00%	1,75,17,060	10.00%	1,75,17,060	10.00%

Terms/Rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Board of Directors at their meeting held on 3rd May, 2019 have recommended a dividend of Re. 0.36 per equity share on face value of ₹2/- per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. During the year the Company has paid the dividend of ₹ 633.40 Lakh (including dividend distribution tax of ₹108.00 Lakh) at Re.0.30 per equity share on face value of ₹2/- per equity share as approved in its Annual General Meeting held on 2nd August, 2018.

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

Note 22. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Balance as per the last Financial Statements	15,900.00	14,020.00	12,860.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	2,580.00	1,880.00	1,160.00
Closing balance	**18,480.00**	**15,900.00**	**14,020.00**
Statutory Reserve Section 29C of the National Housing Bank Act, 1987			
Balance as per the last Financial Statements	281.00	70.00	50.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	140.00	211.00	20.00
Closing balance	**421.00**	**281.00**	**70.00**
Securities premium account			
Balance as per the last financial statements	44,710.06	44,710.06	44,710.06
Closing balance	**44,710.06**	**44,710.06**	**44,710.06**
General Reserve			
Balance as per the last financial statements	6,420.53	6,420.53	5,970.53
Add:-Pursuant to the Scheme of merger of Subsidiaries	-	-	
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-	450.00
Closing balance	**6,420.53**	**6,420.53**	**6,420.53**
Other reserves & surplus - Employee stock option outstanding			
Balance as per the last Financial Statements	139.01	128.42	126.18
Add/Less: Amount transferred from surplus balance in the Statement of Profit and Loss	167.89	10.59	2.24
Closing balance	**306.90**	**139.01**	**128.42**
Retained earnings (Surplus/deficit in profit & loss account)			
Surplus/(Deficit) in Profit & Loss Account	54,211.76	50,433.43	47,413.60
Profit for the year:	13,568.37	6,501.69	(51.60)
Less: Appropriations			
Transfer to Reserve Fund Section 29C of the National Housing Bank Act, 1987	(140.00)	(211.00)	(20.00)
Dividend Paid	(525.40)	(525.40)	-
Tax on Dividend Paid	(108.00)	(106.96)	-
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	(2,580.00)	(1,880.00)	-
Add/Less: Ind AS adjustments on transition	-	-	3,091.43
Closing Balance	**64,426.73**	**54,211.76**	**50,433.43**
Total	**1,34,765.22**	**1,21,662.36**	**1,15,782.44**

Securities premium reserve

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

General reserve

General Reserves majorly consist of annual transfer of net income at a specified percentage in accordance with appllicable regulations under the erstwhile Companies Act 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

Every non-banking financial company shall create a reserve fund to transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. For the previous comparative periods, the Non banking finance company has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Statutory Reserve pursuant to Section 29C of the National Housing Bank Act, 1987

Every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its profit every year as disclosed in the profit and loss account and before any dividend is declared. Explanation.—A housing finance institution creating and maintaining any special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 (43 of 1961) may take into account any sum transferred by it for the year to such special reserve for the purposes of this sub-section. For the previous comparative periods, the Housing finance subsidiary has maintained transfer to statutory reserve on profit calculated under erstwhile GAAP.

Employee stock option outstanding reserves

This reserve is used to record the employee stock options which are outstanding. The said reserve will be utilised for issuance of share to the eligible employees.

Note 23. INTEREST INCOME

(₹ in Lakh)

Particulars	2018-19			2017-18		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVTPL	Total	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVTPL	Total
Interest on loans	52,737.23	-	52,737.23	31,867.05	-	31,867.05
Interest on deposits	125.38	-	125.38	160.57	-	160.57
Interest income from investments	-	211.35	211.35	-	162.28	162.28
Total	**52,862.61**	**211.35**	**53,073.96**	**32,027.62**	**162.28**	**32,189.90**

Note 24. FEE AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Application fees	759.89	199.96
Total	**759.89**	**199.96**

Note 25. NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	216.67	-
- Others	315.75	184.77
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair value changes	532.42	184.77
(D) Fair Value changes:		
- Realised	532.42	226.19
- Unrealised	-	(41.42)
Total Net gain on fair value changes	**532.42**	**184.77**

Note 25A. NET LOSS ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	200.85	819.93
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net loss on fair value changes	200.85	819.93
(D) Fair Value changes:		
- Realised	(5.63)	(2,193.09)
- Unrealised	206.48	3,013.02
Total Net loss on fair value changes	**200.85**	**819.93**

Note 26. OTHER OPERATING INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement Income	2,362.09	1,101.05
Foreclosure Fees Received	1,109.62	916.33
Legal Charges Received	111.42	13.94
Bad Debts Recovered	92.35	199.50
Other Charges from customers	764.41	107.75
Total	**4,439.89**	**2,338.57**

Note 27. OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit on sale of Assets	125.73	-
Profit on sale of Fixed Assets	7.62	28.88
Interest On Income Tax Refund	0.01	85.84
Interest on deposits with Banks	18.52	2.88
Other	119.65	33.93
Total	**271.53**	**151.53**

Note 28. FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	18,853.84	7,715.69
Interest on Bank Overdraft	88.41	7.40
Interest on debt securities	1,315.84	737.09
Commercial Paper	227.67	1,155.88
Interest on Bank CC	223.46	55.82
Interest Others	1.03	-
Total	**20,710.25**	**9,671.88**

Note 29. IMPAIRMENT ON FINANCIAL INSTRUMENTS (EXPECTED CREDIT LOSS)

The table below shows the ECL charges in terms of IND AS guidelines on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹ in Lakh)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	154.90	119.21	725.12	999.23	424.23	134.99	(45.76)	513.46
Loan commitments	(13.83)	(4.09)	4.20	(13.71)	169.79	7.86	0.54	178.18
Total impairment loss	**141.07**	**115.12**	**729.32**	**985.52**	**594.02**	**142.85**	**(45.22)**	**691.64**

The ECL figures given in brackets indicate stagewise release of the provision amount.

Note 30. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Bonus	10,982.91	7,699.61
Contribution to provident and other funds	361.66	228.10
Share Based Payments to employees	167.27	10.52
Staff Training and Welfare Expenses	242.95	193.64
Total	**11,754.79**	**8,131.87**

Note 31. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement	27.02	10.48
Administration & Accounting Fees	1.16	-
Auditors' Remuneration (Refer Note 1 below)	41.28	29.51
Bank charges	19.33	12.58
Bad Debts Written Off	669.29	262.17
Business Promotion Expenses	66.36	39.10
Computer Maintenance	21.41	35.30
Corporate Social Responsibility Expenses (Refer Note 2 below)	197.34	192.23
Donation	0.55	2.51
Directors Sitting Fees	65.65	24.59
Filing & Other Fees to ROC	3.82	20.86
Electricity Charges	120.64	82.94
General Expenses	221.06	204.52
Legal & Professional Fees	2,140.41	1,349.89
Membership & Subscription	30.90	29.12
Printing & Stationery	173.35	113.57
Recruitment & Training Expenses	86.37	125.17
Rent Paid	865.59	741.78
Registration & Stamp Duty Chrges	3.10	5.57
Software Expenses	126.67	181.26
Set Up Cost	1.13	-
Telephone and Internet Expenses	303.23	219.77
Loss On Sale Of Fixed Assets	-	7.14
Travelling Expenses	673.92	519.66
Repairs & Maintenance	27.18	73.82
Profession Tax	0.05	-
Insurance Expenses	62.62	18.86
Others	196.01	50.64
Total	**6,145.44**	**4,353.04**

1. Auditors' Remuneration

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) For Audit	19.80	14.18
b) For Tax Audit	5.00	4.09
c) For Limited Review	7.82	7.77
d) For other services (Certification Fees)	7.10	3.47
e) For reimbursement of expenses	1.56	-
Total	**41.28**	**29.51**

2. Corporate Social Responsibility Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross Amount Required to be spent during the year	197.34	192.23
Amount spent during the year on CSR	197.34	192.23

Note 32. OTHER COMPREHENSIVE INCOME

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurement gain on defined benefit plan	2.99	16.45
Income tax relating to these items	(0.92)	(4.78)
Total other comprehensive income for the year, net of tax	**2.07**	**11.67**

Note 33 MSME LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing												
High grade	1,71,612.23	-	-	1,71,612.23	1,35,689.35	-	-	1,35,689.35	1,10,247.23	-	-	1,10,247.23
Standard grade	7,619.22	-	-	7,619.22	7,122.01	-	-	7,122.01	3,044.89	-	-	3,044.89
Sub-standard grade	-	6,170.80	-	6,170.80	-	3,598.03	-	3,598.03	-	3,029.95	-	3,029.95
Past due but not impaired	-	4,403.67	-	4,403.67	-	4,334.97	-	4,334.97	-	351.62	-	351.62
Individually impaired	-	-	4,614.12	4,614.12	-	-	3,377.45	3,377.45	-	-	3,472.09	3,472.09
Total	**1,79,231.45**	**10,574.47**	**4,614.12**	**1,94,420.04**	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**	**1,13,292.12**	**3,381.57**	**3,472.09**	**1,20,145.78**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**	**1,13,292.12**	**3,381.57**	**3,472.09**	**1,20,145.78**
New assets originated	86,920.68	-	-	86,920.68	81,656.28	-	-	81,656.28
Assets derecognised or repaid (excluding write offs)	(43,170.94)	(1,747.11)	(1,035.20)	(45,953.25)	(44,670.73)	(1,831.37)	(915.98)	(47,418.08)
Transfers to Stage 1	9,727.69	(6,386.64)	(3,341.05)	-	7,416.05	(6,205.05)	(1,211.00)	-
Transfers to Stage 2	(12,279.24)	12,348.58	(69.34)	-	(12,584.41)	13,384.23	(799.82)	-
Transfers to Stage 3	(4,778.10)	(1,573.36)	6,351.46	-	(2,297.95)	(796.38)	3,094.33	-
Amounts written off*	-	-	(669.20)	(669.20)	-	-	(262.17)	(262.17)
Gross carrying amount closing balance	**1,79,231.45**	**10,574.47**	**4,614.12**	**1,94,420.06**	**1,42,811.36**	**7,933.00**	**3,377.45**	**1,54,121.81**

* The amount written off are subject to enforcement of collaterals and other legal remedies that are available to the group.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**571.80**	**471.45**	**545.76**	**1,589.01**	**445.48**	**109.19**	**992.60**	**1,547.27**
New assets originated	240.98	149.89	1,162.03	1,552.90	261.62	179.48	197.77	638.87
Assets derecognised or repaid (excluding write offs)	(202.80)	(48.17)	(426.56)	(677.53)	(202.63)	(57.22)	(337.28)	(597.13)
Transfers to Stage 1	110.82	(64.64)	(46.18)	-	98.26	(7.67)	(90.59)	-
Transfers to Stage 2	(28.97)	50.14	(21.16)	-	(26.02)	276.01	(249.99)	-
Transfers to Stage 3	(6.93)	(50.55)	57.48	-	(4.91)	(28.34)	33.25	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**684.89**	**508.12**	**1,271.37**	**2,464.38**	**571.80**	**471.45**	**545.76**	**1,589.01**

***Internal rating grades are classified on below basis**

	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
LGD*	20.66	24.46	26.97

Probability of Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stage 1	1.45	1.43	1.44
Stage 2	13.51	11.10	10.74
Stage 3	100.00	100.00	100.00

Note 33.1 CONSTRUCTION FINANCE LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing												
High grade	133,632.35	-	-	133,632.35	103,287.18	-	-	103,287.18	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-	59,577.57	-	-	59,577.57
Sub-standard grade	-	-	-	-	-	1,070.21	-	1,070.21	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	167.51	167.51	-	-	910.41	910.41	-	-	439.12	439.12
Total	133,632.35	-	167.51	133,799.86	103,287.18	1,070.21	910.41	105,267.80	59,577.57	-	439.12	60,016.69

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,03,287.18**	**1,070.21**	**910.41**	**1,05,267.81**	**59,577.57**	**-**	**439.12**	**60,016.69**
New assets originated	58,384.90	-	-	58,384.90	71,114.81	-	-	71,114.81
Assets derecognised or repaid (excluding write offs)	(28,039.73)	(1,070.21)	(742.90)	(29,852.85)	(25,424.58)	-	(439.12)	(25,863.70)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	(1,639.79)	1,639.79	-	-
Transfers to Stage 3	-	-	-	-	(340.83)	(569.58)	910.41	0.01
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**1,33,632.35**	**-**	**167.51**	**1,33,799.87**	**1,03,287.18**	**1,070.21**	**910.41**	**1,05,267.81**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**723.22**	**7.48**	**144.89**	**875.59**	**379.48**	**-**	**57.09**	**436.57**
New assets originated	327.48	-	-	327.48	635.81	-	-	635.81
Assets derecognised or repaid (excluding write offs)	(302.39)	(7.48)	(118.23)	(428.10)	(139.70)	-	(57.09)	(196.79)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	(10.40)	10.39	-	-
Transfers to Stage 3	-	-	-	-	(141.97)	(2.91)	144.89	0.01
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**748.31**	**-**	**26.66**	**774.97**	**723.22**	**7.48**	**144.89**	**875.59**

***Internal rating grades are classified on below basis**

	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
LGD	15.91	15.91	13.00

Probability of Default

(In %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stage 1	3.52	4.39	4.88
Stage 2	N.A.	4.39	N.A.
Stage 3	100.00	100.00	100.00

Note 33.2 HOUSING LOANS

1.1 Credit quality of assets

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018				April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing												
High grade	76,010.52	-	-	76,010.52	23,615.77	-	-	23,615.77	650.12	-	-	650.12
Standard grade	1,196.39	-	-	1,196.39	513.85	-	-	513.85				-
Sub-standard grade	-	633.80	-	633.80	-	222.89	-	222.89	-	-	-	-
Past due but not impaired	-	422.99	-	422.99	-	95.68	-	95.68	-	-	-	-
Individually impaired	-	-	378.81	378.81	-	-	55.96	55.96	-	-	-	-
Total	**77,206.91**	**1,056.79**	**378.81**	**78,642.51**	**24,129.62**	**318.57**	**55.96**	**24,504.15**	**650.12**	**-**	**-**	**650.12**

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**24,129.62**	**318.57**	**55.96**	**24,504.15**	**650.12**	**-**	**-**	**650.12**
New assets originated or purchased	56,450.95	-	-	56,450.95	23,935.31	-	-	23,935.31
Assets derecognised or repaid (excluding write offs)	(2,271.81)	(34.03)	(6.66)	(2,312.51)	(81.26)	-	-	(81.26)
Transfers to Stage 1	352.80	(352.80)	-	-	-	-	-	-
Transfers to Stage 2	(1,123.81)	1,123.81	-	-	(342.14)	342.14	-	-
Transfers to Stage 3	(330.84)	1.23	329.61	(0.00)	(32.40)	(23.56)	55.96	-
Amounts written off	-	-	(0.10)	(0.10)	-	-	-	-
Gross carrying amount closing balance	**77,206.90**	**1,056.78**	**378.81**	**78,642.50**	**24,129.62**	**318.58**	**55.96**	**24,504.17**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**21.66**	**5.25**	**5.94**	**32.86**	**0.61**	**-**	**-**	**0.61**
New assets originated or purchased	229.50	-	-	229.50	32.32	-	-	32.32
Assets derecognised or repaid (excluding write offs)	(5.01)	-	-	(5.01)	(0.08)	-	-	(0.08)
Transfers to Stage 1	0.35	(0.35)	-	-	-	-	-	-
Transfers to Stage 2	(51.27)	51.27	-	-	(5.25)	5.25	-	-
Transfers to Stage 3	(81.92)	(25.95)	107.88	-	(5.94)	-	5.94	-
ECL allowance - closing balance	**113.31**	**30.22**	**113.82**	**257.35**	**21.66**	**5.25**	**5.94**	**32.86**

* Internal Rating Grades are classified on below basis

	Classification Basis	Stage
High grade	0 DPD	Stage 1
Standard grade	1-29 DPD	Stage 1
Sub-standard grade	30-59 DPD	Stage 2
Past due but not impaired	60-89 DPD	Stage 2
Individually impaired	>=90 DPD & Restructured	Stage 3

Note 34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

1. Income Tax recognised in statement of profit and loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of the current year	5,752.90	4,785.35
In respect of prior years	-	162.07
	5,752.90	**4,947.42**
Deferred Tax		
In respect of the current year	(650.34)	(613.63)
On Other Comprehensive Income	(0.92)	(4.78)
	(651.26)	**(618.41)**
Total Income tax expense recognised in the current year relating to continuing operations	**5,101.64**	**4,329.01**

2. Reconciliation of income tax expense for the year:

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consolidated Profit before tax	18,668.86	10,823.80
	-	-
Adjustments of allowable and non-allowable income and expenses:		
Tax Effect of non-deductible expenses	4,003.48	5,200.23
Tax Effect of income exempt from tax/ deduction allowable	(2,050.95)	(2,160.25)
Tax Effect of income considered separatey	(1,043.56)	(316.46)
Tax Effect of capital Gain on sale of shares,mutual funds, interest etc	454.02	259.68
Tax Effect of deduction under Chapter VI A/ Other Sections	(98.67)	(98.62)
Tax Effect of earlier year loss set off/ carried forward	(177.36)	119.00
Taxable Profits/ (loss)	**19,755.82**	**13,827.38**
Income tax expense recognised in statement of profit and loss	**5,752.90**	**4,785.35**

3. **Reconciliation of income tax rate is as follows:**

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Normal Tax Rate	25.00	30.00
Surcharge (@ 12% of Normal Tax Rate)	3.00	3.60
Education cess (including secondary and higher education cess) Applicable for AY 2018-19	-	1.01
Health and Education Cess Applicable for AY 2019-20	1.12	-
Total Tax Rate	**29.12**	**34.61**
Adjustments of Tax Effect of allowable and non-allowable income and expenses:		
Non-deductible expenses	6.24	16.63
Income exempt from tax/ deduction allowable	(3.20)	(6.91)
Income considered separatey	(1.63)	(1.01)
Capital Gain on sale of shares,mutual funds, interest etc	0.71	0.83
Deduction under Chapter VI A/ Other Sections	(0.15)	(0.32)
Tax Effect of earlier year loss set off/ carried forward	(0.28)	0.38
Deferred Tax Assets/MAT Credit	(3.48)	(5.67)
Prior Period Expenses	-	1.50
Effecttive Tax Rate	**27.33**	**40.04**

Note 35. DEFERRED TAX

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

(₹ in Lakh)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	2018-19	2018-19
Provisions	79.87	-	31.78	-
Depreciation	259.18	-	116.64	-
Impairment allowance for financial assets	726.38	-	26.06	-
Financial Instruments at FVTPL	3.28	-	14.37	-
Unmortised borrowing Cost	-	364.74	(127.99)	-
Unmortised Fees and commission	1,593.37	-	613.68	-
Carry Forward of Losses	-	-	(29.09)	-
MAT Credit Entitlement	36.25	-	-	-
Others	1.33	-	4.89	-
Total	**2,699.65**	**364.74**	**650.35**	**-**

(₹ in Lakh)

Particulars	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**Income Statement**	**OCI**
	As at March 31, 2018	**As at March 31, 2018**	**2017-18**	**2017-18**
Provisions	48.09	-	38.82	-
Depreciation	142.54	-	77.79	-
Impairment allowance for financial assets	700.32	-	98.05	-
Financial Instruments at FVTPL	-	11.30	(12.23)	-
Unmortised borrowing Cost	-	236.73	(155.65)	-
Unmortised Fees and commission	979.68	-	543.83	-
Carry Forward of Losses	29.09	-	(142.09)	-
MAT Credit Entitlement	258.53	-	-	-
Prior Period Adjustments	-	-	165.08	-
Others	-	4.59	-	4.78
Total	**2,158.25**	**252.62**	**613.62**	**4.78**

Particulars	**Deferred Tax Assets**	**Deferred Tax Liabilities**
	As at April 1, 2017	**As at April 1, 2017**
Provisions	9.26	-
Depreciation	64.75	-
Impairment allowance for financial assets	602.27	-
Financial Instruments at FVTPL	1.97	-
Unmortised borrowing Cost	-	81.72
Unmortised Fees and commission	435.84	-
Carry Forward of Losses	171.18	-
Total	**1,285.27**	**81.72**

Deferred Tax Assets / Liabilities are calculated at the rate of 29.12%

Note 36. 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. They have been classified to mature and/or be repaid within 12 months. With regards to loans and advances to customers, the Group uses the same basis of expected repayment as used for estimating the EIR.

(₹ in Lakh)

Particulars	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	15,043.01	-	15,043.01	2,890.45	-	2,890.45	1,060.65	-	1,060.65
Bank Balance other than above	1,865.35	2.18	1,867.53	1,939.49	3.08	1,942.57	2,872.45	1.29	2,873.74
Trade Receivables	862.70	-	862.70	99.00	-	99.00	686.37	-	686.37
Loans	93,851.44	3,08,369.65	4,02,221.09	43,233.37	2,36,502.73	2,79,736.10	27,656.10	1,50,772.50	1,78,428.60
Investments	932.62	-	932.62	5,560.70	-	5,560.70	10,186.07	-	10,186.07
Other financial Assets	4.91	223.57	228.48	6.43	205.99	212.42	-	171.18	171.18
Total Assets	**1,12,560.03**	**3,08,595.40**	**4,21,155.43**	**53,729.44**	**2,36,711.80**	**2,90,441.24**	**42,461.64**	**1,50,944.97**	**1,93,406.61**
LIABILITIES									
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	1,480.17	-	1,480.17	1,444.22	-	1,444.22	892.11	-	892.11
Debt Securities	4,994.84	-	4,994.84	16,500.00	8,261.97	24,761.97	5,000.00	7,481.72	12,481.72
Borrowings (Other than debt securities)	66,966.14	2,04,909.51	2,71,875.65	20,652.46	1,11,199.93	1,31,852.39	2,869.13	57,154.30	60,023.43
Other financial liabilities	9,373.75	141.11	9,514.86	12,378.87	80.65	12,459.52	6,317.02	266.26	6,583.28
Total liabilities	**82,814.90**	**2,05,050.62**	**2,87,865.52**	**50,975.55**	**1,19,542.55**	**1,70,518.10**	**15,078.26**	**64,902.28**	**79,980.54**
Net	**29,745.13**	**1,03,544.78**	**1,33,289.91**	**2,753.89**	**1,17,169.25**	**1,19,923.14**	**27,383.38**	**86,042.69**	**1,13,426.07**

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

Note 37. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)

Particulars	As at April 1, 2018	Cash flows	As at March 31, 2019
Debt securities	24,761.97	(19,767.13)	4,994.84
Borrowings other than debt securities	1,31,852.39	1,40,023.26	2,71,875.65
Total liabilities from financing activities	**1,56,614.36**	**1,20,256.13**	**2,76,870.49**

Note 38. RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at April 1, 2017
Total Equity as reported under the previous GAAP (A)	**1,25,860.14**	**1,16,065.30**
(B) Ind AS Adjustments on account of:		
a. Fair Valuation of Investments through Profit and Loss	509.19	3,487.73
b. Reduction in provision on application of expected credit loss	554.50	(85.49)
c. Interest Income on NPA	187.13	92.54
d. Amortisation of processing fees received/paid as per effective interest rate	(2,556.19)	(1,216.08)
e. Amortisation of deferred lease rentals till transition	(8.14)	(3.34)
f. Employee Stock Option Outstanding	4.93	
g. Deferred tax asset(net)	613.49	944.48
Total adjustment to Equity (B)	**(695.08)**	**3,219.84**
Total Equity under Ind AS (A+B)	**1,25,165.06**	**1,19,285.14**

Note 39. RECONCILIATION STATEMENT OF PROFIT AND LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ in Lakh)

Particulars	Year ended March 31, 2018		
	IGAAP	Adjustments	Ind AS
Revenue from Operations			
Interest Income	33,861.59	(1,671.69)	32,189.90
Dividend Income	49.93	-	49.93
Fees and commission Income	255.71	(55.75)	199.96
Net gain on fair value changes	150.31	34.46	184.77
Other operating income	1,945.93	392.64	2,338.57
Total Revenue from Operations	**36,263.48**	**(1,300.35)**	**34,963.13**
Other Income	2,041.16	(1,889.63)	151.53
Total Income	**38,304.64**	**(3,189.98)**	**35,114.66**
Expenses			
Finance costs	10,204.21	(532.33)	9,671.88
Net loss on fair value changes	(763.54)	1,583.47	819.93
"Impairment on financial instruments (Expected Credit Loss)"	1,331.63	(639.99)	691.64
Employee benefit expense	8,126.01	5.86	8,131.87
Depreciation and amortisation expense	622.49	-	622.49
Other expenses	4,369.42	(16.38)	4,353.04
Total expenses	**23,890.23**	**400.64**	**24,290.85**
Profit before exceptional items and Tax	**14,414.41**	**(3,590.62)**	**10,823.81**
Exceptional items	-	-	-
Profit before tax	**14,414.41**	**(3,590.62)**	**10,823.81**
Tax expense			
- Current tax	4,785.35	-	4,785.35
- Deferred tax	(777.77)	326.21	(451.56)
Total tax expense	**4,007.58**	**326.21**	**4,333.79**
Net Profit After Tax	**10,406.84**	**(3,916.84)**	**6,490.02**

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method

2. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

3. Under the previous GAAP, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss.

4. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

5. Under previous GAAP, the investment in equity shares and mutual funds other than subsidiaries were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.

6. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

Note 40. FAIR VALUE MEASUREMENTS

40.1 Financial instruments by category

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Investments						
- Equity instruments (Other than subsidiaries)	932.62	-	1,223.66	-	6,144.50	-
- Bonds and debentures	-	-	4,337.04	-	-	-
- Mutual funds	-	-	-	-	4,041.57	-
- Equity Shares - Subsidiaries	-	-	-	-	-	-
Trade receivables	-	862.70	-	99.00	-	686.37
Loans	-	4,02,221.09	-	2,79,736.10	-	1,78,428.60
Cash and cash equivalents	-	15,043.01	-	2,890.45	-	1,060.65
Bank Balances other than above	-	1,867.53	-	1,942.57	-	2,873.74
Security deposits	-	228.48	-	212.42	-	171.18
Total financial assets	**932.62**	**4,20,222.81**	**5,560.70**	**2,84,880.54**	**10,186.07**	**1,83,220.54**
Financial liabilities						
Borrowings	-	2,76,870.49	-	1,56,614.36	-	72,505.15
Trade payables	-	1,480.17	-	1,444.22	-	892.11
Other financial liabilities	-	9,514.86	-	12,459.52	-	6,583.28
Total financial liabilities	**-**	**2,87,865.52**	**-**	**1,70,518.10**	**-**	**79,980.54**

40.2 Fair value hierarchy

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

(₹ in Lakh)

	Fair Value					
Financial assets and liabilities measured at fair value - recurring fair value measurements	**Notes**	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2019						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	932.62	932.62	-	-	**932.62**
Total financial assets		**932.62**	**932.62**	**-**	**-**	**932.62**
Financial liabilities		-	-	-	-	**-**
Total financial liabilities		**-**	**-**	**-**	**-**	**-**

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Fair Value				
		Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2019						
Financial assets						
Cash and cash equivalents	3	15,043.01	15,043.01	-	-	**15,043.01**
Bank Balance other than above	4	1,867.53	1,867.53	-	-	**1,867.53**
Trade Receivable	5	862.70	-	-	862.70	**862.70**
Loans						
Loans to employees	6	140.28	-	-	140.28	**140.28**
Loans - Others		405,577.50	-	-	405,577.50	**405,577.50**
Other financial assets	8	228.48	-	-	161.96	**161.96**
Total financial assets		**423,719.50**	**16,910.54**	**-**	**406,742.44**	**423,652.98**
Financial Liabilities						
Trade Payable	14	1,480.17	-	-	1,480.17	**1,480.17**
Debt Securities	15	4,994.84	4,949.72	-	-	**4,949.72**
Borrowings other than Debt Securities	16	271,875.65	-	-	271,875.65	**271,875.65**
Other Financial Liabilities	17	9,514.86	-	-	9,514.86	**9,514.86**
Total financial liabilities		**287,865.52**	**4,949.72**	**-**	**282,870.68**	**287,820.40**

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Fair Value				
		Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2018						
Financial assets						
Financial Investments at FVTPL						
Listed Bond	7	4,337.04	4,337.04	-	-	**4,337.04**
Listed equity investments		1,223.66	1,223.66	-	-	**1,223.66**
Total financial assets		**5,560.70**	**5,560.70**	**-**	**-**	**5,560.70**
Financial liabilities		**-**	**-**	**-**	**-**	**-**
Total financial liabilities		**-**	**-**	**-**	**-**	**-**

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
As at March 31, 2018						
Financial assets						
Cash and cash equivalents	3	2,890.45	2,890.45	-	-	**2,890.45**
Bank Balance other than above	4	1,942.57	1,942.57	-	-	**1,942.57**
Trade Receivable	5	99.00	-	-	99.00	**99.00**
Loans						
Loans to employees	6	118.67	-	-	118.67	**118.67**
Loans - Others		2,82,114.89	-	-	2,82,114.89	**2,82,114.89**
Other financial assets	8	212.42	-	-	212.42	**212.42**
Total financial assets		**2,87,378.00**	**4,833.02**	**-**	**2,82,544.98**	**2,87,378.00**
Financial Liabilities						
Trade Payable	14	1,444.22	-	-	1,444.22	**1,444.22**
Debt Securities	15	24,761.97	24,761.97	-	-	**24,761.97**
Borrowings other than Debt Securities	16	1,31,852.39	-	-	1,31,852.39	**1,31,852.39**
Other Financial Liabilities	17	12,459.52	-	-	12,459.52	**12,459.52**
Total financial liabilities		**1,70,518.10**	**24,761.97**	**-**	**1,45,756.13**	**1,70,518.10**

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
As at April 1, 2017						
Financial assets						
Financial Investments at FVTPL						
Listed equity investments	7	6,144.50	6,144.50	-	-	**6,144.50**
Mutual funds		4,041.57	-	4,041.57	-	**4,041.57**
Total financial assets		**10,186.07**	**6,144.50**	**4,041.57**	**-**	**10,186.07**
Financial liabilities		-	-	-	-	**-**
Total financial liabilities		**-**	**-**	**-**	**-**	**-**

(₹ in Lakh)

			Fair Value			
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at April 1, 2017						
Financial assets						
Cash and cash equivalents	3	1,060.65	1,060.65	-	-	**1,060.65**
Bank Balance other than above	4	2,873.74	2,873.74	-	-	**2,873.74**
Trade Receivable	5	686.37	-	-	686.37	**686.37**
Loans						
Loans to employees	6	135.52	-	-	135.52	**135.52**
Loans - Others		1,80,277.53	-	-	1,80,277.53	**1,80,277.53**
Other financial assets	8	171.18	-	-	171.18	**171.18**
Total financial assets		**1,85,204.99**	**3,934.39**	**-**	**1,81,270.60**	**1,85,204.99**
Financial Liabilities						
Trade Payable	14	892.11	-	-	892.11	**892.11**
Debt Securities	15	12,481.72	12,481.72	-	-	**12,481.72**
Borrowings other than Debt Securities	16	60,023.43	-	-	60,023.43	**60,023.43**
Other Financial Liabilities	17	6,583.28	-	-	6,583.28	**6,583.28**
Total financial liabilities		**79,980.54**	**12,481.72**	**-**	**67,498.82**	**79,980.54**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual funds are valued using the closing NAV. 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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The Group gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

41.1. Risk Disclosures

Group's risk is managed at company level through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and interest rate risk. It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

41.2. Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

41.2.1 Impairment assessment

41.2.1.1 Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor.The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3. Non payment on another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

41.2.1.2 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

41.2.1.3 Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

41.2.1.4 PD estimation process

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default is computed based on number of accounts that default during a year as a percentage of average no. of accounts outstanding.

a) The Group has applied 12 months PD to stage 1 advances

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

d) For Housing loans the 12 month PD has been sourced from CRISIL Default Study Report based on mapping of the risk weights of the respective borrower with the rating grades.

41.2.1.5 Loss given default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. LGD is computed based on discounted expected recoveries at an account level based on collateral valuation and appropriate recovery time. Accordingly, an average LGD is derived at the portfolio level.

41.2.2 Collateral and other credit enhancements

"The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Group has guidelines are in place covering the acceptability and valuation of each type of collateral.

1) The main type of collateral for construction finance is mortgage of project and hypothication of Receivables.

2) In case of MSME loans, collaterals are Residential/Commercial/Industrial property.

3) In case of retail lending, collaterals are by way of hypothication of Receviables/Book Debts.

4) In case of Housing loans the Group adhers to the NHB guidelines in respect of maintainence of adequate Loan to Value Ratios. The main types of collateral for home loans are mortgages over residential properties.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Group is unable to recover the dues, the Group through a legal process enforces the security and recovers the dues.

41.3. Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note No. 36

41.4. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Group is providing loans to MSME, Construction Finance and Housing Finance. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk. Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Group's statement of profit and loss and equity.

(₹ in Lakh)

Particulars	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
	2018-19				
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	709.72	Impact on equity	499.69
	50 Basis point Up		1,419.46		999.39
	25 Basis point Down		(709.72)		(499.69)
	50 Basis point Down		(1,419.46)		(999.39)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(393.90)	Impact on equity	(277.69)
	50 Basis point Up		(787.79)		(555.37)
	25 Basis point Down		393.90		277.69
	50 Basis point Down		787.79		555.37
	2017-18				
Loans (INR)	25 Basis point Up	Impact on Profit before Tax	452.04	Impact on equity	295.58
	50 Basis point Up		904.06		591.17
	25 Basis point Down		(452.04)		(295.58)
	50 Basis point Down		(904.06)		(591.17)
Borrowings (INR)	25 Basis point Up	Impact on Profit before Tax	(181.88)	Impact on equity	(118.93)
	50 Basis point Up		(363.76)		(237.86)
	25 Basis point Down		181.88		118.93
	50 Basis point Down		363.76		237.86

Note 42. DEFINED BENEFIT PLAN

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund. 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 separation/ retirement. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

(₹ in Lakh)

Particulars	As at April 1, 2018	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2019
Defined benefit obligation	(227.58)	(106.05)	(17.75)	38.30	-	1.11	(5.96)	8.86	-	(309.09)
Fair value of plan assets	169.16	-	13.19	(38.30)	(1.00)	-	-	-	65.00	208.05
Benefit liability	**(58.42)**	**(106.05)**	**(4.56)**	**-**	**(1.00)**	**1.11**	**(5.96)**	**8.86**	**65.00**	**(101.04)**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2018:

(₹ in Lakh)

Particulars	As at April 1, 2017	Service cost	Net interest expense	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Liability Transferred In/Out Acquisitions/ Divestments	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Contributions by employer	As at March 31, 2018
Defined benefit obligation	(171.31)	(79.64)	(12.36)	20.26	-	-	9.31	6.16	-	(227.58)
Fair value of plan assets	143.10	-	10.33	(20.26)	0.99	-	-	-	35.00	169.16
Benefit liability	**(28.21)**	**(79.64)**	**(2.03)**	**-**	**0.99**	**-**	**9.31**	**6.16**	**35.00**	**(58.42)**

Category of assets

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Insurance Fund	208.05	169.16	-
Total	**208.05**	**169.16**	**-**

Senstivity analysis

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Sensitivity Level	1% increase	1% increase	1% decrease	1% decrease
Impact on defined benefit obligation (in ₹)				
1. Discount Rate	(17.95)	(14.57)	20.13	16.48
2. Future Salary Increases	18.78	15.38	(17.26)	(13.99)
3. Employee Turnover	(1.42)	0.09	1.13	(0.43)

Maturity Analysis of benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	24.44	15.91
Between 2 and 5 years	126.93	86.85
Between 6 and 10 years	166.92	120.02
Beyond 10 years	230.25	223.37
Total expected payments	**548.54**	**446.15**

Note 43. RELATED PARTY DISCLOSURES IN RESPECT OF TRANSACTIONS FOR THE YEAR

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

(₹ in Lakh)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Employee benefits	79.01	130.44
Total	**79.01**	**130.44**

A. List of Related Parties and related party relationship:

a) Enterprises over which Management and/or their relatives have control

1 Budhinath Advisory Services Private Limited

2 Parijat Properties Private Limited

3 Dreamwork Media & Entertainment Private Limited

4 Capri Global Holdings Private Limited

5 Ramesh Chandra Sharma - HUF

b) Key Management Personnel of the Company

Sr. No.	Name of KMP	March 31, 2019	March 31, 2018
1	Mr. Quintin E Primo III	Non Executive Chairman	Non Executive Chairman
2	Mr. Rajesh Sharma	Managing Director (w.e.f. July 04,2018)	Director
3	Mr. Beni Prasad Rauka	Independent Director	Independent Director
4	Ms. Bhagyam Ramani	Independent Director	Independent Director
5	Mr. Mukesh Kacker	Independent Director	Independent Director
6	Mr. Tilak Raj Bajalia	Independent Director	Independent Director
7	Mr. Ajay Relan	Independent Director (w.e.f. December 04, 2018)	Not Applicable
8	Mr. Deshraj Dogra	Independent Director (Upto September 19, 2018)	Independent Director (w.e.f May 10, 2017)
9	Mr. Bipinchandra Kabra	Director-Finance (Upto July 31, 2018)	Director-Finance (w.e.f July 17, 2017)
10	Mr. Sunil Kapoor	Not Applicable	Executive Director (Upto July 04, 2017)

c) Post-employment benefit plan

1 Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme

2 Money Matters Securities Private Limited Employee Group Gratuity Assurance Scheme

d) Corporate Social Responsibility

1 Capri Foundation

B) Details of transactions during the year end and closing balances as at the year end:

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
a.	**Statement of Profit and Loss Items:**								
I	**INCOMES :**								
i	**Rent Received**								
	Dreamwork Media & Entertainment Private Limited	-	0.95	-	-	-	-	-	0.95
II	**EXPENSES :**								
i	**Rent Paid**								
	Parijat Properties Private Limited	-	12.18	-	-	-	-	-	12.18
	Capri Global Holdings Private Limited	-	0.50	-	-	-	-	-	0.50
	Ramesh Chandra Sharma (HUF)	33.00	33.00	-	-	-	-	33.00	33.00
	Parshwanath Buildcon Private Limited	0.40	-	-	-	-	-	0.40	-
ii	**Salaries, Commission and other benefits**								
	Mr. Rajesh Sharma	-	-	17.81	-	-	-	17.81	-
	Mr. Sunil Kapoor	-	-	-	31.46	-	-	-	31.46
	Mr. Bipinchandra Kabra	-	-	52.31	98.98	-	-	52.31	98.98
iii	**Director Sitting Fees**								
	Mr. Quintin E Primo III	-	-	2.85	1.50	-	-	2.85	1.50
	Mr. Beni Prasad Rauka	-	-	16.23	5.63	-	-	16.23	5.63
	Ms. Bhagyam Ramani	-	-	19.23	6.98	-	-	19.23	6.98
	Mr. Mukesh Kacker	-	-	5.85	1.80	-	-	5.85	1.80
	Mr. Tilak Raj Bajalia	-	-	12.18	3.60	-	-	12.18	3.60
	Mr. Deshraj Dogra	-	-	3.00	2.10	-	-	3.00	2.10
	Mr. Ajay Kumar Relan	-	-	0.75	-	-	-	0.75	-
iv	**Employee Benefits**							3.00	2.10
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	36.43	15.73	36.43	15.73
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	2.47	10.33	2.47	10.33
v	**Corporate Social Responsibility**								
	Capri Foundation	-	-	196.02	184.55	-	-	196.02	184.55

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Post-employment benefit plan		Total	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
b	**Balance Sheet Items:**								
i	**Other Payable**								
	Money Matters Financial Services Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	81.14	45.35	81.14	45.35
	Money Matters Securities Private Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	19.89	13.07	19.89	13.07

Note 44. SEGMENT INFORMATION (IND-AS 108)

Operating Segment:

The Group operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note 45. LEASES

Operating Leases:

The Group has taken office premises & guest houses under operating lease. The lease arrangements are normally renewable on expiry of the lease period at the option of the lessor/ lessee ranging from 3 to 10 years. Some of the lease agreements are having lock in period of six months to five years which are non-cancellable during that period. After the expiry of the lock in period, the lease agreements becomes cancellable in nature at the option of the lessor or the lessee by giving 1-3 months notice to the either party. There is no contingent rent in the lease agreement. There is escalation clause in some lease agreements. The future minimum lease payments in respect of the non cancellable lease are as follows :

(₹ in Lakh)

Particulars		For the Year ended March 31, 2019	For the Year ended March 31, 2018
a)	Payable not later than one year	629.49	616.17
b)	Payable later than one year and not later than five years	2,920.89	2,211.23
c)	Payable later than five years	579.14	1,317.68

The lease payments recognized in the statement of profit and loss for the year are ₹ 865.59 Lakh (March 31, 2018: ₹ 737.94 Lakh).

The Group had sub-leased the office premises under operating lease for which lease income is recognized in the statement of profit and loss for the year amounting to ₹ NIL (March 31, 2018: ₹ 0.95 Lakh).

Note 46. IN ACCORDANCE WITH IND AS - 33 EARNINGS PER SHARE

The computation of earning per share is set out below:

(₹ in Lakh)

Particulars			For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ In Lakh	13,566.30	6,490.02
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	175,134,805	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	176,107,601	175,505,832
Basic earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(B)	₹	7.75	3.71
Diluted earnings per equity share (in Rupees) (Face value of ₹ 2/- per share)	(A)/(C)	₹	7.70	3.70

Weighted average number of equity shares for calculating EPS		₹	175,134,805	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP		₹	972,796	371,027
Weighted average number of equity shares in calculation of diluted EPS		₹	176,107,601	175,505,832

Note 47. EMPLOYEE STOCK OPTION

The Capri Global Capital Limited has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees of the Group spread over a period 1 to 4 years.

Employee Stock Option Plans

A Summary of the general terms of grants under stock options plans are as under: -

Name of Plan	Number of options under the Plan	Range of Exercise Price
Employee Stock Option Plan	1,744,000	₹ 2 to ₹100

The activity of the Stock Plans is summarised below

(₹ in Lakh)

Particulars	Year ended			
	As at March 31, 2019		As at March 31, 2018	
	Numbers	Exercise Price/ Vesting Price	Numbers	Exercise Price/ Vesting Price
Outstanding at the beginning of the year	777,500	100.00	1,600,000	40.00
	300,000	70.00	250,000	62.00
	150,000	66.27	-	-
	250,000	62.00	-	-
Granted	289,000	100.00	777,500	100.00
	60,000	70.00	300,000	70.00
	710,000	2.00	150,000	66.27
Exercised				
Forfieted, expired and cancelled	295,000	100.00	1,600,000	40.00
	75,000	70.00	-	-
	150,000	66.27	-	-
	250,000	62.00	-	-
	22,500	2.00	-	-
Outstanding at the end of the year	771,500	100.00	250,000	62.00
	285,000	70.00	777,500	100.00
	687,500	2.00	300,000	70.00
	-	-	150,000	66.27

The following table summarises information about stock option plans

(₹ in Lakh)

Exercise Price	Year ended			
	As at March 31, 2019		As at March 31, 2018	
	Numbers	Weighted Average Remaining Life (Months)	Numbers	Weighted Average Remaining Life (Months)
62.00	-	-	250,000	30
66.27	-	-	150,000	41
100.00	771,500	35	777,500	44
70.00	285,000	35	300,000	44
2.00	687,500	42	-	-

48. EXPENDITURE IN FOREIGN CURRENCY

Foreign Travelling Expenses - ₹ 74.79 Lakh (March 31, 2018 ₹ 42.26 Lakh)

Director Sitting Fees - ₹ 2.85 Lakh (March 31, 2018 ₹ 1.50 Lakh)

49. CONTINGENT LIABILITIES

Income Tax matters under dispute: March 31, 2019 ₹ 2.12 Lakh (March 31, 2018 ₹ 40.14 Lakh)

50. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for March 31, 2019 ₹ 17.50 Lakh (March 31, 2018 ₹ NIL)

b) Amount payable towards acquisition of Property for March 31, 2019 ₹596.31 Lakh (March 31, 2018 ₹ 912.60 Lakh)

c) Other Commitments

Pending disbursements of sanctioned loans for March 31,2019 ₹ 88720.22 Lakh (March 31, 2018 ₹ 85026.31 Lakh)

51. The company has reported frauds aggregating ₹ 411.74 Lakh (March 31, 2018: ₹ 60.52 Lakh) based on management reporting to risk committee and to the RBI through prescribed returns.

52. STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Note 53. ADDITIONAL INFORMATION:

(₹ in Lakh)

Particulars	Net Assets, i.e. total assets minus total liability		Share in Profit or Loss		Share in Other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of total Comprehensive income	Amount
Parent								
Capri Global Capital Limited	97.74%	135,147.08	93.47%	12,680.38	227.36%	4.70	93.49%	12,685.07
Subsidiaries								
Indian								
1. Capri Global Housing Finance Limited	2.33%	3,220.91	6.49%	881.00	-127.36%	(2.63)	6.47%	878.38
2. Capri Global Asset Reconstruction Company Private Limited	0.01%	7.85	0.08%	11.30	-	-	0.08%	11.30
3.Capri Global Resources Private Limited	-0.08%	(105.64)	-0.03%	(3.44)	-	-	-0.03%	(3.44)
Foreign								
1.Capri Global Capital (Mauritius) Limited	0.00%	(2.28)	-0.02%	(2.94)	-	-	-0.02%	(2.94)
Total	100.00%	138,267.92	100.00%	13,566.30	100.00%	2.07	100.00%	13,568.37

54. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Form AOC - 1

(Pursuant to first proviso to sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014)

Statement containing Salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

(₹ in Lakh)

Sr No.	Particulars	Capri Global Housing Finance Limited	Capri Global Resource Pvt. Ltd.	Capri Global Asset Reconstruction Pvt. Ltd.	Capri Global Capital (Mauritius) Limited
1	Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA	NA	NA	MUR
					1 MUR = 1.99 INR
3	Share Capital	6,071.43	55.00	250.00	13.08
4	Reserves & Surplus	14,649.48	(105.64)	7.85	(2.28)
5	Total Assets	92,188.21	5.14	258.85	12.24
6	Total Liabilities	71,467.30	55.77	1.01	1.44
7	Investments	-	-	-	-
8	Turnover	8,889.58	-	18.52	-
9	Profit/(Loss) Before Taxation	927.08	(8.15)	15.27	(2.94)
10	Provision for Taxation	228.84	-	3.97	-
11	Profit after Taxation*	698.24	(8.15)	11.30	(2.94)
12	Proposed Dividend	-	-	-	-
13	% of Shareholding	100.00	100.00	100.00	100.00

***PAT without considering the Other Comprehensive Income.**

Notes:

1	Names of subsidiaries which are yet to commence operations:	1. Capri Global Assets Rec onstruction Private Limited 1. Capri Global Capital (Mauritius) Limited
1	Names of subsidiaries which have been liquidated or sold during the year :	NIL

Part "A" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **Not Applicable**

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Rajesh Sharma
Managing Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Ajay Relan
Independent Director
DIN 00002632

T. R. Bajalia
Independent Director
DIN 02291892

Mukesh Kacker
Independent Director
DIN 01569098

Ashish Gupta
Chief Financial Officer

Harish Agrawal
Senior Vice President & Company Secretary

Place: Mussoorie
Date: May 03, 2019

Notes

Notes

Corporate Information

Board of Directors

Non-executive Chairman
Mr. Quintin E. Primo III
(upto June 1, 2019)

Managing Director
Mr. Rajesh Sharma

Independent Directors
Mr. Beni Prasad Rauka
Ms. Bhagyam Ramani
Mr. MukeshKacker
Mr. T. R. Bajalia
Mr. Ajay Kumar Relan
Mr. Ajit M. Sharan
(with effect from June 1, 2019)

Chief Financial Officer
Mr. Ashish Gupta
(with effect from May 3, 2019)

Senior Vice President & Company Secretary
Mr. Harish Agrawal

Auditors
M/s. Deloitte Haskins & Sells LLP
Indiabulls Finance Centre,
32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (West),Mumbai – 400013
Tel. no. (022) 6185 4000

Security Trustee
Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right)
Paud Road, Pune 411038
Tel No. +91 2025280081

Corporate Identification Number (CIN)
L65921MH1994PLC173469

Bankers
Andhra Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Dena Bank
HDFC Bank
ICICI Bank
Indian Bank
Karnataka Bank
Kotak Bank
Punjab National Bank
Punjab Sind Bank
Shinhan Bank
State Bank of India
UCO Bank
Union Bank of India
United Bank
Vijaya Bank
Yes Bank

Registrar and Share Transfer Agents
Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel. No.(022) 49186270
Fax No. (022) 49186060

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502, Tower A,
Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Tel. No. (022) 40888100
Fax No. (022) 40888170

Board Committees

I. Audit Committee

Mr. Beni Prasad Rauka	Chairman
Mr. Mukesh Kacker	Member
Ms. Bhagyam Ramani	Member
Mr. T. R. Bajalia	Member

II. Corporate Social Responsibility Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Beni Prasad Rauka	Member
Mr. Rajesh Sharma	Member

III. Nomination & Remuneration Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Beni Prasad Rauka	Member
Mr. T. R. Bajalia	Member

IV. Risk Management Committee

Mr. Rajesh Sharma	Chairman
Mr. Beni Prasad Rauka	Member
Ms. Bhagyam Ramani	Member
Mr. T. R. Bajalia	Member

V. Stakeholders Relationship Committee

Mr. Beni Prasad Rauka	Chairman
Mr. Rajesh Sharma	Member
Ms. Bhagyam Ramani	Member

CAPRI GLOBAL
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