NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF XANDER FINANCE PRIVATE LIMITED WILL BE HELD ON THURSDAY, SEPTEMEBR 30, 2021 AT 12.30 P.M. (IST) THROUGH VIDEO CONFERENCING/AUDIO-VISUAL ELECTRONIC COMMUNICATION MEANS ("VC/AVEC"), TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon; and

   b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.

SPECIAL BUSINESS:

2. To appoint Mr. Rajesh Kumar Jogi (DIN: 03341036) as a Nominee Director on the Board of the Company.

   To consider and, if thought fit, to pass the following resolution as an ***Ordinary Resolution***: -

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including any amendment, re-enactment or statutory modification thereof for the time being in force, Mr. Rajesh Kumar Jogi (DIN: 03341036), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 05, 2021 in terms of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Nominee Director (acting as nominee of Xander Credit Pte Ltd) on the Board of the Company.

   RESOLVED FURTHER THAT the Directors or Key Managerial Personnel or Company Secretary of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies, Mumbai and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

3. To appoint Mr. Tariq Maqbool Chinoy (DIN: 08830666) as a Nominee Director on the Board of the Company.

   To consider and, if thought fit, to pass the following resolution as an ***Ordinary Resolution***: -

101 | 5 NORTH AVENUE | MAKER MAXITY | BANDRA KURLA COMPLEX | BANDRA EAST | MUMBAI 400 051.
CIN: U65921MH1997PTC258670 | +91 22 6119 6000 T | +91 22 6119 6080 F | info@xanderfinance.com

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including any amendment, re-enactment or statutory modification thereof for the time being in force, Mr. Tariq Maqbool Chinoy (DIN: 08830666), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 19, 2021 in terms of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Nominee Director (acting as nominee of Xander Credit Pte Ltd) on the Board of the Company.

RESOLVED FURTHER THAT the Directors or Key Managerial Personnel or Company Secretary of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies, Mumbai and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

4. To appoint Mr. Varun Gopinath (DIN: 09070660) as a Director of the Company.

To consider and, if thought fit, to pass the following resolution as an ***Ordinary Resolution***: -

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including any amendment, re-enactment or statutory modification thereof for the time being in force, Mr. Varun Gopinath (DIN: 09070660), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 22, 2021 in terms of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, be and is hereby appointed as a Director on the Board of the Company.

RESOLVED FURTHER THAT the Directors or Key Managerial Personnel or Company Secretary of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies, Mumbai and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

5. To approve the appointment of M/s. Ravi Rajan & Co. LLP, Chartered Accountants (Firm Registration No. 009073N/N500320) as Statutory Auditors of the Company for the financial year 2021-22 to fill the casual vacancy:

To consider and, if thought fit, to pass the following resolution as an ***Ordinary Resolution***:

"**RESOLVED THAT** pursuant to section 139, 141 and other applicable provisions of the Companies Act, 2013 and the rules thereunder (including any statutory modifications and re-enactment, if any thereof for the time being in force) read with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by the Reserve Bank of India and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Ravi Rajan & Co. LLP, Chartered Accountants (Firm Registration No. 009073N/N500320), be and are hereby appointed as the Statutory Auditors of the

Company for the financial year 2021-22 to fill the casual vacancy caused by the resignation of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration Number: 301003E/E300005) and they shall hold office commencing from the conclusion of the Twenty Fifth Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting to be held for the financial year 2021-22, on such remuneration as may be decided by the Board of Directors in consultation with the proposed Statutory Auditors of the Company and reimbursement of actual out of pocket expenses, to audit the accounts of the Company.

RESOLVED FURTHER THAT any of the Board of Directors or Key Managerial Personnel or Company Secretary of the Company, be and is, hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution, to file necessary E-Forms with Registrar of Companies, Mumbai and to intimate Reserve Bank of India, Bombay Stock Exchange and other regulatory/statutory authorities (if any)."

6. To approve the limits for issuance of secured Non-Convertible Debentures through private placement:

To consider and if thought fit, to pass the following resolution as a ***Special Resolution***:

"RESOLVED THAT in supersession to the resolution passed at the General Meeting of the members of the Company held on December 28, 2020 and pursuant to sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules and regulations made there under and all other applicable laws including any amendment, re-enactment or statutory modification thereof for the time being in force, the provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals as may be required from regulatory authorities from time to time, the consent of the members be and is hereby accorded to continue to make private placement offers, and invitations and issue in one or more tranches of Secured Non-Convertible Debentures ("NCDs") on a private placement basis until September 29, 2022 for the purpose of onward lending / on-going funding requirements of the business of the Company within the limits set by the Company for an amount approved by the Board of Directors from time to time not exceeding Rs.1,500 crores (including NCDs already issued in the previous year) out of the total borrowing limits of Rs.2,500 crores.

RESOLVED FURTHER THAT the Directors or Key Managerial Personnel or Company Secretary of the Company, be and are hereby severally authorized to undertake all such acts, deeds, matters and things; including but not limited to signing and/or executing any document/(s), writing/(s), agreement/(s), application/(s), creating necessary charge in favour of the charge holder, filing of necessary E-forms with Registrar of Companies, Mumbai in this regard; as they may, in their absolute discretion, deem necessary, incidental, expedient or desirable to give effect to the foregoing resolution**."**

Xander Finance Private Limited

7. To approve and adopt the amended Articles of Association of the Company:

To consider and if thought fit, to pass the following resolution as a ***Special Resolution***:

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (as amended) read with the Rules made thereunder and Schedule I to the Companies Act, 2013, as amended from time to time (including any statutory modifications and re-enactment if any thereof for the time being in force) and subject to the approval of the Registrar of Companies, Mumbai, approval of the Members be and is hereby granted to amend the existing Articles of Association of the Company and the draft of the amended Articles of Association of the Company, as presented before the Members, be and is hereby approved in substitution to the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the the Director of the Company or Key Managerial Personnel or Company Secretary of the Company, be and are hereby severally authorized to take all such steps and actions and give such directions as they may in their absolute discretion deem necessary and file necessary forms with Registrar of Companies, Mumbai and to do all such other acts, deeds, matters and things in connection or incidental thereto that shall give effect to the said resolution."

By order of the Board of Directors
Xander Finance Private Limited

Xander Finance Private Limited

Hinal Shah
Company Secretary
ICSI Membership No:ACS-41256

Date: September 27, 2021
Place: Mumbai

Notes:

1. Due to outbreak of COVID-19 pandemic, the Ministry Of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021 and other applicable circulars, has permitted to hold the Annual General Meeting ('AGM') of Members of the Company through Video Conferencing ("VC") / Audio-Visual Electronic Communication means ("AVEC") without the presence of the Members at a common venue. In due compliance with the above MCA Circulars, the Twenty Fifth AGM of the Company is convened through VC/AVEC.

2. The Members are requested to follow the below instructions: -

   a) Participation:

      i. Pursuant to the aforementioned general circulars, the physical presence of the Members has been dispensed with and therefore the appointment of Proxy(ies) is/are not permitted. However, in pursuance of Section 112 and 113 of the Companies Act, 2013 ("the Act"), Members may appoint representatives for the purpose of participation and voting in the meeting. The Corporate Members proposing to participate at the meeting through their representative(s), will be required to forward the necessary authorization under Section 113 of the Act and such representation to the Company should be communicated by sending an e-mail to Ms. Hinal Shah, Company Secretary at hinal_shah@xanderfinance.com before the commencement of the Meeting.

      ii. Members participating through the VC/AVEC facility shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.

      iii. The Meeting of the Members will be held through VC/AVEC as per MCA circulars. The Members are requested to use the Dial-in details as mentioned below to join the Meeting:

Weblink	https://us06web.zoom.us/j/85222999117?pwd=VjlwRFhlb09zWm9PZnFrdk1lUExHQT09
Meeting ID	852 2299 9117
Password	102515

3. For ease of participation of the Members, during the Meeting, Members (including their representatives) may post questions through typing in the "comment box"/ "chat box" in the above Dial-in. The Members may also, submit any questions they may have through e-mail at hinal_shah@xanderfinance.com before the commencement of the Meeting.

4. On the date of the Meeting, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting, may join, using above the Dial-in details from 12.15 p.m. (IST) to 12.45 p.m. (IST) post which, no person shall be able to join the meeting.

5. In case, any member requires assistance for using the aforementioned Dial-in before or during the Meeting, you may reach out to Ms. Hinal Shah, Company Secretary at hinal_shah@xanderfinance.com.

6. Voting:
   a. In case a poll is demanded, Chairman shall follow the procedure provided in Section 109 of the Act, and Rules made thereunder, in all other cases matter will be put to vote by way of a show of hands.

   b. On demand of the poll, the Members may vote by sending an e-mail on the designated E-mail ID: hinal_shah@xanderfinance.com stating their assent/ dissent.

      Please note that the e-mail with the vote of a member should be sent only from the registered Email ID of the member.

7. The explanatory statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the special business set out above is annexed hereto as 'Annexure I' and 'Annexure II' and forms part of this Notice.

8. Other instructions/ information:

   a. Members are requested to address all communications through their registered E-mail ID only.

   b. The recorded transcript shall be maintained in safe custody of the Company.

   c. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act read with Rules made thereunder, authorizations for voting by body corporates and the Articles of Association of the Company will be available for inspection by the Members through electronic mode. Also, the documents referred to in this Notice are available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the Annual General Meeting. Members seeking to inspect such registers/ documents can send an email to hinal_shah@xanderfinance.com.

   d. The Audited Financial Statements (standalone & consolidated) of the Company for the Financial Year ended on March 31, 2021, the Reports of the Board of Directors and Auditors thereon and draft of amended Articles of Association shall be sent to the Members and to all other persons so entitled on their email IDs registered with the Company/ Registrar and Transfer Agents or with the Depository Participant(s).

   e. Members who hold shares in physical form and have not registered / updated their Email addresses with the Company, are requested to register / update the same by writing to the Company at hinal_shah@xanderfinance.com stating details of folio number and attaching a self attested copy of PAN card.

   f. Members holding shares in dematerialised mode, who have not registered / updated their email addresses with their Depository Participants, are requested to register / update their email addresses with the Depository Participants with whom they maintain their demat accounts.

   g. Members who need assistance before or during the AGM, can contact Ms. Hinal Shah, Company Secretary at +91- 9987015358 or email her at info@xanderfinance.com.

Xander Finance Private Limited

Annexure I to the Notice

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), sets out all material facts relating to the business mentioned under Item No 2, 3, 4, 5, 6 & 7 of the accompanying notice:

ITEM NO. 2: TO APPOINT MR. RAJESH KUMAR JOGI (DIN: 03341036) AS A NOMINEE DIRECTOR ON THE BOARD OF THE COMPANY:

Mr. Rajesh Kumar Jogi (DIN: 03341036) was appointed as an Additional Director of the Company on March 05, 2021 to hold office until the conclusion of this Annual General Meeting. A brief profile of Mr. Rajesh Kumar Jogi is mentioned as below:

Mr. Rajesh Jogi has a demonstrated history of working in banking industry for ~27 years and is an experienced Chief Risk Officer. He is an independent professional and currently serves as a non-executive director on the Board of listed NBFC and Bank. He was previously associated as Country Head – Risk, India for Natwest Group (July, 2016 – September, 2020) where he led and managed risk teams in India and has built a culture of responsible risk management through definition and adherence to appropriate risk appetite, control frameworks, processes and procedures. In addition to his role in India, he led the Capital Resolution and NatWest Markets (NWM) Risk teams in APAC through December 2017 as APAC Risk Head for the RBS Group. He also developed a robust global / NWG India connect and engagement to facilitate prudent risk management. He also served as a Director of RBS Foundation India to drive CSR activities.

Mr. Rajesh Jogi also acted as Chief Risk Officer, India at Royal Bank of Scotland from September, 2010 – June, 2016 where he was responsible for implementing Group Risk Framework in India. He led the Risk team in India which covered banking businesses across Corporate and Institutional Banking, Private Banking and Retail Divisions and ensured risk coverage across all risk functions which include credit risk, operational risk and market risk as well as compliance.

Prior to Royal Bank of Scotland, Mr. Rajesh Jogi was associated with Citibank, India for ~17 years where he started off as Relationship Manager for Priority Sector Lending Unit in 1993 and served as Director, Risk Management on the Board of Citibank until September, 2010. At Citibank, he managed credit and risk processes for clients across corporate banking in India, Bangladesh, Sri Lanka and Nepal across all products and was responsible for portfolio quality, credit processes, stress testing, defeasance strategies, ratings and ratings methodologies.

Mr. Rajesh Jogi is a Chartered Accountant and has completed an advanced management programme from Harvard Business School, Boston (executive Education) and is a Bachelors in Arts (Economics).

The Board therefore recommends the above ordinary resolution for appointment of Mr. Rajesh Kumar Jogi (DIN: 03341036) as a Nominee Director (acting as nominee of Xander Credit Pte Ltd) on the Board of the Company for the approval of the members.

Xander Finance Private Limited

Mr. Rajesh Kumar Jogi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Except, Mr. Rajesh Kumar Jogi, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 3: TO APPOINT MR. TARIQ MAQBOOL CHINOY (DIN: 08830666) AS A NOMINEE DIRECTOR ON THE BOARD OF THE COMPANY:

Mr. Tariq Chinoy (DIN: 08830666) was appointed as an Additional Director of the Company on March 19, 2021 to hold office until the conclusion of this Annual General Meeting. A brief profile of Mr. Tariq Maqbool Chinoy is mentioned as below:

Mr. Tariq Chinoy was previously associated with Avendus PE Investment Advisors Private Limited as Head – Finance and Investor relations since April, 2019. As the Head of Finance and Investor relations, he lead the Finance and Operations function for all private equity funds and was responsible for building distribution platforms for the funds. Previously, he served as the Chief Financial Officer (Feb 2018- Mar, 2019) of Ocean Dial Asset Management India (part of Ocean Dial Asset Management Limited, a UK based Financial Conduct Authority Regulated investment management entity which is wholly owned by Avendus Group). His key achievements include launching of 3 India focused Category II and Category III AIFs. He also established Avendus' first systematic equity fund and managed its offshore fund structure in Singapore.

Prior to his role with Avendus Group, he was associated with India Alternatives Investment Advisors Private Limited where he served as Chief Financial Officer and Director of Business Development for the period Apr, 2011-Feb, 2018. He was responsible for managing finance operations and was tasked with deal sourcing; assessment and analysis; valuation and finalization of deal structure. He was a part of the deal team which led the investment process in CIBIL, the largest credit information bureau in India. He also evaluated prospective investment in NSDL, India's largest depository and also played a key role in strategic investment made by India Infoline.

Tariq was also employed as Sr. Manager – Finance and Risk at Avendus Capital Private Limited (Sep, 2008 – Apr, 2011) where he was responsible for designing and setting up the private equity fund structure and assisted in establishing trading desk for Portfolio Management business. Prior to his employment with Avendus, he was associated with IDFC Private equity as Associate (Jun 2006 – Sep, 2008) where he assisted the CFO in overall finance function of the firm and also supported successful closing of USD 25MM telecom investment deal. He began his professional stint with Pricewaterhouse Coopers, where he worked as Assistant Manager in financial services function and has led several assignments in Assurance Audits in Banking and Financial Services.

Tariq is a Chartered Accountant from Institute of Chartered Accountants of India and has obtained a degree of Bachelors in Commerce from University of Mumbai.

The Board therefore recommends the above ordinary resolution for appointment of Mr. Tariq Chinoy (DIN: 08830666) as a Nominee Director (acting as nominee of Xander Credit Pte Ltd) on the Board of the Company for the approval of the members.

Xander Finance Private Limited

Mr. Tariq Chinoy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Except, Mr. Tariq Chinoy, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 4: TO APPOINT MR. VARUN GOPINATH (DIN: 09070660) AS A DIRECTOR OF THE COMPANY:

Mr. Varun Gopinath (DIN: 09070660) was appointed as an Additional Director of the Company on February 22, 2021 to hold office until the conclusion of this Annual General Meeting. A brief profile of Mr. Varun Gopinath is mentioned as below:

Based in Bengaluru, Varun joined XFPL in Oct, 2020 where he is responsible for Strategy & Portfolio operations and implementation of business strategies and plans across various underlying investments and asset portfolios. He has an overall experience of ~13 years across several industries which include e-commerce, fintech and real estate. He was previously associated with WeWork India as Chief Revenue Officer (May 2018 – Oct 2020) where he was responsible for hiring and managing a diverse and experienced team of ~140 people across 7 cities in various verticals of enterprise /SMB sales, business development, channel partnerships, account management, real estate advisory, growth operations and helped generating a revenue of ~100MN USD per annum.

Prior to WeWork, Varun was associated with LendingKart Finance Ltd (Dec, 2016 – May, 2018), a fintech NBFC engaged in SME lending where he headed partnerships; new initiatives and offline channel sales vertical and managed a significant portion of revenue generation of the NBFC. He has also worked with Snapdeal (Jun 2014 – Dec 2016) where he was responsible for building strong teams and businesses, work on performance turnarounds and driving innovations and building strategies for growth and profitability of the organsiation. He was also associated with IBM (May 2013 – May 2014) as Advisory Consultant – Supply chain and operations and worked with their management consulting arm of supply chain and operations. At IBM, he has led several projects for MNCs across 3 continents.

Varun has completed Post Graduate Programme in Management, Dual Major – Strategy & Leadership and Operations from Indian School of Business, Hyderabad and is a B.E. (Electronics & telecommunication) from SIES Graduate School of Technology, Mumbai.

The Board therefore recommends the above ordinary resolution for appointment of Mr. Varun Gopinath (DIN: 09070660) as a Director on the Board of the Company for the approval of the members.

Mr. Varun Gopinath is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Except, Mr. Varun Gopinath, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

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ITEM NO. 5: TO APPROVE THE APPOINTMENT OF M/S. RAVI RAJAN & CO. LLP, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 009073N/N500320) AS STATUTORY AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2021-22 TO FILL THE CASUAL VACANCY:

On April 27, 2021, RBI has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) wherein directions have been prescribed relating to process to be adopted by commercial banks, NBFCs for appointment of statutory auditors. The FAQs issued by RBI relating to appointment of statutory auditors have further prescribed limitations on tenure of the auditors and the number of audits that can be undertaken by audit firm. As per the said Guidelines, an audit firm cannot be appointed / reappointed for a continuous period of more than 3 (three) year. Since, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN No: 301003E/E300005) are acting as Statutory Auditors of the Company for more than 3 (three) years, the said firm have tendered their resignation as Statutory Auditors of the Company effective from September 23, 2021.

M/s. Ravi Rajan & Co. LLP, Chartered Accountants (Firm Registration No. 009073N/N500320), have given their consent to be appointed as the Statutory Auditors of the Company for the financial year 2021-22 to fill the casual vacancy caused by the resignation of M/s. S.R. Batliboi & Co. LLP. Accordingly, the Board at its meeting held on September 24, 2021 has approved and recommended the appointment of M/s. Ravi Rajan & Co. LLP, Chartered Accountants (Firm Registration No. 009073N/N500320), as the Statutory Auditors of the Company for the financial year 2021-22 and they shall hold office commencing from the conclusion of the Twenty Fifth Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting to be held for the financial year 2021-22.

M/s. Ravi Rajan & Co. LLP, Chartered Accountants (Firm Registration No. 009073N/N500320), have conveyed their consent to be appointed as the Statutory Auditor of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

As per section 139 of the Companies Act 2013, approval of the members is also required to confirm and approve the appointment of Statutory Auditors.

Your Directors recommend the Resolution at Item No. 5 of the accompanying Notice, for the approval of the Members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 6: TO APPROVE THE LIMITS FOR ISSUANCE OF SECURED NON-CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT:

The members at their meeting held on December 28, 2020 had approved the limits for issuance of Secured Non-Convertible Debentures ("NCDs") on a private placement basis until December 27, 2021 in one or more

Xander Finance Private Limited

tranches upto an amount not exceeding Rs. 1,500 crores (including NCDs already issued in the previous year) out of the total borrowing limits of Rs. 2,500 crores for the purpose of onward lending / on-going funding requirements of the business of the Company. It is recommended to review the said limit until September 29, 2022. The Company shall not incur indebtedness of more than 1.5x at any given point as mentioned under clause 77 of reserved matters of Articles of Association. The basis or justification of the price for issuance of NCDs shall be determined by the Board for each issue separately.

Your Directors recommend the Resolution at Item No. 6 of the accompanying Notice, for the approval of the Members of the Company as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO. 7: TO APPROVE AND ADOPT THE AMENDED ARTICLES OF ASSOCIATION OF THE COMPANY:

The shareholders at the Extraordinary General Meeting of the Company held on December 28, 2020 had approved the amendment of the Articles of Association of the Company to include several key matters termed as “Reserved Matters” wherein specific prior approval from Xander Credit Pte Ltd (‘Holding Company’) may be sought for transacting certain business matters. It is now proposed to further modify the list of items to be included in “Reserved Matters.”

The draft of the amended Articles of Association of the Company has been enclosed alongwith the notice of this meeting.

Your Directors recommend the Resolution at Item No. 7 of the accompanying Notice, for the approval of the Members of the Company as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By order of the Board of Directors
Xander Finance Private Limited

HShah

Xander Finance Private Limited

Hinal Shah
Company Secretary
ICSI Membership No: ACS-41256

Date: September 27, 2021
Place: Mumbai

Annexure II to the Notice

Details of Directors seeking appointment
(Pursuant to Clause 1.2.5 of Secretarial Standards -2 issued by ICSI on General Meeting)

Name of Director	Mr. Rajesh Kumar Jogi	Mr. Tariq Chinoy	Mr. Varun Gopinath
Date of Birth	March 04, 1968	March 24, 1980	March 21, 1986
Age	53 years	40 years	35 years
Date of Appointment	March 05, 2021	March 19, 2021	February 22, 2021
Tenure of Appointment	Not Applicable	Not Applicable	Not Applicable
Qualification	As per Annexure I	As per Annexure I	As per Annexure I
Experience	As per Annexure I	As per Annexure I	As per Annexure I
Directorships held in other Companies	1. Ujjivan Small Finance Bank Limited	1. Dhanlaxmi Infrastructure Private Limited 2. Thales Ventures Limited 3. Alena Ventures Limited 4. Hamir Real Estate Private Limited 5. Sugam Vanijya Holdings Private Limited 6.Sanctum Wealth Private Limited	1. Zocalo Realtech Private Limited 2. Xpandr Ventures India Private Limited
Membership/ Chairmanship of Committees of other Boards	Refer table no.1	Refer table no.1	Refer table no.1
No. of shares held in Company	Nil	Nil	Nil
Relationships with other directors and KMP of the Company	Nil	Nil	Nil
Remuneration sought and last drawn	Not Applicable	Not Applicable	Not Applicable
No. of Meeting of Board attended during the year	1	NA	2

Table-1

Details of Membership/ Chairmanship of Committees of other Boards of proposed Directors:

Name of Committee	Rajesh Jogi	Tariq Chinoy	Varun Gopinath
Audit committee	Chairman	Member	-
Nomination & remuneration committee	Member	Member	-
Corporate Social responsibility committee	Member	Member	Member
Credit committee	Member	-	-
Risk management committee	Chairman	Member	Member
Asset/Liability management committee	-	Member	-
IT Strategy committee	-	-	Member
Internal Complaints Committee	Member	-	-
Vigilance & Ethics committee	Member	-	-

Xander Finance Private Limited

XANDER
THE XANDER GROUP Inc.
XANDER FINANCE PRIVATE LIMITED

TWENTY-FIFTH ANNUAL REPORT
FINANCIAL YEAR: 2020-21

XANDER FINANCE PRIVATE LIMITED (‘THE COMPANY’)
(CIN: U65921MH1997PTC258670)

BOARD OF DIRECTORS
Mr. Rohan Sikri
Mr. Rohit Khandelwal
Mr. Varun Gopinath*
Mr. Rajesh Kumar Jogi**
Mr. Tariq Chinoy***
**(appointed w.e.f February 22, 2021)*
***(appointed w.e.f March 05, 2021)*
****(appointed w.e.f March 19, 2021)*

BANKING AND OTHER FINANCING RELATIONSHIPS
Bank of India
Bank of Maharashtra
Canara Bank (*formerly Syndicate Bank*)
Punjab National Bank
State Bank of India
Union Bank of India

KEY MANAGERIAL PERSONNEL
Ms. Priyanka Khanna
Mr. Shaurya Singh
Mr. Ruchir Jauhari
Mr. Srinivasan J

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Hinal Shah
(appointed w.e.f March 23, 2021)

DESIGNATED DIRECTOR
Mr. Rajesh Jogi
(appointed w.e.f March 23, 2021)

PRINCIPAL OFFICER
Mr. Ravi Shankar
(appointed w.e.f March 23, 2021)

STATUTORY AUDITOR
M/s. S.R. Batliboi & Co. LLP

INTERNAL AUDITORS
M/s. Aneja Associates, Chartered Accountants

SECRETARIAL AUDITOR
M/s. RJSY & Associates, Company Secretaries

REGISTERED AND CORPORATE OFFICE
101, 5 North Avenue, Maker Maxity,
Bandra Kurla Complex, Bandra East,
Mumbai – 400051
Tel No.: 022-61196010
Fax No.: 022-61196080
Email: info@xanderfinance.com

BRANCH OFFICES
New Delhi
Bengaluru
Chennai

Xander Finance Private Limited

SECURITY & DEBENTURE TRUSTEES
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REGISTRAR & TRANSFER AGENT
Link Intime India Private Limited
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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting the Twenty-Fifth Annual Report on the affairs of your Company together with the annual audited financial statements for the year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS:

The highlights of the financial statements of the Company for the financial years 2020-21 and 2019-20 are as under:

Particulars	For the year ended March 31, 2021 (₹ In Crores)	For the year ended March 31, 2020 (₹ In Crores)
Total Income	135.36	221.55
Total Expenditure	129.51	166.72
Profit before tax	**5.85**	**54.83**
Less: Provision for taxation		
- Current Tax	9.64	9.44
- Deferred Tax	(7.73)	4.70
Net Profit after tax	**3.94**	**40.69**
Earnings per share (Face Value ₹ 10/-)		
- **Basic (In ₹)**	**0.27**	**2.75**
- **Diluted (In ₹)**	**0.27**	**2.75**

2. IMPACT OF COVID-19 ON THE GLOBAL AND INDIAN ECONOMY:

We are in the midst of an unprecedented situation brought on by the COVID-19 pandemic, which has extracted unconscionable human and economic casualties across the globe. Its spread, intensity and duration has imparted extreme uncertainty not experienced in the global history of epidemic. The COVID-19 pandemic has changed the sheer functioning of world, with a detrimental impact on human and economic conditions. Governments, central banks and other public agencies across countries have responded unprecedentedly to mitigate its impact. A multi-speed recovery is struggling to gain traction, infusing hope, reinforced by positive news on vaccine development.

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In India, a calibrated policy stimulus began with direct assistance in cash and kind and progressively broadened into a comprehensive package (Aatma Nirbhar Bharat) to provide support to the various sectors of the economy. In 2020-21, it cumulated to 15.7% of GDP, including liquidity and other measures taken by the Reserve Bank of India (RBI) (‘*Reserve Bank of India, Annual report, 2020-21*’). In order to ensure ample system-level liquidity, RBI had undertaken several conventional and unconventional measures to support vulnerable sectors and financial institutions which included Long Term Repo Operations (‘LTROs), Targeted Long Term Repo Operations (‘TLTROs’), on-tap TLTROs aimed at specific sectors, a liquidity window for mutual funds, a special liquidity scheme (SLS) operationalised through a special purpose vehicle to improve the liquidity position of non-banking financial companies (NBFCs) and housing finance companies (HFCs), open market operations. As a part of its pre-emptive regulatory measures of RBI, reliefs were provided to borrowers in the form of moratorium on loan repayments, followed by a comprehensive Resolution Framework 1.0 to enable resolution of viable accounts impacted by the COVID-19.

Your Company has adopted a Policy of COVID-19-Regulatory Package to Borrowers which outlines the applicability and extent of regulatory relief, disclosure requirements etc. After due assessment, your Company had granted moratorium to eligible borrowers and had also restructured the loan accounts of the borrowers as per the resolution framework issued by RBI. Since the Company is carrying adequate liquidity on its balance sheet, it has decided not to avail moratorium from Banks and Financial Institutions in respect of its debt obligations.

3. FINANCIAL PERFORMANCE AND COMPANY’S STATE OF AFFAIRS:

Over the last two years, owing to the overall economic scenario and challenges faced by the Non-Banking Financial Company (‘NBFC’) industry and the real estate sector, your management in concurrence with the Board has decided to follow a far more conservative approach, focussing on monetizing the underlying assets and deleveraging its liabilities. Considering the prevalent market risks during this period, it is with this objective and guidance that the Company has seen limited fresh disbursements resulting in muted growth in Assets Under Management (‘AUM’) during the period under review. The AUM as it stands today is a result of a calibrated, account-wise strategy adopted by the Company over this two-year period to achieve the agreed objective and has thus resulted in large realizations, utilized to pay down borrowings. It is anticipated that the Company will continue to execute this strategy and maintain conservative debt levels, in line with the revised strategy considering the on-going pandemic and the second wave currently being witnessed in India.

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Simultaneously, the Company continues to maintain a healthy asset book backed by adequate security/hard collateral and continues to implement robust control and checks over its security including cash-flow being generated from its borrowers.

Your Company has made fresh addition of ₹131.44 crores in its loan portfolio during the financial year 2020-21 as against ₹203.02 crores during the financial year 2019-20. The revenue of your Company decreased from ₹221.55 crores in financial year 2019-20 to ₹135.36 crores in the financial year 2020-21, a decline of 38.90% over the previous financial year. The Net Profit after Tax has also decreased from ₹40.69 crores to ₹3.94 crores reflecting the conservative strategy at this difficult time. Due to the prepayments from select borrowers and muted disbursement growth during the year, Asset Under Management of the Company reduced from ₹965.49 crore to ₹515.60 crore as compared to the previous financial year.

Continuing to maintain a prudent provisioning policy for loan assets, the Company is carrying Expected Credit Loss ('ECL') provision of ₹40.46 crores as on March 31, 2021 which is in excess of the minimum regulatory requirement for standard asset provisioning of 0.40% as stipulated by the Reserve Bank of India ('RBI') pursuant to applicable regulations in this regard for the financial year 2020-21. As on March 31, 2021, the Company continued to maintain a healthy capital adequacy ratio; credit rating at 'ICRA A+; Stable' for long term borrowings and 'ICRA A1+' for its short term borrowing programme. Your Company has maintained sufficient liquidity in form of fixed deposits with Banks; well managed its Asset Liability Management ('ALM') profile and maintained its conservative underwriting practices.

Your Company has continued to maintain its prudent practices towards real estate and corporate lending and due to its robust underwriting practices, it has continued to maintain a good asset quality with nil gross and net NPA as on March 31, 2021. The gross and net NPA were nil as on March 31, 2020.

With an expected revival of the real estate sector in next quarters, the Company intends to leverage its expertise and gradually start increasing its AUM with fresh disbursals targeting deals with solid security structures and opportunities in debt-syndication, advisory and asset management. With continued and sustained support from management, pedigree of the Board, and a very strong and experienced team of professionals, the Company is well poised to enter the next phase of its growth cycle as per the planned approach.

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4. TRANSFER TO RESERVES:

An amount of ₹0.79 crores (previous year: ₹8.14 crores) was transferred to Statutory Reserve as required under section 45-IC of the Reserve Bank of India Act, 1934.

5. CAPITAL ADEQUACY:

Your Company has maintained a healthy capital adequacy ratio, at well above the levels directed by RBI. As on March 31, 2021, the overall capital adequacy ratio of your Company was 63.17% (54.28% as on March 31, 2020). Your Company aims to maintain adequate capital cushion over and above the regulatory requirements.

6. DIVIDEND:

No final dividend has been recommended for the year ended March 31, 2021.

7. NON – DEPOSIT ACCEPTING NBFC:

Your Company being a Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company has not accepted any deposits from public and shall not accept any deposits from the public without obtaining prior approval from the RBI.

Accordingly, the disclosure requirements under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

8. RESERVE BANK OF INDIA ('RBI') REGULATIONS – COMPLIANCE:

As on March 31, 2021, the Company has complied with all regulations and guidelines of the RBI, as are applicable to it as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company.

In terms of Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 issued vide notification no. DNBS.PPD.02/66.15.001/2016-17 dated September 29, 2016, your Company has obtained a certificate from its Statutory Auditors, certifying that the Company has complied with the terms and conditions relating to foreign direct investment in India as prescribed in the said Master Directions.

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9. COMPLIANCE WITH PROVISIONS OF FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 RELATING TO DOWNSTREAM INVESTMENT:

In terms of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 announced by Ministry of Finance (Department of Economic Affairs), your Company has obtained a certificate from its Statutory Auditors, certifying that the Company has complied with the provisions of downstream investment as prescribed in the rules.

10. ASSET - LIABILITY MANAGEMENT AND FINANCIAL LEVERAGE:

Your Company has a well-defined Asset/Liability Management Policy ('ALM') policy to address the risk of mismatch between assets and liabilities. Your Company's Asset-Liability Committee ('ALCO') is set up in line with the guidelines issued by RBI. It monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

Your Company follows a conservative and prudent cash flow management policy. The Company raises resources for a longer tenor than the experienced maturity of its assets which is supported by a conservative leverage ratio.

Your Company recognises the risk of funding long term projects with short term tenor funds and thus has not borrowed any short term funds. Your Company has a well managed ALM profile and has averted the possibility of a liquidity squeeze in its business operations. As a prudent practice and recognising the risks of the business, your Company aims to operate at lower than average market gearing. The gearing levels were lower at 0.56 times as on March 31, 2021 as compared to 1.20 times as on March 31, 2020.

Your Company has never defaulted on its liabilities and has timely serviced its dues on respective due dates. No liquidity risks were foreseen and the surplus funds of the Company were parked in fixed deposits of Banks. The Company has adopted a sound liquidity risk management framework which involves detailed analysis and estimation of the cash inflows and outflows over various time buckets.

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11. DEBT SOURCING AND CREDIT RATING:

During financial year 2020-21, your Company raised fresh external debt of ₹225 crores from various banks under Partial Credit Guarantee Scheme (‘PCGS’) and Targeted Long Term Repo Operations (‘TLTRO’) in form of listed non-convertible debentures. Your Company has a cash credit facility of ₹125 crore out of which ₹125 crore remain undrawn as on March 31, 2021. The outstanding debt of the Company as at March 31, 2021 was ₹322.16 crores.

Due to the liquidity crisis caused in the sector, the fresh credit facilities were available at moderately higher interest rates. Considering the historical financial performance of your Company, the management is optimistic in raising fresh debt capital at competitive pricing to meet its funding requirements once the sector revives from the crisis. During the year under review, there were no changes in the credit ratings of the Company. The credit rating agency ‘ICRA Limited’ had reaffirmed the credit rating of your Company for long term borrowing programme of ₹1,425 crores at ‘ICRA A+; (Stable)’ and for short term borrowing programme / commercial paper of ₹100 crores at ‘ICRA A1+’ in November, 2020.

However, in April, 2021 due to decline in AUM and curtailed disbursements, ICRA Ltd had revised the long-term credit rating of the Company amounting to Rs.925 crores from ‘ICRA A1+’ to ‘ICRA A (Negative)’ and short-term credit rating of the Company amounting to Rs.100 crores from ‘ICRA A1+’ to ‘ICRA A1’. Since the Company had not raised any short term debt till date, it was with the request of the Company, ICRA Ltd had withdrawn the short term rating of the Company.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company, being a Non- Banking Financial Company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013, in respect of loans and guarantees. Accordingly, the disclosures of the loans given, as required under the aforesaid section, have not been made in this Report.

Information regarding investments covered under the provisions of section 186(1) of the Companies Act, 2013 are provided in the financial statements.

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13. CONSOLIDATED FINANCIAL STATEMENTS:

In terms of Section 129 of the Companies Act, 2013, your Company has prepared consolidated financial statements of the Company and its wholly owned subsidiary company 'Balestier Ventures Private Limited' (formerly known as 'Yuj Home Finance Private Limited').

The consolidated financial statements of the Company shall be placed before the ensuing 25th Annual General Meeting of the Company along with the standalone financial statements of the Company.

The salient features of the said subsidiary company is given in the Form AOC-1 annexed to this Directors' report as 'Annexure I' as required under Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014.

14. PERFORMANCE REVIEW OF SUBSIDIARY COMPANY / ASSOCIATE COMPANIES / JOINT VENTURES:

Your Company has 1 (one) unlisted wholly owned subsidiary, Balestier Ventures Private Limited (formerly known as 'Yuj Home Finance Private Limited'). Your Company does not have any joint venture(s) / associate company(ies) within the meaning of Section 2(6) of the Companies Act, 2013.

No business operations have been commenced by BVPL during the year under review. During the year under review, your Company has not invested any amount in the equity share capital of BVPL. No loan has been granted by your Company to BVPL during the year under review.

In view of the COVID-19 pandemic and its impact on financial markets and change in regulatory framework of housing finance companies, the business of housing finance was not considered as viable business option for BVPL in foreseeable future. Therefore, the objects of the Company were changed to carry on the business of advisory / consultancy and in order to align the name of the Company with revised objects, the name of the Subsidiary Company was changed from Yuj Home Finance Private Limited to Balestier Ventures Private Limited with effect from May 05, 2021.

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15. STATE OF AFFAIRS OF THE COMPANY:

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

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review is presented in 'Annexure – II' forming part of this Annual Report.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

A. Appointment and cessation of Director(s):

The Nomination and Remuneration Committee recommends to the Board for any appointment of Directors and Key Managerial Personnel of your Company. The Committee considers the qualification, fit and proper status, positive attributes as per the suitability of the role and other skill sets as may be required from the candidate before such appointment.

During the year under review, following change took place in the composition of the Board of Directors and Key Managerial Personnel of the Company:

a. Mr. Pankaj Rathi was appointed as the Chief Financial Officer of the Company with effect from June 12, 2020 and he subsequently resigned as the Chief Financial Officer and Company Secretary & Compliance Officer of the Company with effect from March 18, 2021.

b. Mr. Sandeep Chhabda (DIN: 08331848) was appointed as a Director of the Company with effect from August 24, 2020 and subsequently resigned as a Director of the Company with effect from March 04, 2021.

c. Mr. Shaurya Singh, Senior Vice President was designated as the Key Managerial Personnel of Company with effect from October 21, 2020.

d. Ms. Priyanka Khanna, Head of Asset Management was designated as the Key Managerial Personnel of Company with effect from October 21, 2020.

e. Mr. Varun Gopinath (DIN: 09070660) was appointed as an Additional Director of the Company with effect from February 22, 2021 to hold office until the date of the ensuing Annual General Meeting and offers himself for appointment as Director of the Company.

f. Mr. Rajesh Kumar Jogi (DIN:03341036) was appointed as an Additional Director of the Company with effect from March 05, 2021 to hold office until the date of the ensuing Annual General Meeting and offers himself for appointment as Director of the Company.

g. Mr. Tariq Chinoy (DIN: 08830666) was appointed as an Additional Director of the Company with effect from March 19, 2021 to hold office until the date of the ensuing Annual General Meeting and offers himself for appointment as Director of the Company.

h. Mr. Amar Merani (DIN: 07128546) resigned as the Managing Director and Chief Executive Officer of the Company with effect from March 19, 2021.

i. Ms. Hinal Shah (M. No: 41256) was appointed as the Company Secretary & Compliance Officer of the Company with effect from March 23, 2021.

j. Mr. Ruchir Jauhari, Vice President was designated as the Key Managerial Personnel of Company with effect from March 23, 2021.

k. Mr. Srinivasan J, Vice President was designated as the Key Managerial Personnel of Company with effect from March 23, 2021.

None of the Directors are liable to retire by rotation

B. Director(s) Disclosures:

Based on the declarations and confirmations received in terms of provisions of the Companies Act, 2013, circular(s)/ notification(s)/direction(s) issued by the RBI and other applicable laws, none of your Directors on the Board of the Company are disqualified for appointment as Directors. The Company is not required to appoint independent directors under the provisions of the Act and hence statement on declaration under section 149(6) of the Companies Act is not applicable.

18. PARTICULARS OF EMPLOYEES, DISCLOSURE OF REMUNERATION AND NOMINATION AND REMUNERATION POLICY:

In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days. If any Member is interested in obtaining a copy, you may write to the Company Secretary in this regard.

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Your Directors hereby confirm that the remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company. In terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and the Employees of the Company has been provided as under:

Sr. No.	Disclosure Requirement	Disclosure Details
1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Rohan Sikri – Not applicable Mr. Rohit Khandelwal – Not applicable Mr. Sandeep Chhabda – Note 1 Mr. Amar Merani – Note 2 Mr. Rajesh Kumar Jogi – Not applicable Mr. Tariq Chinoy – Not applicable Mr. Varun Gopinath – Note 3
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	**KMP** | **Title** | **% increase in remuneration** Mr. Amar Merani | Managing Director & CEO | Note 4 Mr. Sandeep Chhabda | Director | Note 4 Mr. Pankaj Rathi | CFO & Company Secretary | Note 4
3	Percentage increase in the median remuneration of employees in the financial year;	(14.3)% *(since no bonus pay-out was made the percentage is negative)*
4	Number of permanent employees on the rolls of Company at the end of the year	18 as on March 31, 2021
5	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.	There was a decrease of 20.8% in average percentile of the salaries of employees other than the managerial personnel in financial year 2020-21 as compared to previous financial year 2019-20. However, there has been no increase in average percentile of managerial remuneration for the financial year 2020-21 as compared to previous financial year 2019-20.

6	Affirmation that the remuneration is as per the nomination and remuneration policy	The Company is in compliance with the Nomination and Remuneration Policy.

Note 1: Mr. Sandeep Chhabda resigned as a Director with effect from March 04, 2021. Since he was not eligible for full remuneration during the period under review, the ratio of his remuneration to the median remuneration of employees is not disclosed for the financial year 2020-21.

Note 2: Mr. Amar Merani resigned as a Managing Director and Chief Executive Officer with effect from March 19, 2021. Since he was not eligible for full remuneration during the period under review, the ratio of his remuneration to the median remuneration of employees is not disclosed for the financial year 2020-21.

Note 3: Mr. Varun Gopinath was appointed as an Additional Director with effect from February 22,2021. Since he was not eligible for full remuneration during the period under review, the ratio of his remuneration to the median remuneration of employees is not disclosed for the financial year 2020-21.

Note 4: There has been no increase in the remuneration of Mr. Amar Merani, Mr. Sandeep Chhabda and Mr. Pankaj Rathi during the financial year 2020-21.

Note 5: Remuneration includes fixed and variable salary accrued for the relevant financial year

Note 6: With the objective of fair comparison, ratios are computed considering only those employees who were employed throughout both financial years 2019-20 and 2020-21.

19. EMPLOYEE STOCK OPTION SCHEME:

Your Company has formulated and implemented ‘Xander Finance Employee Incentive Scheme 2016’ (the 'Scheme') with an intent to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to retain talent with the Company.

The said Scheme of the Company is implemented and administered by the Nomination and Remuneration Committee. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting had granted phantom stocks to eligible employees as per the terms and conditions of the scheme.

Disclosure with respect to the said Scheme in terms of Section 62 of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, have been provided at ‘Annexure III’ to this Directors’ report for financial year ended on March 31, 2021.

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20. DETAILS OF BOARD AND COMMITTEE MEETINGS:

The dates of Board and Committee Meetings held during the financial year indicating the number of Board and Committee Meetings attended by each director is mentioned in 'Annexure IV' of this Directors' report. Details of sub-committees of the Board during the financial year 2020-21 are as below:

a. Audit Committee:

In terms of Section 177 of the Companies Act, 2013, the Audit committee of the Company was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. Following is the constitution of the Audit Committee:

Name of member	Designation
Rajesh Jogi	Chairman
Rohan Sikri	Member
Tariq Chinoy	Member

b. Nomination and Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013, the Nomination and Remuneration committee of the Company was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. Following is the constitution of the Nomination and Remuneration committee:

Name of member	Designation
Rohan Sikri	Member
Rajesh Jogi	Member
Tariq Chinoy	Member

c. Corporate Social Responsibility Committee:

In terms of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility committee of the Company was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. Following is the constitution of the Corporate Social Responsibility committee:

Name of member	Designation
Rajesh Jogi	Member
Tariq Chinoy	Member
Varun Gopinath	Member

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d. Asset-Liability Management Committee:

Your Company has constituted an Asset Liability Management Committee ('ALCO') which is primarily responsible for liquidity risk management; interest rate risk management; credit risk management and other operational risks. The ALCO responsible for funding and capital planning; determination of the business strategy of the Company in line with the financial budget approved by the Board and forecasting and analyzing of risks and preparation of various contingency plans. The ALCO meets on a quarterly basis and assesses the macro-economic factors and global developments which may have an influence on the business operations of the Company, fund flow status, determination of product pricing for loans and advances, liquidity management and performance of the Company against the budgeted figures.

The ALCO of the Company was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. Following is the constitution of the ALCO:

Name of the Member	Designation
Priyanka Khanna	Member
Shaurya Singh	Member
Ruchir Jauhari	Member
Srinivasan J	Member
Reshma Janwalkar	Member
Shweta Sambhawani	Member

e. Information Technology ('IT') Strategy Committee:

Pursuant to Master Direction on Information Technology Framework for the NBFC sector issued by RBI on June 8, 2017, your Company has constituted an IT Strategy committee at the meeting of the Board of Directors held on June 19, 2018. The IT Strategy Committee is responsible for monitoring and implementation of IT security and controls as provided in the above-mentioned RBI framework. The IT Strategy committee of the Company was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. Following is the constitution of the IT Strategy committee:

Name of the Member	Designation
Priyanka Khanna	Member
Varun Gopinath	Member
Jitendra Pandey	Member
Hinal Shah	Member

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21. COMPLIANCE WITH SECRETARIAL STANDARDS ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA ('ICSI') ON BOARD AND GENERAL MEETINGS:

Your Company has complied with the Secretarial Standards issued by 'The Institute of Company Secretaries of India' on Board Meetings ('SS-1') and General Meetings ('SS-2').

22. EVALUATION OF THE BOARD'S PERFORMANCE:

Your Company has a Nomination and Remuneration policy for performance evaluation of the members of the Board, its directors and working of its committees.

In terms of Section 178 of the Companies Act, 2013 and Guidelines on Corporate Governance issued vide Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI on September 1, 2016, the Company has adopted a policy on Selection Criteria / "Fit and Proper" Person Criteria which lays down a framework relating to appointment of director(s) and key managerial personnel of the Company. Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as evaluation of the working of its committees. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance. Since the Company is not required to appoint independent directors the performance evaluation of the Directors was carried out by such other directors. The Board of Directors expressed their satisfaction with the evaluation process.

23. COMPANY POLICIES:

a. Whistle Blower policy / Vigil Mechanism:

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, your Company has in place a Whistle Blower policy which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct and Code of Business Ethics. It also provides for adequate safeguards against victimization of persons who use this mechanism.

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Your Company has constituted a Vigilance and Ethics committee who shall be responsible for receiving protected disclosures from whistle blowers, maintaining records thereof and placing the same before the Audit Committee for its disposal.

b. Nomination and Remuneration policy:

The Board of Directors of your Company have approved a Nomination and Remuneration policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members and Key Managerial personnel. In terms of section 178 of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee of the Board of Directors.

The Nomination and Remuneration Committee of the Board of Directors has laid down the performance evaluation and assessment criteria/parameters for the Board (including Board Committees) and individual Directors.

c. Prevention of Sexual Harassment at workplace policy:

Your Company is committed to create an environment in which all individuals are treated with respect and dignity and promote a gender sensitive safe work environment. As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated a Prevention of Sexual Harassment at workplace policy.

Your Company has constituted an Internal Complaints Committee pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, your Company was in the process of identifying and appointing one member from amongst non-governmental organisations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment in the Internal Complaints Committee. Your Company has appointed Ms. Poornima Hatti as the external person in the Internal Complaints Committee with effect from September 7, 2021.

During the year under review, no complaints related to sexual harassment had been received by the Internal Complaints Committee.

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d. Risk Management policy:

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business of the Company. Major risks identified by the business and functions, if any, are systematically addressed through mitigating actions on a continuing basis. The Board of Directors of your Company have adopted a Risk Management framework which shall manage, mitigate and attempt to build an estimate of the various components of risk that exist at any point in time.

Your Company has constituted a Risk Management Committee ('RMC') which is responsible for review of risk management practices covering credit risk, operational risk, market risk and integrated risk.

The Risk Management Committee of the Company has not identified any elements of risk which in their opinion may threaten the existence of your Company.

e. Know Your Customer policy and Anti-Money Laundering measures:

Your Company in the ordinary course of business grants loans to various borrowers. The Company is required to abide by the extant regulatory and statutory norms relating to Know Your Customer and Anti-money Laundering measures laid down by RBI.

Your Company has in place a Board approved Know Your Customer policy and Anti-Money Laundering measures that enables the Company to know and understand its customers and their respective financial dealings better which in turn will help to manage its risks prudently.

f. Fair Practice Code:

Your Company has in place a Fair Practice Code, which includes guidelines on the terms and conditions relating to receipt of loan applications from the prospective borrowers and processing thereof, sanction, monitoring, recovery of loans and grievance redressal mechanism in case any dispute arises between the Company and its borrowers.

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g. Policy on Related Party Transaction:

Your Company adopted a Policy on Related Party Transaction which defines materiality of related party transactions and manner of dealing with related party transactions and ensure proper approval and reporting of related party transactions between the Company and its related parties. During the year under review, your Company had entered into a related party transaction on arms-length basis and under ordinary course of business.

24. CORPORATE SOCIAL RESPONSIBILITY (‘CSR’):

Your Company has in place a Corporate Social Responsibility (‘CSR’) policy, as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large.

As per the provisions of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the CSR policy of the Company.

During the year under review, your Company has contributed ₹1.75 crore towards CSR activities as stipulated under Schedule VII of the Companies Act, 2013. The details about the CSR activities/initiatives taken by the Company during the financial year 2020-21 have been appended as ‘Annexure V’ to this Report.

25. RELATED PARTY TRANSACTIONS:

During the year under review, your Company had entered into a related party transaction. However, since the related party transaction was in the ordinary course of business and at arm’s length basis, it is not covered within the purview of Section 188(1) of the Companies Act, 2013 and therefore, the requirement of disclosure of related party transactions in terms of Section 134(3)(h) of the Companies Act, 2013 in Form AOC – 2 is not applicable to the Company.

The Company has not given any loans and advances to any related party and hence disclosure required under regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required.

Xander Finance Private Limited

All Related Party Transactions as required under Indian Accounting Standards ('Ind AS-24') are reported in notes to financial statements.

26. AUDITORS:

In terms of Section 139 of the Companies Act, 2013, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration Number: 301003E/E300005) were appointed as the Statutory Auditors of the Company at the Twenty- First Annual General Meeting for a period of five years until the conclusion of the Twenty Sixth Annual General Meeting.

On April 27, 2021, RBI has issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) wherein directions have been prescribed relating to process to be adopted by commercial banks, NBFCs for appointment of statutory auditors. The FAQs issued by RBI relating to appointment of statutory auditors have further prescribed limitations on audits that can be undertaken by audit firm. As per the FAQs, an audit firm can undertake audit of only 8 (eight) NBFCs. Furthermore, the Guidelines have prescribed that an entity cannot appoint a particular statutory audit firm for a continuous period of more than 3 years. Owing to this, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN No: 301003E/E300005) have tendered their resignation as Statutory Auditors of the Company effective from September 23, 2021.

In terms of Section 139, 141 and other applicable provisions of the Companies Act, 2013, M/s. Ravi Rajan & Co. LLP, Chartered Accountants (FRN No. 009073N/N500320) are proposed to be appointed as Statutory Auditors of the Company subject to the approval of the members in the ensuing annual general meeting to fill the casual vacancy caused by the resignation of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN No: 301003E/E300005). M/s. Ravi Rajan & Co. LLP, Chartered Accountants (FRN No. 009073N/N500320) shall hold office as Statutory Auditors of the Company from the conclusion of the Twenty Fifth Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting to be held for the financial year 2021-22.

M/s. Ravi Rajan & Co. LLP, Chartered Accountants, (FRN: 009073N/N500320) have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified to be appointed and have expressed their willingness to act as Statutory Auditors of the Company. The Company has also received a certificate from them under Section 139(2) of the Companies Act, 2013.

Xander Finance Private Limited

27. COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS:

Your Directors state that there are no adverse qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors on the financial statements for financial year 2020-21. During the year under review, the Statutory Auditors have not reported any incident of fraud to the Board.

28. INTERNAL AUDITORS AND THEIR REPORT:

In terms of Section 138 of the Companies Act, 2013 and other applicable laws, M/s. Aneja Associates, Chartered Accountants were reappointed as Internal Auditors of the Company for the financial Year 2020 -21.

29. SECRETARIAL AUDITORS AND THEIR REPORT:

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. RJSY & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Report of the Secretarial Auditors in prescribed Form MR-3 is given at ‘Annexure VI’ to this Director’s report.

The Management comments on secretarial Audit Report are as under:

1. *The Company does not have a Woman Director on its Board as required under section 149 of the Companies Act, 2013.*

   Management response:

   The aforementioned requirement of appointment of Woman Director is no longer applicable to the Company w.e.f. 1st April, 2021 pursuant to change in definition of ‘listed company’ vide MCA Notification dated 19th February, 2021.

2. *During the period under review, the Company had not implemented Business Continuity Planning (BCP) and Disaster Recovery (DR) Management systems as per the requirements of Master Direction – Information Technology Framework for the NBFC Sector issued by Reserve Bank of India vide Circular No. Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dt June 08, 2017.*

Xander Finance Private Limited

Management response:

The Company has conducted a business impact analysis on its critical systems and has appointed NxtGen Datacenter & Cloud Technologies Private Limited for implementation of business continuity and disaster recovery systems. A separate disaster recovery site is set up and activated and necessary business continuity and disaster recovery systems are implemented by the Company effective from July, 2021.

3. *During the period under review, the Company had developed a website containing the details as per the regulatory requirements mentioned in the Companies Act, 2013 and Regulation 62 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the said website was non-operational, as the same was under review by the management of the Company.*

Management response:

Owing to fatal spread of second wave of COVID-19 pandemic, the Company has adopted strict work from home policy and limited access to office premises was allowed to the employees subject to approval from management of the Company. Due to operational delays caused by lockdown restrictions in Maharashtra, the technical snags on the demo version of the website could not be fixed and therefore the Company was unable to launch the live version of the website on the public domain. The Company is in the process of resolving the technical and operational complexities on the demo version of the website and shall soon launch the live version of the website on public domain.

30. MAINTENANCE OF COST RECORDS:

The Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is as mentioned below:

Xander Finance Private Limited

A. Conservation of Energy:

The Company is not a manufacturing Company; however, energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise energy.

B. Technology Absorption:

In its endeavour to deliver the best to its clients, your Company is constantly active in harnessing and tapping the latest and best technology in the industry. Since the Company is not involved in the manufacturing of any product, the benefits derived are not quantifiable. Also, no technology has been developed and/or imported by way of foreign collaboration nor has the company incurred any expense on Research and Development.

C. Foreign Exchange Earnings and outgo:

During the year under review, your Company did not have any foreign exchange earnings (Previous year: Nil) and incurred foreign currency expenditure of ₹0.04 crore (Previous year: ₹0.06 crore).

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

No orders have been passed against your Company by any regulator(s) or courts or tribunals which would impact the going concern status and / or the future operations of your Company.

33. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

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34. DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 134 of the Companies Act, 2013 the Directors confirm:

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

(ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

(iv) that the directors have prepared the annual accounts on a going concern basis;

(v) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

35. INTERNAL CONTROL / INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

To the best of our knowledge and belief and according to the information and explanations obtained by us, and relying on the Reports of Internal Auditors and Statutory Auditors of the Company for the financial year 2020-21, your Directors are of the view that the internal financial controls with reference to the Financial Statements of the Company were adequate and operating efficiently and further confirm that:

Xander Finance Private Limited

i. the Company has comprehensive internal control systems that are commensurate with the size and nature of its business;

ii. the Company has laid down standards, processes and structures which enable implementation of internal financial controls across the organisation and ensure that the same are adequate and operating effectively;

iii. the systems are designed in a manner to provide reasonable assurance about the integrity and reliability of the financial statements;

iv. the Company adopts prudent lending policies and exercises due diligence to safeguard its loan asset portfolio; and

v. the loan approval process involves origination and sourcing of business, credit appraisal and credit approval in accordance with approved Policy.

36. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

No applications are made by the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and no proceedings for the same are pending against the Company.

37. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not applicable. The Company has not made any one-time settlement amount to Banks and Financial Institutions.

38. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India and other Regulatory Authorities, Credit rating agencies, Security and Debenture Trustees, Members, Customers and Employees of the Company for their continued support and trust.

Xander Finance Private Limited

The Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement. The Directors also wish to thank the bankers and other financial institutions of the Company for their continued support.

On behalf of the Board of Directors
For Xander Finance Private Limited

Rajesh Jogi	**Tariq Chinoy**	Xander Finance Private Limited
Director	**Director**	
DIN: 03341036	DIN: 08830666	

Date: September 24, 2021
Place: Mumbai

ANNEXURE I TO DIRECTORS' REPORT

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

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Balestier Ventures Private Limited (formerly known as 'Yuj Home Finance Private Limited')
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting period ending as at March 31, 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
4.	Share capital (authorised and paid up)	₹ 12,00,00,000/-
5.	Reserves & surplus	₹ 1,36,30,843/-
6.	Total assets	₹ 13,39,07,931/-
7.	Total Liabilities	₹ 13,39,07,931/-
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	₹ 41,08,822/-
11.	Provision for taxation	₹ 9,82,684/-
12.	Profit after taxation	₹ 31,26,138/-
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Notes:

1. Names of subsidiaries which are yet to commence operations – Balestier Ventures Private Limited (formerly known as 'Yuj Home Finance Private Limited')
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

On behalf of the Board of Directors
For Xander Finance Private Limited

Rajesh Jogi
Director
DIN: 03341036

Tariq Chinoy
Director
DIN: 08830666

Xander Finance Private Limited

Date: September 24, 2021
Place: Mumbai

ANNEXURE II TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

The world has endured a year of the unexpected onslaught by the novel COVID-19 virus - SARS-CoV-2 - first identified in Wuhan city of China in December 2019. The virus has posed an unprecedented challenge for policy making, globally and nationally. It has tested the mettle of policymakers to deal with uncertain, fluid, complex and dynamic situations having far-reaching socio-economic implications. It has also tested the frontiers of medical science, which rose to the challenge by developing an effective vaccine within a year. global economic output is expected to expand 4% in 2021 but still remain more than 5% below pre-pandemic projections. Global growth is projected to moderate to 3.8% in 2022, weighed down by the pandemic's lasting damage to potential growth (*Source: Global Economic Prospects by World Bank Group*), January 2021.

The second wave in India has seen new peaks in daily cases, daily deaths, active cases and positivity rates. The policy response, as has been the global experience, includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure. Recognizing vaccination as the crucial pillar to the 'Test, Track, Treat and Covid-appropriate behaviour' strategy, the access to vaccines has been deregulated and opened to all individuals.

The cohesion of supply disruptions, health crisis and an unparalleled mass migration and a hostile global environment had a huge impact on the Indian economy. A cyclical slowdown had preceded the pandemic, causing real Gross Domestic Product ('GDP') growth to register a sequential deceleration since 2017-18, which slumped into contraction under the onslaught of COVID-19 pandemic. The combination of demand compression and supply disruption that took hold in its wake caused severe debilitating effects on the economy in Q1:2020-21. The economy was gradually unlocked since June, 2020 and has experienced a V-shaped recovery since then. While the lockdown resulted in a 23.9% contraction in GDP in Q1 of FY 2020-21, a further 7.5% decline was witnessed in Q2 of FY 2020-21 (*Source: Economic Survey 2020-21 Volume I*). India clocked a negative growth of 7.3% for FY 2020-21 while the fourth quarter of the fiscal showed a meagre rise of 1.6% (*Source: National Statistical Office*).

The inflation was witnessing upside pressures and the average Consumer Price Index ('CPI') inflation in FY 2020-21 recorded an uptick to 6.2% from 4.8% in FY 2019-20, overshooting the Monetary Policy Committee's (MPC's) medium-term target band of 2-6%, after a gap of six years. The average WPI inflation eased to 1.2% in FY 2020-21 from 1.7% in FY 2019-20. India's power consumption registered a growth rate of 40% in April 2021 over April 2020 and 6.5% over April 2019, signalling sustained industrial and commercial activity (*Source: Monthly Economic Review, April, 2021 -Department of Economic Affairs*).

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The Reserve Bank of India, other financial sector regulators and the Government of India ('GOI') have taken several steps to mitigate the impact of COVID-19 induced dislocation. The Government of India has, on its part, worked out a support package entailing a prudent mix of sovereign guarantee-based schemes, direct fiscal expenditure and longer-term structural policy reforms. The package encompasses a comprehensive 'Atma Nirbhar' (self-reliance) package of ₹ 20 lakh crore in five tranches covering measures to create rural employment, infrastructure, support to MSME sector, and creation of an enabling business environment. The major elements of the GOI's policy package include funds for infusing equity into Micro, small and medium enterprises ('MSMEs'), collateral-free loans for standard MSMEs, special liquidity scheme for NBFCs/HFCs/MFIs and Partial Credit Guarantee Scheme 2.0 for NBFCs/ HFI/MFIs to inject liquidity; change in Tax deducted at source ('TDS') and tax collected at source ('TCS') etc.

While overall financial conditions remained accommodative, credit growth continued to be muted at 5.3% as on April, 2021 (*Source: Monthly Economic Review, April, 2021 - Department of Economic Affairs*). Sectorally, agriculture, medium industry and trade services led the credit offtake in March, while credit to small and large industry and Non-Banking Financial Company ('NBFC') services remained subdued. As the vaccination drive continuously upscales in India and guided by the learnings of India's successful management of pandemic during its first wave, India is well armed to combat any downside risk posed by the surge in COVID-19 cases. Instrumental in this resilience, will be a strong revival in investment growth supported by the Atma Nirbhar Bharat Mission and a massive boost to infrastructure and capital expenditure provided for in the Union Budget 2021-22. The wheels of India's capex cycle have been set into motion, signs of which are imminent in the second half of the year.

INDUSTRY OVERVIEW

Non-Banking Finance ('NBFC') sector

The NBFC sector in India has traversed highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities.

The consolidated balance sheet of NBFCs registered a Y-o-Y growth of 13.0% and 11.6% in Q2 and Q3:2020-21, following the pandemic and muted credit demand. NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. The profitability of the NBFCs dipped in the immediate aftermath of the COVID-19 in Q1:2020-21, as businesses suffered economic losses due to nation-wide lockdowns.

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Both return on assets (‘RoA’) and return on equity (‘RoE’) deteriorated in Q1:2020-21 compared to the corresponding period in 2019-20. RoA and RoE improved from 1.8% and 10.3%, respectively in Q2:2019-20 to 2.3% and 12.7%, respectively in Q2:020-21. Profitability of the sector remained stable in Q3:2020-21. (*Source: RBI Bulletin, May 2021*). Credit extended by NBFCs rose 8.8% (y-o-y) during 2020-21 after a deceleration in the preceding year that was marred by credit events in the sector and muted demand. Despite the pandemic conditions during the year, the Gross Non-performing asset ratio (‘GNPA’) for the sector declined with more than commensurate fall in the Net Non-performing Asset ratio (‘NNPA’) attesting to higher provisioning, and capital adequacy improved marginally. NBFCs were the largest net borrowers of funds from the financial system, with gross payables of`₹11.69 lakh crore and gross receivables of ₹1.86 lakh crore as at end-March 2021 (*Source: RBI Financial Stability report, July 2021*).

NBFCs were adversely impacted by COVID-related stress due to their underlying business models. On the supply side, the sources of funds dried up, more so for the small and mid-sized NBFCs, on account of reduced risk appetite of banks for low rated and unrated exposures. On the demand side, it became difficult for NBFCs to find creditworthy projects and borrowers to lend to as a result of the pandemic induced stress. RBI had introduced several key measures for NBFCs to ameliorate the liquidity constraints which included setting up of special purpose vehicles (‘SPVs’) to purchase the short-term instruments of eligible NBFCs/HFCs; sourcing of loans by banks and NBFCs over digital platforms; resolution framework for COVID-19 related stress which permitted one-time restructuring of eligible loan accounts; introduction of resolution framework 2.0 for small businesses and individuals; announcement of Partial Credit Guarantee Scheme (‘PCGS’), Targeted Long-Term Repo Operations (‘TLTRO’) and Special Liquidity Scheme (‘SLS’). Though these initiatives have been able to provide some relief to the sector, the situation on ground remains challenging. The continuation of these challenges can undermine the long-term growth prospects of the sector significantly and this will be a great dampener for India’s economic growth and for its aspiration to become a US$ 5 trillion economy by 2025.

The NBFC sector has been exposed to intermittent periods of regulatory and business challenges in the last two years. NBFC lenders have come under severe stress due to multiple adverse events which challenged their business models. Consequently, the strategic focus of a majority of non-bank lenders shifted towards liquidity conservation through elongation of lability maturities and maintaining liquidity buffers. The liquidity crisis has brought to fore inherent drawbacks in the NBFC sector and has given it an opportunity to correct its course. The crisis also helped non-bank lenders withstand the pandemic despite a sharp reduction in business and collections. After a prolonged lockdown, businesses and non-bank lenders alike are gradually bouncing back to normalcy. A financial ecosystem built on the foundation of robust distribution capabilities of non-bank lenders and sound balance sheets of banks is the need of the hour. This will ensure existence of resilient non-bank lenders and seamless transmission of credit.

COMPANY INFORMATION

Established in 2010 by The Xander Group under license from the Reserve Bank of India (RBI), Xander Finance (XFPL) is a systemically important Non-Banking Financial Company in India. Innovative in approach and nimble in execution, XFPL is an industry leader in providing end to end credit solutions including advisory services, deal structuring, financing, and workouts to investors, developers, asset owners, private equity owners and large corporations across a range of industries including real estate, logistics, education, infrastructure, retail & entertainment. XFPL is headquartered in Mumbai with offices in New Delhi, Bengaluru and Chennai.

Proprietary origination, innovative structuring and adopting a solution-based approach with active monitoring, XFPL is led by real estate, finance and legal professionals with substantial experience, and is engaged in providing a range of credit solutions to companies in situations constrained for conventional funding. The Company has aligned its product offering to be situational - funding acquisitions and growth, providing capital to exit private debt and consolidate promoter holding, and growth capital to credible business groups as needed, to accelerate growth trajectories.

XFPL is focused on deals with first and exclusive charge on the underlying, ensuring a tight security structure including personal and corporate guarantees, control on project cashflows through escrow, first mortgage on land/ asset, hypothecation of receivables, majority share pledge, etc.

Range of products include:

- Acquisition Finance
- Promoter Loan & Growth Capital
- Construction Finance
- Working Capital Loans
- Loans for Capital Expenditure
- Inventory Funding
- Refinance Transactions
- Loan against Property (Collateral backed)
- Exit of Private Equity Investors
- Corporate Advisory
- Special Situations Management
- Debt syndication

Xander Finance Private Limited

BUSINESS OUTLOOK

During FY 2021-22; your Company intends to grow its business performance through the following initiatives:

a) Increased focus on monitoring of restructured loan portfolio of the Company:

In line with the regulatory framework announced by RBI for relief from COVID-19 pandemic, your Company has invoked the resolution framework and has approved restructured of loan accounts of eligible borrowers. Your Company shall constantly monitor and assess the business and financial position of its customers / borrowers and shall take all necessary measures for collections from its customers / borrowers or monetise the loan account.

b) Maintenance of conservative debt levels:

Considering the ongoing pandemic, the Company shall continue to deleverage and shall pay majority of its debt out of the cash flows generated from the portfolio. The debt levels of the Company shall continue to remain low for FY 2021-22 subject to any fresh disbursals targeted by the Company.

c) Focus on increasing the Asset Under Management (‘AUM’) of the Company:

The AUM as it stands today is a result of a calibrated, account-wise strategy adopted by the Company over the period to achieve the agreed objective and has thus resulted in large realizations, utilized to pay down borrowings. It is anticipated that the Company shall continue to execute this strategy and maintain conservative debt levels over next two quarters, in line with the revised strategy considering the on-going pandemic and the second wave currently being witnessed in India. The Company intends to gradually start increasing its AUM with fresh disbursals targeting deals with solid security structures and opportunities in debt-syndication, advisory and asset management.

d) Continue to focus on asset liability management:

Your Company follows prudent practices of asset liability management (‘ALM’). The Company borrows funds for a longer tenure keeping in line with its projected cash inflows. Your Company has a well-matched ALM profile and has never borrowed any short-term funds for deploying into long term assets. Your Company shall continue to maintain its prudent ALM profile alongwith low leverage.

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e) To achieve better return on equity:

Your Company is taking steps to further optimise its cost of borrowings through diversification of funding sources from banks and capital market. This will also help your Company to focus on borrowers with a better credit profile and minimise the risk profile. Further, diversification of funding sources having both fixed and variable rate loans will help your Company to protect its margins during changing interest rate regimes. Your Company shall take measures to reduce unessential operating expenses which in turn shall help the Company to control its overall costs. Your Company shall endeavour to increase its profits by generating revenue by undertaking advisory services, deal structuring including syndication, financing etc.

Risk Management

The Company has a sound credit appraisal system in place and is positioned as one of the most conservative lenders in the Indian market in its target segment. In addition to internal credit assessment, reputed professional agencies are appointed to conduct a thorough due diligence to understand and mitigate the risks before making any credit decision.

The Company adopts prudent risk management policies like Know Your Customer (KYC), Anti-Money Laundering Policy, Credit Policy, Risk Management Policy, Interest Rate Policy and Fair Practice Code and has multiple committees in place such as Risk Management Committee, Credit Committee, ALCO and Audit Committee to ensure consistent risk mitigation and value creation.

The Company has a separate asset management team in place that independently monitors all the assets on a continuous basis. This team communicates regularly with the management of the borrowers and the Company's credit team to ensure that any deviations from the contractual terms are highlighted well in advance.

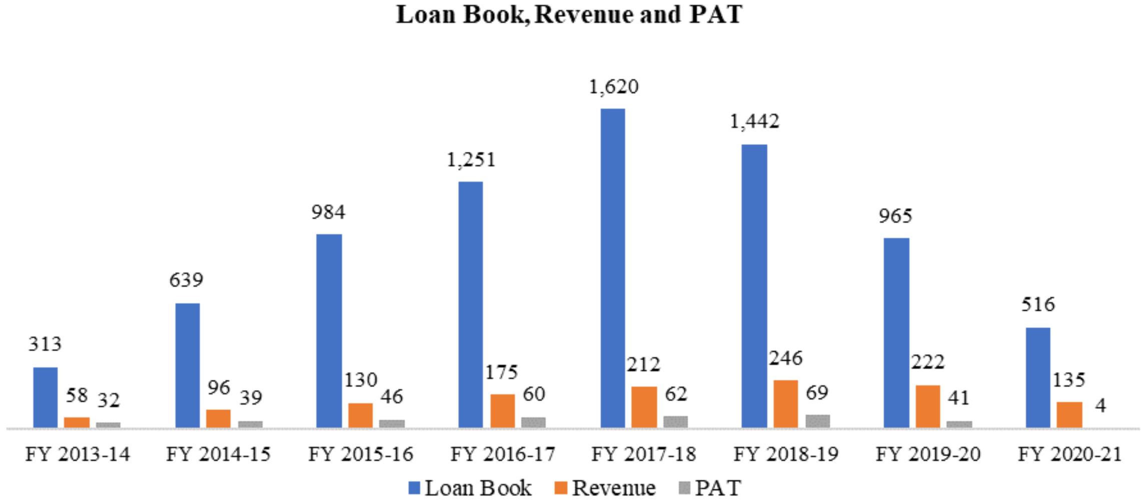
Internal Control Systems:

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards of its assets, reliability of financial controls and compliance with applicable laws and regulations. The Company ensures adherence with all internal control policies and procedures as well as compliance with all regulatory guidelines. All the internal and regulatory compliance as well as significant audit observations of the Internal Auditors are reviewed and discussed by the Audit Committee.

Xander Finance Private Limited

Discussion of financial performance

Following chart summarizes the operating history of the Company:



Notes:
Figures in INR crores

Financial performance during FY 2020-21

Your Company has made fresh addition of ₹ 131.44 crores in its loan portfolio during the financial year 2020-21 as against ₹203.02 crores during the financial year 2019-20. Further, due to prepayments from some of the existing borrowers, the Company's loan portfolio reduced from ₹965.49 crores to ₹515.60 crores as compared to previous financial year. The real estate loan book stood at ₹428.97 crores and the corporate lending book stood at ₹86.63 crores.

Your Company has continued to maintain its prudent practices towards real estate and corporate lending and due to its robust underwriting practices, it has continued to maintain a good asset quality with nil gross and net NPA as on March 31, 2021 The gross and net NPA were nil as on March 31, 2020.

The revenue of your Company decreased from ₹221.55 crores in FY 2019-20 to ₹135.36 crores in FY 2020-21, a decline of 38.90% over the previous financial year. The Net Profit after Tax has also decreased from ₹40.69 crores to ₹3.94 crores.

The borrowings of the Company stood at ₹322.16 crores as on March 31, 2021, with borrowings from banking and financial institutions at ₹57.11 crores and borrowings from capital market at ₹265.05 crores.

Particulars (₹ in crores)	FY 2020-21	FY 2019-20
Total Revenue	135.36	221.55
Profit after tax	3.94	40.69
Loan Portfolio	515.60	965.49
Borrowings	322.16	666.30
Net Worth	545.01	557.20
Capital Risk Adequacy Ratio	63.17%	54.28%
Debt Equity Ratio	0.6x	1.2x
Gross NPA/Total advances	Nil	Nil
Net NPA/Total advances	Nil	Nil
NIM	7.6%	9.6%
ROA	0.4%	3.0%
ROE	0.7%	7.5%

Figures for the previous year have been regrouped, rearranged or reclassified, where necessary to confirm to the current year's classification.

Human Resource Management

The Company believes that its human resources have the capability and expertise to meet challenging needs of the marketplace. The Company continues to undertake several initiatives in this financial year which includes enhancement of staff benefits through comprehensive health care and life cover programmes across all levels. In order to combat COVID-19 pandemic, a strict work from home policy has been adopted and limited access to office premises has been granted to employees subject to approval from management of the Company. Further, the Company periodically undertakes sanitization activities at its premises and has made usage of face masks and sanitizers compulsory.

The Company's pay-for-performance philosophy promotes a strong culture of performance. The Company is responsible for monitoring and implementation of ethical practices and policies at workplace. The Company has put in place policies that are designed to ensure a healthy and safe workplace, free from discrimination where employees can raise complaints without fear. It does not discriminate on grounds of age, gender, colour, ethnicity, language, sexual orientation, caste, economic or social status or special ability. As on March 31, 2021, the Company had 18 employees on its rolls.

On behalf of the Board of Directors
For Xander Finance Private Limited

Rajesh Jogi	**Tariq Chinoy**	Xander Finance Private Limited
Director	**Director**	
DIN: 03341036	DIN: 08830666	

Date: September 24, 2021
Place: Mumbai

ANNEXURE III TO DIRECTORS' REPORT

Disclosure under the Xander Finance Employee Incentive Scheme 2016 (the 'Scheme') pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended on March 31, 2021:

Particulars	**Disclosure as per the Xander Finance Employee Incentive Scheme 2016 (the 'Scheme')**
Total number of options in force as on April 1, 2020	8,99,994
Number of options granted during financial year 2020-21	Nil
Number of options vested during financial year 2020-21	Nil
Number of options exercised during financial year 2020-21	Nil
Total number of shares arising as a result of exercise of options during financial year 2020-21 (refer note below)	Nil
Number of options lapsed / cancelled during financial year 2020-21	6,26,689
Exercise Price	Nil
Variation of terms of options	Nil
Money realised by the exercise of options during financial year 2020-21	Nil
Total number of options in force as on March 31, 2021	2,73,305

Note: Total of number of shares arising as a result of exercise of options is nil since the above options will be settled by way of cash payout as per the Scheme.

Details of options granted to Key Managerial Personnel ("KMP") under the Xander Finance Employee Incentive Scheme 2016 during financial year 2020-21:

No Options were granted during the financial year 2020-21

Details of employees who received a grant of options in any one year of options amounting to five per cent or more of options granted during that year:

No Options were granted during the financial year 2020-21

Xander Finance Private Limited

Identified employees who were granted options during any one year equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

No Options were granted during the financial year 2020-21

On behalf of the Board of Directors
For Xander Finance Private Limited

Rajesh Jogi	**Tariq Chinoy**
Director	**Director**
DIN: 03341036	DIN: 08830666

Xander Finance Private Limited

Date: September 24, 2021
Place: Mumbai

ANNEXURE IV TO DIRECTORS REPORT

DETAILS OF BOARD & COMMITTEE MEETINGS HELD DURING THE FIANNCIAL YEAR 2020-21

1. Board Meetings:

The Board met 9 times during the year under review on the following dates:

First Quarter (April to June)	Second Quarter (July to Sept)	Third Quarter (Oct to Dec)	Fourth Quarter (Jan to March)	**Total Board Meetings**
20.05.2020 12.06.2020	01.09.2020	21.10.2020 11.11.2020 10.12.2020 22.12.2020	05.03.2021 23.03.2021	**9 (Nine)**

2. Committee Meetings:

A. Audit Committee-

First Quarter (April to June)	Second Quarter (July to Sept)	Third Quarter (Oct to Dec)	Fourth Quarter (Jan to March)	**Total Meetings**
12.06.2020	01.09.2020	11.11.2020	17.02.2021	**4 (Four)**

B. Nomination and Remuneration Committee-

First Quarter (April to June)	Second Quarter (July to Sept)	Third Quarter (Oct to Dec)	Fourth Quarter (Jan to March)	**Total Meetings**
12.06.2020	-	-	-	**1 (One)**

C. Corporate Social Responsibility Committee-

First Quarter (April to June)	Second Quarter (July to Sept)	Third Quarter (Oct to Dec)	Fourth Quarter (Jan to March)	**Total Meetings**
12.06.2020	-	-	-	**1 (One)**

Xander Finance Private Limited

3. Attendance of Directors in the Board Meeting:

Name of the Director	Held	Attended
Mr. Rohan Sikri	9	7
Mr. Rohit Khandelwal	9	7
Mr. Amar Merani (resigned with effect from March 19, 2021)	8	8
Mr. Sandeep Chhabda (resigned with effect from March 04, 2021)	7	6
Mr. Varun Gopinath (appointed as Director with effect from February 22, 2021)	2	2
Mr. Rajesh Jogi (appointed as Director with effect from March 05, 2021)	1	1
Mr. Tariq Chinoy (appointed as Director with effect from March 19, 2021)	1	0

4. Attendance of Directors in the Committee Meetings:

Name of the Director	Audit Committee		Nomination and Remuneration Committee		Corporate Social Responsibility Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr. Rohan Sikri	4	2	1	1	1	1
Mr. Rohit Khandelwal	4	2	1	1	1	1
Mr. Amar Merani	4	4	1	1	1	1

(resigned with effect from March 19, 2021)						
Mr. Sandeep Chhabda (resigned with effect from March 04, 2021)	4	3	1	1	1	1
Mr. Varun Gopinath (appointed as Director with effect from February 22, 2021)	-	-	-	-	-	-
Mr. Rajesh Jogi (appointed as Director with effect from March 05, 2021)	-	-	-	-	-	-
Mr. Tariq Chinoy (appointed as Director with effect from March 19, 2021)	-	-	-	-	-	-

On behalf of the Board of Directors
For Xander Finance Private Limited

Xander Finance Private Limited

Director
DIN: 03341036

Tariq Chinoy
Director
DIN: 08830666

Date: September 24, 2021
Place: Mumbai

ANNEXURE V TO DIRECTORS' REPORT

Report on Corporate Social Responsibility ('CSR')

1. A Brief outline on CSR Policy of the Company.

   In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which helps the Company to achieves its business goals and objectives with a due consideration to community's economic, environmental and social aspirations through its services, conduct and initiatives, so as to promote sustained growth for the society and community.

   The CSR policy inter-alia includes the following:

   - CSR Committee and its composition;
   - Areas / Categories of CSR projects or programs which the Company can undertake (within the purview of Schedule VII of the Companies Act, 2013);
   - Annual allocation of CSR activities;
   - Implementation process;
   - Role and Responsibility of the Board and CSR Committee;
   - Monitoring and Reporting framework

2. The Composition of the CSR Committee:

   The Company has constituted a Corporate Social Responsibility Committee. In terms of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Company constituted of the following Members:

   - Mr. Rohan Sikri
   - Mr. Amar Merani
   - Mr. Rohit Khandelwal
   - Mr. Sandeep Chhabda

   Pursuant to a change in the composition of the Board of Directors of the Company, the Corporate Social Responsibility Committee was reconstituted by the Board of Directors of the Company at their meeting held on March 23, 2021. The Committee was reconstituted with following members:

   - Mr. Rajesh Jogi
   - Mr. Tariq Chinoy
   - Mr. Varun Gopinath

Xander Finance Private Limited

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rohan Sikri (ceased to be a Member with effect from March 23, 2021)	Director	1	1
2.	Mr. Amar Merani (resigned with effect from March 19, 2021)	Managing Director	1	1
3.	Mr. Rohit Khandelwal (ceased to be a Member with effect from March 23, 2021)	Director	1	1
4.	Mr. Sandeep Chhabda (resigned with effect from March 04, 2021)	Director	1	1
5.	Mr. Rajesh Jogi (appointed as a Member with effect from March 23, 2021)	Additional Director	-	-
6.	Mr. Tariq Chinoy (appointed as a Member with effect from March 23, 2021)	Additional Director	-	-
7.	Mr. Varun Gopinath (appointed as a Member with effect from March 23, 2021)	Additional Director	-	-

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The website of the Company is under progress and relevant disclosures shall be made once the live version of the website is launched on public domain.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

Xander Finance Private Limited

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

Sl. No.	**Financial Year**	**Amount available for set-off from preceding financial years (in Rs)**	**Amount required to be setoff for the financial year, if any (in Rs)**
1.	-	-	-
2.	-	-	-
3.	-	-	-
	Total	**-**	**-**

6. Average net profit of the company as per section 135(5): Rs. 82,20,69,085/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 1,64,41,382/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 1,64,41,382/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,75,00,000/-	-	-	-	-	-

Xander Finance Private Limited

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promotion of education by granting scholarships to students	promoting education among children	No	New Delhi	Delhi	1,75,00,000/-	No	Implementing Agency- International Foundation for Research and Education	

(d) Amount spent in Administrative Overheads: Not Applicable

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.1,75,00,000/-

(g) Excess amount for set off, if any: Rs.10,58,618/-

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1,64,41,382/-
(ii)	Total amount spent for the Financial Year	Rs.1,75,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 10,58,618/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 10,58,618/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NOT APPLICABLE**

Sl.No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
-	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year
(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) – Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset – Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

On behalf of the Board of Directors
For Xander Finance Private Limited

Rajesh Jogi
Director
DIN: 03341036

Tariq Chinoy
Director
DIN: 08830666

Xander Finance Private Limited

Date: September 24, 2021
Place: Mumbai

RJSY & ASSOCIATES
COMPANY SECRETARIES
207, 2nd Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Above Status Restaurant, Nariman Point, Mumbai - 400021 Tel.: 43440103

FORM MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
XANDER FINANCE PRIVATE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Xander Finance Private Limited** (hereinafter 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

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

3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;

4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. There is no overseas Direct Investment made or any External Commercial Borrowing raised by the Company;

5. The laws prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not Applicable);**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not Applicable);**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable);**

d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 **(Not Applicable)**;

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

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable)**;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable);**

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

6. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs;

7. Non-Banking Financial Company Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

8. Fair Practices Code for NBFC's as per RBI Guidelines;

9. Master Direction – Information Technology Framework for the NBFC Sector issued by Reserve Bank of India vide Circular No. Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dt June 08, 2017;

10. Prevention of Money Laundering Act, 2002 and the rules made thereunder;

11. Other laws to the extent applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued pursuant to section 118(10) of the Act issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the above-mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

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

1. *The Company does not have a Woman Director on its Board as required under section 149 of the Companies Act, 2013.*

   However, it is pertinent to note that the aforementioned requirement of appointment of Woman Director is no longer applicable to the Company w.e.f. 1st April, 2021 pursuant to change in definition of 'listed company' vide MCA Notification dated 19th February, 2021.

2. *During the period under review, the Company had not implemented Business Continuity Planning (BCP) and Disaster Recovery (DR) Management systems as per the requirements of Master Direction – Information Technology Framework for the NBFC Sector issued by Reserve Bank of India vide Circular No. Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dt June 08, 2017.*

3. *During the period under review, the Company had developed a website containing the details as per the regulatory requirements mentioned in the Companies Act, 2013 and Regulation 62 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the said website was non-operational, as the same was under review by the management of the Company.*

We further report that

The Board of Directors of the Company is duly constituted except for Woman Director required to be on in its Board as mentioned above in accordance with the provisions of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at a shorter notice to transact urgent business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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 applicable laws, rules, regulations and guidelines.

We further report that during the audit period

1. A Special Resolution was passed at the Extra ordinary General Meeting of the Company held on 28th December, 2020 by the members pursuant to section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 for approving issuance of Secured Non- Convertible Debentures through private placement.

2. A Special Resolution was passed at the Extra ordinary General Meeting of the Company held on 28th December, 2020 by the members pursuant to section 14 and other applicable provisions, if any, of the Companies Act, 2013 for approving amendment of Articles of Association of the Company.

For RJSY & ASSOCIATES
Company Secretaries

SADHANA RAMNIHOR YADAV
Digitally signed by SADHANA RAMNIHOR YADAV
Date: 2021.06.21 18:01:03 +05'30'

Sadhana Yadav
ACS No: 27559
Certificate of Practice No. 16932

Place: Mumbai
Date: 21st June, 2021

UDIN: F005441C000492400

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

Annexure A

To,
The Members
XANDER FINANCE PRIVATE LIMITED

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

'Annexure A'

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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.

7. We have conducted online verification and examination of records as facilitated by the Company due to COVID-19 pandemic and subsequent lockdown situation for the purpose of issuing the report.

For RJSY & ASSOCIATES
Company Secretaries

SADHANA RAMNIHOR YADAV
Digitally signed by SADHANA RAMNIHOR YADAV
Date: 2021.06.21 18:01:46 +05'30'

Sadhana Yadav
ACS No: 27559
Certificate of Practice No. 16932

Place: Mumbai
Date: 21st June, 2021

UDIN: F005441C000492400

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Xander Finance Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 51 of the accompanying standalone financial statements, which describes the management's assessment of uncertainties caused by the continuing COVID-19 pandemic and its consequential effects on the carrying value of assets as at March 31, 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments as at the balance sheet date (expected credit losses) (as described in note 5 & 6 of the standalone financial statements)	
Ind AS 109 requires the Company to provide for impairment of its loans (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management including but not limited to the following matters: • Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/ minimal historical defaults. The Company also has outstanding investments in security receipts ('SRs') issued by various asset reconstruction companies to whom Company has transferred certain loans. These investments are classified at fair value through the profit or loss as disclosed in the standalone financial statements. An inherent part of the fair value estimation of such SRs is the assessment of impairment of loans underlying such SRs. The management has performed such assessment based on the judgement of inputs, assumptions and sources of information (internal and external) available till the reporting date. **Additional considerations on account of CoVID-19** Considering the evolving nature of COVID-19 pandemic, which has continued to impact the Company's business operations, resulting in higher loan losses, the Company has maintained a management overlay of Rs.188.24 lakhs as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors. Given the unique nature of the pandemic and the extent of its economic impact	Our audit procedures included among others the following: • Read and assessed the Company's accounting policies for impairment of financial instruments and their compliance with Ind AS 109 and the governance framework approved by Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework for COVID-19 related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on sample basis. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation of the input data used. • Tested the operating effectiveness of the controls for staging of loans based on their day's past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional consideration applied by the management for staging of loans as SICR or default categories in view of Company's policy on one-time restructuring. • Tested the ECL model, including assumptions & underlying computations. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic). • Reviewed rating information provided by independent rating agencies in determining fair value of SRs.

Key audit matters	How our audit addressed the key audit matter
which depends on future developments including government and regulatory measures and the Company's responses thereto, the actual credit losses for the next 12 months could be different than that being estimated. In view of the high degree of management's judgement involved in performing impairment assessment and estimation, accentuated by the considerations for COVID-19 related developments, it is an area of a key audit matter.	• Obtained management's assumptions in respect of cashflows underlying the SRs and tested them for sample cases. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the adequacy and accuracy of disclosures included in the standalone financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on impairment assessment.

Other Information

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

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

Responsibilities of Management for the 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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.

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

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

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

- Evaluate the overall presentation, structure and content of the 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.

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 for the financial year ended March 31, 2021 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

   (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

   (f) With respect to the adequacy of the internal financial controls with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

   (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 standalone financial statements disclose the impact of pending litigations on its financial position of the Company in its standalone financial statements - Refer Note 38(A) to the standalone financial statements;

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

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership Number: 037924

UDIN: 21037924AAAAFL4534

Mumbai
June 25, 2021

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

Re: Xander Finance Private Limited ('the Company')

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/ services of the company.

(vii)(a) Undisputed statutory dues including provident fund, income-tax, goods & services tax and other statutory dues applicable to it have been generally deposited with the appropriate authorities though there has been a slight delay in two cases. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods & services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute* (Rs.)	Amount paid (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	2,363,500	Nil	Financial year 2015-16	Deputy Commissioner of Central Excise and CGST, Mumbai
Income Tax Act, 1961	Income tax	26,977,960	Nil	Financial year 2018-19	Commissioner of Income Tax (Appeals)

**does not include interest and penalty*

(viii) In our opinion and according to the information and explanation given by the management, the company has not defaulted in repayment of loans or borrowings to a bank or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanation given by the management, the provision of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3 (xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924
UDIN: 21037924AAAAFL4534

Mumbai
June 25, 2021

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to standalone financial statements of Xander Finance Private Limited (the "Company") as of March 31, 2021 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership Number: 037924

UDIN: 21037924AAAAFL4534

Mumbai
June 25, 2021

Xander Finance Private Limited
Standalone Balance Sheet as at 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Financial assets			
Cash and cash equivalents	3	93,96,72,585	1,87,60,32,769
Bank balance other than cash and cash equivalents	4	70,47,63,934	-
Loans	5	4,75,14,28,692	9,51,92,47,984
Investments	6	1,47,58,00,000	63,00,00,000
Other financial assets	7	1,02,74,300	1,04,76,950
		7,88,19,39,511	**12,03,57,57,703**
2 Non-financial assets			
Current tax assets (net)	8	16,13,75,224	15,23,45,624
Deferred tax assets (net)	9	13,72,62,916	6,04,04,891
Property, plant and equipment	10	6,67,85,224	8,64,11,965
Intangible assets	11	2,40,519	4,68,317
Other non financial assets	12	59,96,78,966	1,04,00,215
		96,53,42,849	**31,00,31,012**
Total Assets		**8,84,72,82,360**	**12,34,57,88,715**
II LIABILITIES AND EQUITY			
1 Financial liabilities			
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		39,98,364	11,28,002
Debt securities	14	2,65,05,06,270	1,75,39,47,579
Borrowings (other than debt securities)	15	57,11,14,469	4,90,90,77,510
Other financial liabilities	16	13,79,98,234	9,18,38,003
		3,36,36,17,337	**6,75,59,91,094**
2 Non-financial liabilities			
Current tax liabilities (net)	17	7,24,674	7,24,674
Provisions	18	95,87,972	85,43,652
Other non-financial liabilities	19	2,32,81,359	84,98,212
		3,35,94,005	**1,77,66,538**
3 Equity			
Equity share capital	20	1,48,05,02,160	1,48,05,02,160
Other equity	21	3,96,95,68,858	4,09,15,28,923
		5,45,00,71,018	**5,57,20,31,083**
Total Liabilities and Equity		**8,84,72,82,360**	**12,34,57,88,715**
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Standalone Statement of Profit and Loss for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
	Revenue from operations			
(i)	Interest income	22	1,33,90,33,039	2,09,29,54,949
(ii)	Other operating income	23	2,41,344	-
(iii)	Net gain/(loss) on fair value changes	24	(5,13,20,098)	63,44,703
(I)	**Total revenue from operations**		**1,28,79,54,285**	**2,09,92,99,652**
(II)	Other income	25	6,56,36,643	11,61,76,270
(III)	**Total income (I + II)**		**1,35,35,90,928**	**2,21,54,75,922**
	Expenses			
(i)	Finance cost	26	58,18,63,543	91,90,78,325
(ii)	Impairment of financial assets	27	52,07,81,293	49,04,39,946
(iii)	Employee benefit expenses	28	7,28,12,189	12,27,41,250
(iv)	Depreciation, amortization and impairment	29	2,03,91,623	2,11,05,654
(v)	Other expenses	30	9,92,78,431	11,37,61,698
(IV)	**Total expenses (IV)**		**1,29,51,27,079**	**1,66,71,26,873**
(V)	**Profit before tax**		**5,84,63,849**	**54,83,49,049**
(VI)	Tax expense:			
	(1) Current tax		9,64,00,000	9,44,00,000
	(2) Deferred tax		(7,73,85,489)	4,70,20,511
	(3) Earlier years adjustments		-	-
(VII)	**Profit for the year**		**3,94,49,338**	**40,69,28,538**
(VIII)	**Other comprehensive income**			
A	(i) Items that will not be classified to profit or loss			
	- Actuarial gain on gratuity valuation		20,95,771	66,651
	Tax on above		(5,27,464)	(16,775)
	Subtotal (A)		15,68,307	49,876
B	(i) Items that will be classified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other comprehensive income (A + B)		15,68,307	49,876
(IX)	**Total comprehensive income for the year**		**4,10,17,645**	**40,69,78,414**
	Earnings per equity share (nominal value of equity share Rs. 10 each)	32		
	Basic		0.27	2.75
	Diluted		0.27	2.75
Summary of significant accounting policies		2.3		
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S. R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from Operating activities			
Profit before tax as per the statement of profit and loss		6,05,59,620	54,84,15,700
Adjustment for			
Expected credit loss on advances		26,88,92,324	(10,72,38,758)
Depreciation and amortisation		2,03,91,623	2,11,05,654
Interest on fixed deposits		(6,55,29,573)	(5,34,88,215)
Interest income-unwinding of security deposit		(5,31,003)	(5,92,797)
Interest on lease liability		57,69,526	29,03,401
Interest on taxes		-	-
Loss on sale of property, plant and equipment		38,076	30,684
Income from sale of current investments		(15,64,376)	(63,44,703)
Employee Stock Option Plan (ESOP) reserve		(75,24,981)	22,86,135
Operating profit before working capital changes		**28,05,01,236**	**40,70,77,101**
Movement in working capital			
Increase / (Decrease) in other financial liabilities		5,90,14,111	(6,77,47,340)
Increase / (Decrease) in other non- financial liabilities		1,47,83,147	(1,03,18,000)
Increase / (Decrease) in trade payables		28,70,362	7,80,812
Increase / (Decrease) in provisions		10,44,320	13,85,716
(Increase) / Decrease in loans		4,49,89,26,967	4,76,70,80,977
(Increase) / Decrease in financial assets		(70,40,04,692)	(41,97,056)
(Increase) / Decrease in other non- financial assets		(58,93,04,339)	(12,88,971)
Cash Used in operations		**3,28,33,29,876**	**4,68,56,96,138**
Less: Direct taxes paid (Net of refunds)		(10,54,29,600)	(23,29,93,996)
Net Cash from/ (used) in operating activities	**A**	**3,45,84,01,512**	**4,85,97,79,243**
Cash flow from Investing activities			
Purchase of property, plant and equipment including capital work in progress and capital advances		(5,75,160)	(29,15,322)
Sale of investments		5,53,75,359	1,88,63,44,703
Purchase of investments		(89,96,10,983)	(2,39,00,00,000)
Interest on fixed deposits		6,55,29,573	5,34,88,215
Net Cash from /(used) for Investing activities	**B**	**(77,92,81,211)**	**(45,30,82,404)**
Cash flow from Financing activities			
Proceeds from debt securities (net)		89,65,58,691	(1,24,19,85,148)
Proceeds from borrowings other than debt securities (net)		(4,33,79,63,042)	(1,48,13,88,220)
Payment of lease rent		(1,86,23,406)	(1,76,15,970)
Payment of interim dividend (including dividend distribution tax)		-	(9,81,69,140)
Payment of final dividend		(15,54,52,729)	-
Net Cash from/ (used) in Financing activities	**C**	**(3,61,54,80,486)**	**(2,83,91,58,478)**
Net increase in cash and cash equivalents (A)+(B)+(C)		(93,63,60,184)	1,56,75,38,361
Cash and Cash Equivalents at the beginning of the year		1,87,60,32,769	30,84,94,408
Cash and Cash Equivalents at the end of the year		**93,96,72,585**	**1,87,60,32,769**
Components of Cash and Cash Equivalents at the end of the year:			
- Cash in hand		1,734	31,821
- Cheques in hand		21,94,325	6,07,00,000
- Balance with banks			
- in current accounts		93,74,76,526	64,45,44,455
- in fixed deposits		-	1,17,07,56,493
		93,96,72,585	**1,87,60,32,769**
Summary of significant accounting policies	**2.3**		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Statement of changes in equity for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

A. Equity Share Capital

Balance at the beginning of the reporting period	Issued during the period	Reductions during the period	Balance at the end of the reporting period
1,48,05,02,160	-	-	1,48,05,02,160

B. Other equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	ESOP Reserve	Share Premium Account	Retained Earnings	
Opening balance as at March 31, 2019	67,50,62,501	73,72,861	1,51,81,38,907	1,57,98,59,245	3,78,04,33,514
Profit for the year	-	-	-	40,69,28,538	40,69,28,538
Other Comprehensive income for the year	-	-	-	49,876	49,876
Dividend paid including dividend distribution tax	-	-	-	(9,81,69,140)	(9,81,69,140)
Fair value of Employee Stock Option Plan (ESOP)	-	22,86,135	-		22,86,135
Transfer to/from retained earnings	8,13,86,000	-	-	(8,13,86,000)	-
Closing balance as at March 31, 2020	**75,64,48,501**	**96,58,996**	**1,51,81,38,907**	**1,80,72,82,519**	**4,09,15,28,923**
Opening balance as at March 31, 2020	**75,64,48,501**	**96,58,996**	**1,51,81,38,907**	**1,80,72,82,519**	**4,09,15,28,923**
Profit for the year	-	-	-	3,94,49,338	3,94,49,338
Other Comprehensive income for the year	-	-	-	15,68,307	15,68,307
Final Dividend paid	-	-	-	(15,54,52,729)	(15,54,52,729)
Fair value of Employee Stock Option Plan (ESOP)	-	(75,24,981)	-		(75,24,981)
Transfer to/from retained earnings	78,90,000	-	-	(78,90,000)	-
Closing balance as at March 31, 2021	**76,43,38,501**	**21,34,015**	**1,51,81,38,907**	**1,68,49,57,435**	**3,96,95,68,858**

Summary of significant accounting policies **Note 2.3**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S. R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

1. Corporate Information

Xander Finance Private Limited ('the Company') was incorporated on January 10, 1997 under the provisions of the Companies Act, 1956 as a private limited company. The Company is registered with the Reserve Bank of India ('the RBI') as a non-deposit accepting systemically important non-banking financial company or NBFC-ND-SI under the Reserve Bank of India Act, 1934. The Company is engaged in the business of providing loans to corporates and other activities associated with lending.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On June 25, 2021, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Basis of preparation

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

The preparation of financial statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.3.18 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) except when otherwise indicated.

2.1. Presentation of financial statements

The financial statements of the Company are presented in order of liquidity and in accordance with Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 36. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.2. Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

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2.3. Significant accounting policies

2.3.1 Revenue from operations

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

Revenue includes the following:

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified and measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash 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 in estimating the cash flows
c. Including all fees 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.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Net gain on Fair value changes

Any differences between the fair values of financial assets (including investments) classified as fair value through the profit or loss ("FVTPL") (refer Note 24), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In case there is a net gain in the aggregate, the same is recognised in "Net gain on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified at amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

2.3.2 Financial Instruments

Financial assets and liabilities can be termed as financial instruments.

2.3.2.1 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 other comprehensive income
3. Financial assets to be measured at fair value through statement of profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

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For assets measured at fair value, gains and losses will either be recorded in Statement of profit and loss or other comprehensive income (OCI).

Financial Assets

(i) Financial assets measured at amortised cost

These financial assets comprise bank balances, loans, trade receivables, and other financial assets.

Financial assets with contractual terms that give rise to cash flows on specified dates and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.
These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(ii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income 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 both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iii) Financial assets measured at fair value through statement of profit or loss

Items at fair value through profit or loss comprise:

a) Investments (including equity shares) and stock in trade held for trading;
b) Items specifically designated as fair value through profit or loss on initial recognition; and
c) debt instruments with contractual terms that do not represent solely payments of principal and interest.

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Financial instruments held at fair value through profit or loss 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.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. As at the reporting date the Company does not have any financial instruments measured held for trading.

Financial Liabilities

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.

(i) 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 EIR.

(ii) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements. As at the reporting date the Company does not have any undrawn loan commitments.

2.3.3 Derecognition of financial assets and financial liabilities

2.3.3.1 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 credit-impaired at the origination date. 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.

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

A financial asset or a part of financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset; or

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ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows.

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.

2.3.3.3 Derecognition of Financial liabilities

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

2.3.3.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.3.3.5. Investments in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/ amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.3.4 Impairment of financial assets

<u>Overview of the ECL principles</u>

The Company recognises loss allowances for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

i. debt instruments measured at amortised cost and fair value through other comprehensive income;
ii. loan commitments; and

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iii. financial guarantee contracts.

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 ECLs 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 classified its loan portfolio into Corporate lending and Real estate lending.

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 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 have a 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 1 month default under this category. Stage 1 loans also include facilities where the credit risk has improved, 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. More than 1 month due is considered as significant increase in credit risk. Further, one-time restructuring of loan accounts allowed by RBI vide circular resolution framework for COVID-19 related stress dated August 6, 2020 to the extent having no overdues has been assessed as an indicator of significant increase in credit risk on a conservative basis and accordingly such loan accounts have been classified under stage 2 upon their restructuring. These loans shall be upgraded to Stage 1 only after they demonstrate good repayment behaviour over a period of time.

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 recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. The Company shall classify all advances exceeding 90 days default under this category.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit-impaired' when

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one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

i. Significant financial difficulty of the borrower or issuer;
ii. A breach of contract such as a default or past due event;
iii. The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
iv. The disappearance of an active market for a security because of financial difficulties.

Loan commitments

When estimating lifetime ECL, for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

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. The concept of PD is further explained in Note 44

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 44

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 Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 44.

2.3.5 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 equity shares, movable and immovable assets, project cash flows 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. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgements.

2.3.6 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.

2.3.7 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 at fair value on each balance sheet date.

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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.

To show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

<u>Difference between transaction price and fair value at initial recognition</u>
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 statement of 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

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difference between the transaction price and the fair value is deferred and is only recognised in statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

2.3.8 Expenses

2.3.8.1 Finance costs

Finance costs represents interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

i. 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.
ii. By considering all the contractual terms of the financial instrument in estimating the cash flows
iii. 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 income with the corresponding adjustment to the carrying amount of the assets.

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, processing fees.

2.3.8.2 Retirement and other employee benefits

Short term employee benefit
All employee benefits including short tenn compensated absences and statutory bonus/ performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are charged to the Statement of Profit and Loss of the year.

Post-employment employee benefits
a) Defined contribution schemes
Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan and contributions to the respective funds administered by the Government are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due

b) Defined Benefit schemes
Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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. 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 annually.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a

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corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

2.3.8.3 Share-based payments

Share based compensation benefits are provided to employees via Xander Finance Employee Incentive Scheme 2016 (the 'Scheme'). The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is detennined by reference to the fair value of the options granted at each reporting period.

. 2.3.8.4 Other income and expenses

All Other income and expense are recognized in the period they occur.

2.3.8.5 Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.3.9 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the Statement of Profit and Loss.

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Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss is taken to the Statement of Profit and Loss.

2.3.10 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, cheques on hand and balances with banks. 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.

2.3.11 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 on plant, property and equipment is calculated using the straight-line method which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the primary period of the lease. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

Assets individually costing less than Rs. 5,000 are depreciated fully in the year of purchase

The estimated useful lives are as follows:

Particulars	**Useful life as prescribed by Schedule III of the Companies Act, 2013**	**Useful life estimated by Company**
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	3 years

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.

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2.3.12 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 indefinite. 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 / up to 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.
The Company's intangible assets consist of computer software with definite 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.

2.3.13 Leases (As a lessee)

Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

i. The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
ii. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
iii. The Company has right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 April 2018.
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred.

Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term,

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whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of lease liability

The lease liability is initially measured at the present value of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the SBI MCLR rate

Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate/SBI MCLR rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in statement of profit or loss of the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value.

2.3.14 Provisions

A provision is recognized when the Company has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.3.15 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.

2.3.16 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.

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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.

2.3.17 Contingencies and events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

2.3.18 Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

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Note 3: Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	1,734	31,821
Balances with Banks		
- fixed deposits (with original maturity within 3 months)	-	1,17,07,56,493
- in current accounts	93,74,76,526	64,45,44,455
Cheques in hand	21,94,325	6,07,00,000
Total	**93,96,72,585**	**1,87,60,32,769**

Note 4: Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
- fixed deposits (with original maturity greater than 3 months and less than 12 months)	70,47,63,934	-
Total	**70,47,63,934**	**-**

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Note 5: Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables under financing activities (at amortised cost)	5,15,60,14,432	9,65,49,41,400
Total (A) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less: Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (A) - Net	**4,75,14,28,692**	**9,51,92,47,984**
i) Secured by tangible assets and intangible assets	5,15,60,14,432	9,65,49,41,400
ii) Unsecured	-	-
Total (B) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less : Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (B) - Net	**4,75,14,28,692**	**9,51,92,47,984**
Loans in India		
i) Public Sector	-	-
ii) Others (to be specified)	5,15,60,14,432	9,65,49,41,400
Total (C) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less: Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (C) - Net	**4,75,14,28,692**	**9,51,92,47,984**
Loans outside India	-	-
Less: Provision for expected credit losses	-	-
Total - Net	-	-
Total	**4,75,14,28,692**	**9,51,92,47,984**

Note:
There are no loan assets measured at FVOCI, FVTPL or designated at FVTPL

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Note 6: Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at Cost		
i) Investment in Subsidiary	12,00,00,000	12,00,00,000
(1,20,00,000 unquoted equity shares (31st March 2020 : 1,20,00,000) of face value of Rs.10/- each of Balestier Ventures Private Limited formerly known as 'Yuj Home Finance Private Limited')		
Measured at FVTPL		
Security Receipts *		
i) Investment in CFMARC Trust 1	46,33,00,000	51,00,00,000
ii) Investment in Arcil-AST-063-II Trust	55,25,85,000	-
iii) Investment in Arcil-AST-063-I Trust	33,99,15,000	-
Total - Gross	**1,47,58,00,000**	**63,00,00,000**
Investments in India	1,47,58,00,000	63,00,00,000
Investments outside India	-	-
Total - Gross	**1,47,58,00,000**	**63,00,00,000**
Less : Impairment loss allowance	-	-
Total - Net	**1,47,58,00,000**	**63,00,00,000**

* Security Receipts represents loans which are transferred to Asset Reconstruction Companies. For determining the fair value, estimated cash flows of underlying loans are considered

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Note 7: Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	1,02,74,157	77,03,515
Other financial assets	-	22,70,219
Other receivables	143	5,03,216
Total	**1,02,74,300**	**1,04,76,950**

Note 8: Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for tax)	16,13,75,224	15,23,45,624
Total	**16,13,75,224**	**15,23,45,624**

Note 9: Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Provision for expected credit losses	10,18,26,139	3,41,51,319
Impact of provision for gratuity	20,65,767	16,20,136
Impact of provision for employee stock option plan (ESOP)	5,37,089	24,30,976
Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	-	-
Impact of provision for leave encashment	3,47,334	5,30,130
Impact of deferred employee benefits	-	-
Impact of unamortised processing fees on loans	1,62,46,560	2,55,28,555
Deferred lease rental	-	-
Lease Liability	1,55,89,820	1,88,24,884
Fair valuation of Security Deposits	5,71,661	41,273
Fair valuation of Investments and other assets	1,33,09,965	-
Deferred tax liabilities		
Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	1,00,42,761	1,50,93,441
Impact of unamortised processing fees on borrowings	31,79,534	76,13,377
Interest on NPA on loans	-	-
Fair valuation of Security Deposits	-	-
Deferred lease rental	9,124	15,564
Lease Liability	-	-
Total	**13,72,62,916**	**6,04,04,891**

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Note 10: Property, plant and equipment

Particulars	Computers	Furniture & Fixtures	Office Equipment	Leasehold Improvements	Buildings (leased)	Total
At cost or fair value at the beginning of the year	37,03,344	19,85,601	15,49,048	3,42,24,297	10,91,63,883	15,06,26,173
Additions	5,59,723	-	-	-	-	5,59,723
Acquisitions through business combination	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-
Disposals	83,500	-	38,214	-	-	1,21,714
Reclassification from/to held for sale	-	-	-	-	-	-
At cost or fair value at the end of the year	**41,79,567**	**19,85,601**	**15,10,834**	**3,42,24,297**	**10,91,63,883**	**15,10,64,182**
Accumulated Depreciation and impairment as at the beginning of the year	28,75,619	6,54,674	10,13,386	2,62,93,204	3,33,77,325	6,42,14,208
Depreciation for the year	4,67,062	1,88,632	1,44,983	25,25,642	1,68,41,457	2,01,67,776
Disposals	79,325	-	23,701	-	-	1,03,026
Impairment/ (reversal) of Impairment	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-
Accumulated Depreciation and impairment as at the end of the year	**32,63,356**	**8,43,306**	**11,34,668**	**2,88,18,846**	**5,02,18,782**	**8,42,78,958**
Net Carrying amount as at the end of the year	**9,16,211**	**11,42,295**	**3,76,166**	**54,05,451**	**5,89,45,101**	**6,67,85,224**
Net Carrying amount as at the end of the previous year	**8,27,725**	**13,30,927**	**5,35,662**	**79,31,093**	**7,57,86,558**	**8,64,11,965**

Note 11: Intangible assets

Particulars	Software	Total
At cost, beginning of the year	8,93,137	8,93,137
Additions	15,437	15,437
Acquisitions	-	-
Fair value adjustment, if any	-	-
Disposals	1,48,848	1,48,848
Total Cost	**7,59,726**	**7,59,726**
Accumulated amortisation and impairment:		
At the beginning of the year	4,24,820	4,24,820
Amortisation	2,23,847	2,23,847
Disposals	1,29,460	1,29,460
Impairment/ (reversal) of Impairment	-	-
Total Amortisation and impairment	**5,19,207**	**5,19,207**
Net Carrying amount as at the end of the year	**2,40,519**	**2,40,519**
Net Carrying amount as at the end of the previous year	**4,68,317**	**4,68,317**

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Note 12: Other non-financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	2,01,15,875	2,20,330
Asset acquired in satisfaction of loans (held for sale)	56,02,82,433	-
Deferred lease rental	36,251	61,840
Advance against expenses	7,77,754	2,03,985
GST & service tax input credit available / receivable	1,84,66,653	99,14,060
Total	**59,96,78,966**	**1,04,00,215**

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Note 13: Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	39,98,364	11,28,002
Total	**39,98,364**	**11,28,002**

Note 14: Debt securities

Particulars	As at 31 March 2021	As at 31 March 2020
Debentures at amortised cost		
Secured		
Non Convertible Debentures, fully paid, privately placed	2,65,05,06,270	1,75,39,47,579
Total	**2,65,05,06,270**	**1,75,39,47,579**
Debt securities in India	2,65,05,06,270	1,75,39,47,579
Debt securities outside India	-	-
Total	**2,65,05,06,270**	**1,75,39,47,579**

The debentures are redeemable at par. The debentures are secured against pari passu charge on standard asset portfolio of book debts and receivables of the company.

Terms of repayment of the debt securities are as under:

Terms of repayment as on 31 March 2021 for Non Convertible Debentures

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Total
Half Yearly repayment schedule								
1 - 3 years	9.70%	1	25,37,00,685	-	-	-	-	25,37,00,685
Subtotal(A)			**25,37,00,685**		-		-	**25,37,00,685**
Bullet repayment schedule								
1 - 3 years	9%-10.25%	1	2,17,21,497	1	25,00,00,000	-	-	27,17,21,497
		2	1,06,35,03,258	-	-	-	-	1,06,35,03,258
		1	3,51,81,387	1	49,59,11,139	-	-	53,10,92,526
		1	53,04,88,304	-	-			53,04,88,304
Subtotal(B)			**1,65,08,94,446**		**74,59,11,139**		-	**2,39,68,05,585**
Total (A+B)			**1,90,45,95,131**		**74,59,11,139**		-	**2,65,05,06,270**
Terms of repayment as on 31 March 2020 for Non Convertible Debentures								
Half Yearly repayment schedule								
1 - 3 years	9%-10%	5	150,41,66,757	1	24,97,80,822	-	-	1,75,39,47,579
Total			**1,50,41,66,757**		**24,97,80,822**			**1,75,39,47,579**

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Note 15: Borrowings (other than debt securities)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Term Loans		
Secured		
From Banks	57,11,14,469	3,24,19,54,842
From Financial institutions	-	46,10,20,456
(b) Loans repayable on demand		
Secured		
Cash credit / Overdraft facilities from banks	-	1,20,61,02,212
Total	**57,11,14,469**	**4,90,90,77,510**
Borrowings in India	57,11,14,469	4,90,90,77,510
Borrowings outside India	-	-
Total	**57,11,14,469**	**4,90,90,77,510**

The loans are secured against pari passu charge on standard asset portfolio of book debts and receivables of the company.

Terms of repayment of the secured loans are as under:

Terms of repayment as on 31 March 2021 for Borrowings from Banks & Financial Institutions

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Total
Quarterly repayment schedule								
1 - 4 Years	9%-10%	1	16,59,48,185	-	-	-	-	16,59,48,185
		1	16,30,27,416	-	-	-	-	16,30,27,416
		-	-	4	24,21,38,868	-	-	24,21,38,868
Total			**32,89,75,601**		**24,21,38,868**		-	**57,11,14,469**

Terms of repayment as on 31 March 2020 for Borrowings from Banks & Financial Institutions

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Total
Quarterly repayment schedule								
1 - 4 Years	9%-12%	4	13,42,07,815	-	-	-	-	13,42,07,815
		4	16,67,47,964	-	-	-	-	16,67,47,964
		4	13,14,81,222	-	-	-	-	13,14,81,222
		4	16,62,68,355	2	8,31,81,984	-	-	24,94,50,339
		4	16,59,70,177	2	8,16,50,262	-	-	24,76,20,439
		4	16,89,72,678	2	8,28,65,800	-	-	25,18,38,478
		1	7,19,25,763	3	16,71,38,864	-	-	23,90,64,627
		2	4,98,18,664	-	-	-	-	4,98,18,664
		4	33,71,44,246	2	16,63,93,977	-	-	50,35,38,223
		4	16,88,61,378	4	16,64,48,593	-	-	33,53,09971
		4	8,30,79,944	4	8,31,04,412	-	-	16,61,84,356
		4	16,63,97,846	4	16,48,62,812	-	-	33,12,60,658
		4	16,62,02,613	1	2,46,50,369	-	-	19,08,52,982
		4	10,13,95,676	5	12,40,93,309	-	-	22,54,88,985
		4	9,62,81,206	7	17,38,86,268	-	-	27,01,67,474
Subtotal(A)			**2,17,47,55,547**		**1,31,82,76,650**		-	**3,49,30,32,197**
Half Yearly repayment schedule								
1-4 Years	9%-10%	1	20,99,43,101	-	-	-	-	20,99,43,101
Subtotal(B)			**20,99,43,101**		-		-	**20,99,43,101**
Total (A+B)			**2,38,46,98,648**		**1,31,82,76,650**		-	**3,70,29,75,298**

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Note 16: Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Liability	6,19,43,021	7,47,96,901
Payable for expenses	47,99,113	70,41,102
Employee benefits payable	9,17,020	1,00,00,000
Others (liabilities in respect of assets held for sale)	7,03,39,080	-
Total	**13,79,98,234**	**9,18,38,003**

Note 17: Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
For taxation	7,24,674	7,24,674
Total	**7,24,674**	**7,24,674**

Note 18: Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Gratuity	82,07,910	64,37,285
- Leave encashment	13,80,062	21,06,367
Total	**95,87,972**	**85,43,652**

Note 19: Other Non-financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	93,88,840	74,06,747
Advance from customers	1,38,92,519	10,91,465
Total	**2,32,81,359**	**84,98,212**

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Note 20: Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
EQUITY SHARE CAPITAL		
Authorised:		
14,81,00,000 (31 March 2020: 14,81,00,000) equity shares of Rs.10 each	1,48,10,00,000	1,48,10,00,000
	1,48,10,00,000	**1,48,10,00,000**
Issued, subscribed and fully paid up		
Equity shares		
14,80,50,216 (31 March 2020: 14,80,50,216) equity shares of Rs.10 each	1,48,05,02,160	1,48,05,02,160
Total Equity	**1,48,05,02,160**	**1,48,05,02,160**

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

Particulars	31-Mar-21		31-Mar-20	
	Number of shares	Amount	Number of shares	Amount
Balance as at beginning of the year	14,80,50,216	1,48,05,02,160	14,80,50,216	1,48,05,02,160
Add:- Equity shares issued during the year	-	-	-	-
Balance as at end of the year	**14,80,50,216**	**1,48,05,02,160**	**14,80,50,216**	**1,48,05,02,160**

Terms and rights attached to equity shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.

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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company and details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	31-Mar-21		31-Mar-20	
	Number of shares	Amount	Number of shares	Amount
Xander Credit Pte Ltd., the holding company	14,72,40,866	1,47,24,08,660	14,72,40,866	1,47,24,08,660
Shares of Rs. 10 each fully paid.				

Particulars	31-Mar-21		31-Mar-20	
	Number of Shares	% holding	Number of Shares	% holding
Xander Credit Pte Ltd., the holding company	14,72,40,866	99.45%	14,72,40,866	99.45%

As per the record of the Company, including its register of shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Company has not issued shares for consideration other than cash during the period of five years immediately preceding the reporting date.

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Note 21: Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory reserve (As required by section 45-IC of the Reserve Bank of India Act, 1934)	76,43,38,501	75,64,48,501
Securities premium account	1,51,81,38,907	1,51,81,38,907
Retained earnings (surplus/deficit in profit & loss account)	1,68,49,57,435	1,80,72,82,519
Employees Stock Option Plan (ESOP) Reserve	21,34,015	96,58,996
Total	**3,96,95,68,858**	**4,09,15,28,923**

Note 21.1: Nature and purpose of reserves

Statutory reserve: Statutory reserve represents appropriation of retained earning as per section 45 IC of the Reserve Bank Of India Act, 1934.

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.

Retained earnings: Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. The Company recognises any change on account of remeasurement of the net defined liability/(asset) which comprises of actuarial gains/losses in other comprehensive income which is considered as part of retained earnings.

Employees Stock Option Plan (ESOP) Reserve: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 33 for further details of these plans.

Note 21.2: Other equity movement

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory reserve (As required by section 45-IC of the Reserve Bank of India Act, 1934)		
Balance as at the beginning of the year	75,64,48,501	67,50,62,501
Additions during the year - Transfer fiom Surplus from Statement of Profit and Loss	78,90,000	8,13,86,000
Balance as at the end of the year	**76,43,38,501**	**75,64,48,501**
Securities premium account		
Balance as at the beginning of the year	1,51,81,38,907	1,51,81,38,907
Add: Premium on shares issued during the year	-	-
Balance as at the end of the year	**1,51,81,38,907**	**1,51,81,38,907**
Retained earnings (surplus/deficit in profit & loss account)		
Balance as at the beginning of the year	1,80,72,82,519	1,57,98,59,245
Add: Profit for the year	3,94,49,338	40,69,28,538
Less : Appropriations		
Transfer to Statutory Reserve	78,90,000	8,13,86,000
Dividend paid during the year		
- Dividend	-	8,14,27,621
- Dividend Distribution Tax	-	1,67,41,519
Final Dividend for FY 2019-20	15,54,52,729	-
Other Comprehensive Income	15,68,307	49,876
Balance as at the end of the year	**1,68,49,57,435**	**1,80,72,82,519**
Employees Stock Option Plan (ESOP) Reserve		
Balance as at the beginning of the year	96,58,996	73,72,861
Add: Provision for the year	(75,24,981)	22,86,135
Balance as at the end of the year	**21,34,015**	**96,58,996**
Total	**3,96,95,68,858**	**4,09,15,28,923**

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Note 22: Interest income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets measured at amortised cost		
Interest Income	1,33,84,76,447	2,09,23,36,563
Other interest income-unwinding of security deposit	5,56,592	6,18,386
Total	**1,33,90,33,039**	**2,09,29,54,949**

Note 23: Other operating income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Redemption Premium	2,41,344	-
Total	**2,41,344**	-

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On investment portfolio		
- Mutual Funds	-	63,44,703
- Other items	(5,13,20,098)	-
Fair Value changes:		
- Realised	15,64,376	63,44,703
- Unrealised	(5,28,84,474)	-
	(5,13,20,098)	**63,44,703**
Total	**(5,13,20,098)**	**63,44,703**

Note 25: Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on fixed deposits	6,55,29,573	5,34,88,215
Provisions no longer required written back	-	6,26,41,299
Other miscellaneous income	1,07,070	46,756
Total	**6,56,36,643**	**11,61,76,270**

Note 26: Finance cost

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost		
Interest		
- On term loans from banks	22,59,91,485	47,44,43,797
- On cash credit from banks	4,24,33,812	9,84,63,559
- On working capital demand loans from bank	-	-
- On term loans from financial institutions	2,96,47,115	6,70,00,708
- On non-convertible debentures	27,05,08,035	26,49,16,543
- On taxes	5,06,644	-
Other borrowing cost	-	-
Other borrowing costs	60,46,676	99,74,720
Bank charges	9,60,250	13,75,597
Interest on lease liability	57,69,526	29,03,401
Total	**58,18,63,543**	**91,90,78,325**

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Note 27: Impairment of financial assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impairment on Financial instruments measured at Amortised cost		
Loss on assignment	25,18,88,969	18,27,42,122
Bad Debts	-	39,75,12,934
Provision for expected credit losses	26,88,92,324	(10,72,38,758)
Reversal of interest on Non Performing Asset	-	1,74,23,648
Total	**52,07,81,293**	**49,04,39,946**

Note 28: Employee benefit expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	7,41,35,355	11,26,58,333
Contributions to provident and other funds	30,14,933	38,25,732
Employees stock option plan	(75,24,981)	35,20,679
Gratuity	38,66,396	19,66,970
Leave encashment expenses	(7,26,305)	(5,14,603)
Staff welfare expenses	46,791	12,84,139
Total	**7,28,12,189**	**12,27,41,250**

Note 29: Depreciation, amortization and impairment

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of tangible and intangible assets	2,03,91,623	2,11,05,654
	2,03,91,623	**2,11,05,654**

Note 30: Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rates and taxes	11,19,555	2,88,628
Rent	79,47,621	2,01,57,674
Electricity	1,85,723	5,65,830
Traveling and conveyance	10,09,708	1,16,44,567
Communication	10,19,854	16,12,202
Insurance	32,89,287	23,04,182
Office maintenance	21,11,896	31,53,772
Legal and professional fee	5,78,13,542	5,52,60,120
Recruitment expense	-	2,87,760
Loss on sale of property, plant and equipment	38,076	30,684
Auditors' remuneration *	31,69,985	23,95,975
Corporate social responsibility	1,75,00,000	1,00,00,000
Miscellaneous expenses	40,73,184	60,60,304
Total	**9,92,78,431**	**11,37,61,698**

Auditors' Remuneration

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
As auditors		
Audit fees	17,32,500	16,62,000
Limited review	2,72,500	2,50,000
Tax audit fees	3,52,000	3,27,495
In other capacity		
Certification fees	7,95,000	1,27,000
Reimbursement of expenses	17,985	29,480
	31,69,985	**23,95,975**

Details of CSR expenditure:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Amount required to be spent by the Company during the year	1,64,41,382	1,88,67,674
b) Amount spent during the year	1,75,00,000	1,00,00,000
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1,75,00,000	1,00,00,000
Total	**1,75,00,000**	**1,00,00,000**

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Note 31: Income tax

The components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	9,64,00,000	9,44,00,000
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(7,73,85,489)	4,70,20,511
Total tax charge	**1,90,14,511**	**14,14,20,511**

Reconciliation of the total tax charge:

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	5,84,63,849	54,83,49,049
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	1,47,00,000	13,80,00,000
Difference in tax rate due to:		
Effect of non-deductible expenses	44,00,000	-
Effect of non taxable income	-	-
Others	(85,489)	34,20,511
Total Tax expense	**1,90,14,511**	**14,14,20,511**
Effective tax rate	**32.52%**	**25.79%**

Deferred tax

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

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	31-Mar-21	31-Mar-21	2020-21	2020-21
Depreciation	-	1,00,42,761	50,50,680	-
Impairment allowance for financial assets	10,18,26,139	-	6,76,74,820	-
Financial instruments measured at EIR	1,62,46,560	31,79,534	(48,48,152)	-
Remeasurement gain / (loss) on defined benefit plan	20,65,767	-	9,73,095	(5,27,464)
Other Provisions	8,84,423	-	(20,76,683)	-
Other temporary differences	2,94,71,446	9,124	1,06,11,729	-
Total	**15,04,94,335**	**1,32,31,419**	**7,73,85,489**	**(5,27,464)**

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	31-Mar-20	31-Mar-20	2019-20	2019-20
Depreciation	-	1,50,93,441	(2,43,00,791)	-
Impairment allowance for financial assets	3,41,51,319	-	(3,00,38,530)	-
Financial instruments measured at EIR	2,55,28,555	76,13,377	(1,72,34,998)	-
Remeasurement gain / (loss) on defined benefit plan	16,20,136	-	3,15,747	(16,775)
Other Provisions	29,61,106	-	(43,17,097)	-
Other temporary differences	1,88,66,157	15,564	2,85,55,158	-
Total	**8,31,27,273**	**2,27,22,382**	**(4,70,20,511)**	**(16,775)**

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Note 32: Earnings per share

Basic Earnings Per Share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Profit attributable to equity shareholders **(A)**	Rupees	3,94,49,338	40,69,28,538
Nominal value of equity share	Rs. / Share	10	10
Weighted average number of ordinary shares for basic earnings per share			
Opening Balance of equity shares **(B1)**	Nos	14,80,50,216	14,80,50,216
Issued during the year **(B2)**	Nos	-	-
Weighted average no. of equity shares issued during the year **(B3)**	Nos	-	-
Total weighted no. of equity shares for basic EPS **(B) = (B1+B3)**	Nos	14,80,50,216	14,80,50,216
Basic EPS **(A/B)**	Rs. / Share	**0.27**	**2.75**
Total weighted no. of equity shares for diluted EPS **(C)**	Nos	14,80,50,216	14,80,50,216
Diluted EPS **(A/C)**	Rs. / Share	**0.27**	**2.75**

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Note 33: Employee Stock Option Plan (ESOP)

The Company provides share-based employee benefits to the employees of the Company. During the year ended March 31, 2021, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

The Board of Directors approved the Xander Finance Employee Incentive Scheme 2016 (the 'Scheme') for issue of stock units to the key employees and directors of the Company. According to the Scheme, the employees selected by the Administrator of the Scheme (as appointed by Board of Directors of the Company) from time to time will be entitled to stock units, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of at least 2 years. The contractual life (comprising the vesting period and the exercise period) of options granted is 3 years as per the Scheme. However, the Company estimates that based on current market conditions the stock units could be exercised at the end of 5 years by way of settlement in cash. The other relevant terms of the grant are as below:

Other relevant terms of the grant are as follows	Terms
Vesting period	3 years
Exercise period	After completion of the vesting period, currently estimated at 5 years
Expected life	5 years
Exercise price	Nil

The details of the Scheme are summarized below:

Particulars	31-Mar-21	31-Mar-20
Date of grant	-	15-May-19
Date of Board / Nomination & Remuneration committee approval	-	15-May-19
Number of Options granted	-	2,24,291

Particulars	31-Mar-21		31-Mar-20	
	Average exercise price	Number of options	Average exercise price	Number of options
Options outstanding at the beginning of the year	43.38	8,99,994	44.23	7,46,938
Granted during the year	-	-	42.12	2,24,291
Forfeited during the year	NA	6,26,689	NA	10,776
Exercised during the year	-	-	45.20	60,459
Expired during the year	-	-	-	-
Outstanding at the end of the year	40.29	2,73,305	43.38	8,99,994
Exercisable at the end of the year	-	-	-	-

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Note 34: Transfer of financial assets

During the current reporting year, the Company has transferred two loan accounts to an Asset Reconstruction Company (ARC) on a without recourse basis. Both the loans were secured and were classified as credit impaired on the date of assignment. The Company has received the entire purchase consideration in cash from the ARC and has subscribed to the Security Receipts to the extent of 85%.

In view of the above, the Company has substantially retained all the risks and rewards of the ownership to the extent of 85% of the loans sold to the ARC and thereby does not meet the derecognition criteria as set out in Ind AS 109. However for balance 15% of the loans transferred against cash, derecognition criteria as set out in Ind AS 109 has been met.

Since the loans and advances have been transferred and the new asset (in the form of Security Receipts) having substantially different characteristics have been acquired, the Company has derecognised the loans and recognised the modified assets i.e. Security Receipts under "Investments".

The modified asset i.e. Security Receipts are classified at "Fair Value Through Profit & Loss" (FVTPL) by the Company as the contractual cash flows of the Security Receipts do not represent for Solely for Principal and Interest (SPPI) on amount outstanding under the basic lending arrangement.

The following table provides a summary of financial assets that have been transferred:

Particulars	**31-Mar-21**	**31-Mar-20**
Carrying amount of transferred assets measured at amortised cost	1,30,18,88,969	78,27,42,122
Fair value of modified assets	89,25,00,000	51,00,00,000

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

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Note 35: Retirement benefit plan

Defined contribution plan

In accordance with the Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund. The employee contributes 12% of his/her basic salary and the Company contributes an equal amount. The Company recognised Rs.30,14,933 (Previous year Rs.38,25,732) for Provident Fund contribution in the Statement of Profit and Loss.

Defined benefit plan

The Company has a non-contributory unfunded defined benefit gratuity plan, under which every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

Based on Ind AS 19 "Employee Benefits" notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016, the following disclosures have been made as required by the standard:

A. Amount recognised in the balance sheet	**31-Mar-21**	**31-Mar-20**
Present value of defined benefit obligation	82,07,910	64,37,285
Fair value of plan assets	-	-
Asset/(liability) recognized in the balance sheet	**82,07,910**	**64,37,285**

B. Change in projected benefit obligation	**31-Mar-21**	**31-Mar-20**
Opening defined benefit obligation	64,37,285	45,36,966
Current service cost	11,18,064	16,20,346
Interest cost	4,25,505	3,46,624
Past Service Cost	23,22,827	-
Benefits paid	-	-
Actuarial loss / (gain) on obligation	(20,95,771)	(66,651)
Closing defined benefit obligation	**82,07,910**	**64,37,285**

C. Change in plan assets	**31-Mar-21**	**31-Mar-20**
Opening fair value of plan assets	-	-
Return on plan assets	-	-
Actuarial gain/(loss)	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

D. Amount recognised in the statement of profit and loss	**31-Mar-21**	**31-Mar-20**
Current service cost	11,18,064	16,20,346
Interest cost on benefit obligation	4,25,505	3,46,624
Past Service Cost	23,22,827	-
Expenses recognised in the statement of profit and loss	**38,66,396**	**19,66,970**

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E. Amount recognised in other comprehensive income	**31-Mar-21**	**31-Mar-20**
Actuarial (gains)/losses		
- Effect of changes in demographic assumptions	-	-
- Effect of changes in financial assumptions	15,373	3,57,526
- Effect of experience adjustments	(21,11,144)	(4,24,177)
Total remeasurements included in other comprehensive income	**(20,95,771)**	**(66,651)**

F. Expected cash flows for following year	**31-Mar-21**	**31-Mar-20**
Expected contributions / Additional Provision Next Year	11,18,064	16,20,346
Expected total benefit payments		
Year 1	48,61,210	6,12,433
Year 2	3,81,149	6,70,154
Year 3	3,77,056	6,66,397
Year 4	3,64,266	6,55,788
Year 5	3,47,406	6,18,145
Next 5 years	15,10,860	25,33,852

G. Assumptions used	**31-Mar-21**	**31-Mar-20**
Discount rate	6.57%	6.61%
Attrition rate	10%	10%
Expected rate of return on assets	NA	NA

H. Sensitivity Analysis	**31-Mar-21**		**31-Mar-20**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	79,01,057	85,57,348	60,00,165	69,33,837
Salary increase rate (1% movement)	85,15,773	79,34,271	67,11,026	61,61,597
Attrition rate (1% movement)	82,11,136	82,02,695	64,78,367	63,85,183

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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. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the Expected interest rate (EIR). Issued debt reflect the contractual coupon amortisations.

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	93,96,72,585	-	93,96,72,585	1,87,60,32,769	-	1,87,60,32,769
Bank balance other than cash and cash equivalents	70,47,63,934	-	70,47,63,934	-	-	-
Loans	1,67,71,38,424	3,07,42,90,268	4,75,14,28,692	3,85,17,51,424	5,66,74,96,560	9,51,92,47,984
Investments	21,00,00,000	1,26,58,00,000	1,47,58,00,000	-	63,00,00,000	63,00,00,000
Other financial assets	2,11,143	1,00,63,157	1,02,74,300	31,58,385	73,18,565	1,04,76,950
Non-financial Assets						
Current tax assets (net)	-	16,13,75,224	16,13,75,224	-	15,23,45,624	15,23,45,624
Deferred tax assets (net)	-	13,72,62,916	13,72,62,916	-	6,04,04,891	6,04,04,891
Property, plant and equipment	-	6,67,85,224	6,67,85,224	-	8,64,11,965	8,64,11,965
Other intangible assets	-	2,40,519	2,40,519	-	4,68,317	4,68,317
Other non financial assets	5,32,04,826	54,64,74,140	59,96,78,966	1,03,38,375	61,840	1,04,00,215
Total assets	**3,58,49,90,912**	**5,26,22,91,448**	**8,84,72,82,360**	**5,74,12,80,953**	**6,60,45,07,762**	**12,34,57,88,715**
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	39,98,364	-	39,98,364	11,28,002	-	11,28,002
Debt Securities	1,90,26,07,868	74,78,98,402	2,65,05,06,270	1,50,41,66,757	24,97,80,822	1,75,39,47,579
Borrowings (other than debt securities)	32,58,32,870	24,52,81,599	57,11,14,469	3,59,08,00,860	1,31,82,76,650	4,90,90,77,510
Other Financial liabilities	9,08,94,919	4,71,03,315	13,79,98,234	2,98,94,982	6,19,43,021	9,18,38,003
Non-financial liabilities						
Current tax liabilities (net)	-	7,24,674	7,24,674	-	7,24,674	7,24,674
Provisions	60,13,205	35,74,767	95,87,972	26,10,428	59,33,224	85,43,652
Other non-financial liabilities	93,88,840	1,38,92,519	2,32,81,359	74,06,747	10,91,465	84,98,212
Total liabilities	**2,33,87,36,066**	**1,05,84,75,276**	**3,39,72,11,342**	**5,13,60,07,776**	**1,63,77,49,856**	**6,77,37,57,632**
Net	**1,24,62,54,846**	**4,20,38,16,172**	**5,45,00,71,018**	**60,52,73,177**	**4,96,67,57,906**	**5,57,20,31,083**

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Note 37: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at 31 March, 2020	Cash Flows	Other	As at 31 March 2021
Debt Securities	1,75,39,47,579	75,00,00,000	14,65,58,691	2,65,05,06,270
Borrowings other than debt securities	4,90,90,77,510	(4,33,47,98,895)	(31,64,147)	57,11,14,469
Total	**6,66,30,25,089**	**(3,58,47,98,895)**	**14,33,94,544**	**3,22,16,20,739**

Particulars	As at 31 March, 2019	Cash Flows	Other	As at 31 March 2020
Debt Securities	2,98,40,06,498	(1,25,00,00,000)	1,99,41,081	1,75,39,47,579
Borrowings other than debt securities	6,37,19,89,968	(1,47,81,08,143)	1,51,95,685	4,90,90,77,510
Total	**9,35,59,96,466**	**(2,72,81,08,143)**	**3,51,36,766**	**6,66,30,25,089**

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Note 38: Contingent liabilities, commitments

(A) Contingent Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent Liabilities		
- Income tax matter in dispute	2,69,77,960	-
- Service tax matter in dispute	23,63,500	-
	2,93,41,460	-

The Company does not expect any significant liabilities to materialise

(B) Commitments

- Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for as at 31 March 2021 is Rs. Nil (31 March 2020: Rs. Nil).
- Other commitments pertaining to undrawn committed credits as at 31 March 2021 is Rs. Nil (31 March, 2020 : Rs. Nil)

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Note 39: Related party disclosures

a) List of related parties

Holding Company
Xander Credit Pte Limited, Singapore (the Holding Company)

Company where the directors have significant influence
Xander Advisors (India) Private Limited

Subsidiary Company
Yuj Home Finance Private Limited (formerly known as Xander Home Finance Private Limited)

Key managerial personnel during the year:
Mr. Rohan Sikri, Chairman and Director
Mr. Amar Merani, Managing Director and CEO
Mr. Sandeep Chhabda, Director (till March 10, 2021)
Mr. Pankaj Rathi, Company Secretary (till March 23, 2021)
Ms. Hinal Shah, Company Secretary (w.e.f March 23, 2021)
Mr. Rajesh Jogi, Independent Director (w.e.f. March 05, 2021)

b) Transactions with related parties

Particulars	31-Mar-21	31-Mar-20
Holding company		
Payment of interim dividend	-	8,09,82,477
Payment of final dividend	13,91,42,619	-
Company where the directors have significant influence		
Cost incurred towards reimbursement of rent expenses	33,32,949	1,25,65,068
Cost incurred towards reimbursement of administrative expenses	19,764	3,13,242
Key Managerial Personnel		
Remuneration to Key Managerial Personnel during the year*		
Mr. Rohan Sikri		
Payment of interim dividend	-	2,14,891
Payment of final dividend	3,24,915	-
Mr. Amar Merani		
- Salaries & wages	1,80,22,620	2,36,45,040
- Post employment benefits	11,50,380	12,54,960
Mr. Sandeep Chhabda		
- Salaries & wages	77,82,016	34,37,500
- Post employment benefits	-	-
Mr. Pankaj Rathi		
- Salaries & wages	50,48,173	63,64,000
- Post employment benefits	8,68,269	-
Ms. Hinal Shah		
- Salaries & wages	24,193	-
- Post employment benefits	-	-
Mr. Rajesh Jogi		
- Sitting fees	1,00,000	-

* Provision for gratuity and leave encashment is made for the Company as a whole and the amounts pertaining to the key managerial personnel is not specifically identified and hence not included above.

c) Balance with related parties

Particulars	31-Mar-21	31-Mar-20
Subsidiary company		
Investment in subsidiary	12,00,00,000	12,00,00,000

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Note 40: Capital

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.
For details about Capital Risk Adequacy Ratio (CRAR) of the Company as required to be disclosed under RBI Master Directions - Refer Note 45 (a)

Note 41: Events after reporting date
There have been no events after the reporting date that require disclosure in these financial statements.

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Note 42: Leases

Company as a Lessee

The Company has leased premises for a period of 5 years which has been recognised as a "Right to Use" Asset

Set out below are the carrying amounts of right-to-use assets recognised and the movements during the period:

Particulars	Buildings (leased)	Total
As at March 31, 2020	**7,57,86,558**	**7,57,86,558**
Addition	-	-
Depreciation	1,68,41,457	1,68,41,457
As at March 31, 2020	**5,89,45,101**	**5,89,45,101**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,47,96,901	83,10,508
Addition	-	8,11,98,961
Accretion of interest	57,69,526	29,03,402
Payments	1,86,23,406	1,76,15,970
Closing Balance	**6,19,43,021**	**7,47,96,901**

The Maturity analysis of lease liabilities is as under:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Lease Liabilities	1,48,39,706	4,71,03,315	6,19,43,021	1,28,53,880	6,19,43,021	7,47,96,901

The following are the amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation expense of right-of-use assets	1,68,41,457	1,67,39,594
Interest expense on lease liabilities	57,69,526	29,03,401
Total amount recognised in profit or loss	**2,26,10,983**	**1,96,42,995**

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Note 43: Fair value measurement

43.1 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below:

43.2 Fair value hierarchy of assets and liabilities

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance 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. This is the case for Security Receipts included in level 3.

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

31 March 2021

Assets measured at fair value	Level-1	Level-2	Level-3	Total
Investments				
Security Receipts	-	-	1,35,58,00,000	1,35,58,00,000
Asset acquired in satisfaction of loans				
Quoted equity shares	1,38,44,543	-	-	1,38,44,543
Total financial assets measured at fair value	1,38,44,543	-	1,35,58,00,000	1,36,96,44,543

31 March 2020

Assets measured at fair value	Level-1	Level-2	Level-3	Total
Investments				
Security Receipts	-	-	51,00,00,000	51,00,00,000
Total financial assets measured at fair value	-	-	51,00,00,000	51,00,00,000

43.3 Valuation techniques

Security Receipts

Fair valuation has been carried out using discounted cash flow method. Cash flows have been projected based on the realisations from underlying assets.

Asset acquired in satisfaction of loans

The assets acquired in satisfaction of claims include assets acquired in the form of listed equity shares. The shares have been valued at the lower of quoted prices on NSE and BSE as on March 31, 2021

43 .4Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-21	As at 1 April 2020	Purchase	Sales	Transfers into Level 3	Transfers from Level 3	At 31 March 2021	Unrealised gains and (losses) related to balances held at the end of the period
Investments							
Security Receipts	51,00,00,000	89,25,00,000	-	-	-	1,40,25,00,000	(4,67,00,000)
Asset acquired in satisfaction of loans							
Quoted equity shares	-	7,38,40,000	5,38,10,983	-	-	1,38,44,543	(61,84,474)
Total	51,00,00,000	96,63,40,000	5,38,10,983	-	-	1,41,63,44,543	(5,28,84,474)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-20	As at 1 April 2019	Purchase	Sales	Transfers into Level 3	Transfers from Level 3	At 31 March 2020	Unrealised gains and losses related to balances held at the end of the period
Investments							
Security Receipts	-	51,00,00,000	-	-	-	51,00,00,000	-
Total	-	51,00,00,000	-	-	-	51,00,00,000	-

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43.5 Sensitivity of fair value measurements to changes in unobservable market data

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below

	31-Mar-21		31-Mar-20	
	Favourable changes	**Unfavourable changes**	**Favourable changes**	**Unfavourable changes**
Security Receipts				
Sensitivity to movement in significant unobservable inputs i.e. underlying cashflows				
- increase by 25%	35,06,25,000	-	12,75,00,000	-
- decrease by 25%	-	(35,06,25,000)	-	(12,75,00,000)

43.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

31-Mar-21		**Fair Value**			
	Notional amount	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets:					
Cash and cash equivalents	93,96,72,585	93,96,72,585	-	-	93,96,72,585
Bank balance other than cash and cash equivalents	70,47,63,934	70,47,63,934	-	-	70,47,63,934
Loans	4,75,14,28,692	-	5,31,42,58,969	-	5,31,42,58,969
Investment in Subsidiaries	12,00,00,000	12,00,00,000	-	-	12,00,00,000
Other Financial assets	1,02,74,300	1,02,74,300	-	-	1,02,74,300
Total financial assets	**6,52,61,39,511**	**1,77,47,10,819**	**5,31,42,58,969**	**-**	**7,08,89,69,788**
Financial liabilities:					
Trade Payables	39,98,364	39,98,364	-	-	39,98,364
Debt securities	2,65,05,06,270	-	2,62,96,69,046	-	2,62,96,69,046
Borrowings (other than debt security)	57,11,14,469	-	58,03,56,793	-	58,03,56,793
Other Financial liabilities	13,79,98,234	13,79,98,234	-	-	13,79,98,234
Total financial liabilities	**3,36,36,17,337**	**14,19,96,598**	**3,21,00,25,839**	**-**	**3,35,20,22,437**
Off balance sheet items	-	-	-	-	-
Other commitments	-	-	-	-	-
Total off-balance sheet items	-	-	-	-	-

31-Mar-20		**Fair Value**			
	Notional amount	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets:					
Cash and cash equivalents	1,87,60,32,769	1,87,60,32,769	-	-	1,87,60,32,769
Loans	9,51,92,47,984	-	9,82,50,07,080	-	9,82,50,07,080
Investment in Subsidiaries	12,00,00,000	12,00,00,000	-	-	12,00,00,000
Other Financial assets	1,04,76,950	1,04,76,950	-	-	1,04,76,950
Total financial assets	**11,52,57,57,703**	**2,00,65,09,719**	**9,82,50,07,080**	**-**	**11,83,15,16,799**
Financial liabilities:					
Trade Payables	11,28,002	11,28,002	-	-	11,28,002
Debt securities	1,75,39,47,579	-	1,73,87,74,899	-	1,73,87,74,899
Borrowings (other than debt security)	4,90,90,77,510	-	4,86,81,17,706	-	4,86,81,17,706
Other Financial liabilities	9,18,38,003	9,18,38,003	-	-	9,18,38,003
Total financial liabilities	**6,75,59,91,094**	**9,29,66,005**	**6,60,68,92,605**	**-**	**6,69,98,58,610**
Off balance sheet items	-	-	-	-	-
Other commitments	-	-	-	-	-
Total off-balance sheet items	-	-	-	-	-

43.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained above

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and balances, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models.

Debt securities and borrowings
The fair value of debt securities and borrowings are based on discounted cash flows using a current borrowing rate.

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Note 44: Risk management

44.1 Introduction and Risk Profile

The objective of risk management is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, clear purpose and understanding so that they can be mitigated. It also prevents the Company from suffering losses causing it to materially damage its competitive position. Balancing risk and return is not an easy task as risk is subjective and not quantifiable whereas return is objective and measurable. Hence, there is a need to establish a risk management framework to manage, mitigate and attempt to build an estimate of the various components of risk that exist at any point in time. As the complexity and scale of the organization increases, risk increases disproportionately.

44.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (RMC) which is responsible for monitoring the overall risk processes within the Company. RMC shall be responsible for managing risk. The functions of RMC should essentially be to identify, monitor and measure the risk profile of the Company arising from its business activities. RMC shall be responsible for developing policies and procedures, approve the structure of the models that are used for providing credit, reviewing the risk mitigation mechanisms as development takes place in the markets and identify new risks.

44.1.2 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual borrower/Group of borrowers.

44.2 Credit Risk

Credit Risk is the potential that a borrower/counter party fails to meet the obligations on pre-agreed terms. The objective of credit risk management is to minimize the risk and maximize the Company's risk adjusted rate of return by assuming and maintaining credit exposure within the acceptable parameters. The interest rate charged to the borrower would be a function of risk perceived, cost of funds, margin, competitive forces, potential reinvestment risk and period of funding.

44.2.1 Management of Credit risk

Credit risk consists of primarily two components, i.e. quantity of risk, which is the outstanding loan balance as on the date of default and the quality of risk, i.e., the severity of loss defined by both probability of default as reduced by the recoveries that could be made in the event of default. Thus, credit risk is a combined outcome of default risk and exposure risk. As mentioned earlier, due to the nature of business of the Company, it is imperative to have sufficient capital cushion against default risk and hence, adequate leverage will be taken with careful balancing of interests of shareholder returns and risk prudence.

Since default is not an abrupt process and the borrower's creditworthiness and asset quality declines gradually, the Company carefully monitors the developments of the asset post disbursement for operational progress, accounting and financial information, sales and collections. The Company also assesses the overall financial health of the borrower and its group at regular intervals and attempts to get information.

The Company adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters, group financial strength and leverage, operational and financial performance track record, client cash flows, valuation of collateral, status of projects etc.

44.2.2 Write off policy

In case of financial assets where recovery is improbable, the Board of Directors or a Board constituted Committee i.e. the Credit Committee takes the decision for principal write-offs. Initially these are only technical write-offs and the loans are monitored and followed-up for recovery by all legitimate means. Financial assets are written off completely only after there is no hope of recovery after the Company exhausts all legitimate means of recovery and the Company in its judgement feels that no further recovery is possible.

44.2.3 Impairment Assessment

44.2.3.1 Staging of Assets

Based on the days past due status for each loan and increase in credit risk, the loans will be categorized 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 shall classify all standard advances and advances up to 1 month default under this category. Stage 1 loans also include facilities where the credit risk has improved, 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 impair ed are classified under this stage. 30 days past due is considered as significant increase in credit risk. The Company shall classify all advances between 1- 3 months default under this category. Also, the advances where there has been a rating downgrade by multiple notches since initial recognition and the account shows signs of stress, such exposures shall also be classified under Stage 2.

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 recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. The Company shall classify all advances exceeding 3 months default under this category.

44.2.3.2 Measurement of Expected Credit Losses (ECL)

As per Para 5.5.17 of Ind AS 109, the Company should measure expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information that is available

Based on above, ECL on Advances (Funded portion) has been computed in the following manner:
ECL = EAD × PD × LGD

(1) Exposure at Default (EAD)

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

(2) Probability of Default (PD)

It is an estimate of the likelihood of default over a given time horizon. As per Para B5.5.51 of Ind AS 109, an entity may use various sources of data, that may be both internal (entity-specific) and external. Possible data sources include internal historical credit loss experience, internal ratings, credit loss experience of other entities and external ratings, reports and statistics. Entities that have no, or insufficient, sources of entity-specific data may use peer group experience for the comparable financial instrument (or groups of financial instruments). While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. 12 Months PD is applied to assets in Stage 1. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. Lifetime PD has been applied considered in case of Stage 2 advances. For credit impaired assets, a PD of 100% has been applied.

(3) Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

44.2.4 Analysis of risk concentration

The carrying amounts of the following financial assets represent the maximum credit risk exposure:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	93,96,72,585	1,87,60,32,769
Bank balance other than cash and cash equivalents	70,47,63,934	-
Loans	4,75,14,28,692	9,51,92,47,984
Investments	1,47,58,00,000	63,00,00,000
Other Financial assets	1,02,74,300	1,04,76,950
Total	**7,88,19,39,511**	**12,03,57,57,703**

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Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	31-Mar-21				31-Mar-20			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade								
Performing								
High grade (0 DPD)	2,55,61,85,091	1,43,02,62,188	-	3,98,64,47,279	9,36,79,96,905	-	-	9,36,79,96,905
Standard grade (1-30 DPD)	46,54,49,241	42,29,62,781	-	88,84,12,022	28,69,44,495	-		28,69,44,495
Sub-standard grade (31-60)	-	28,11,55,131	-	28,11,55,131	-	-	-	-
Past due but not impaired (61-90)	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**3,02,16,34,332**	**2,13,43,80,100**	-	**5,15,60,14,432**	**9,65,49,41,400**	-	-	**9,65,49,41,400**

Stage 2 includes loans with gross carrying amount of Rs.143.02 crores, which were restructured pursuant to RBIs COVID-19 framework dated August 6, 2020. These have been classified as Stage 2 on a conservative basis based on qualitative assessment performed by the Company in accordance with Ind AS 109. However, based on Company's assessment of the overall creditworthiness of the borrowers, the Company does not anticipate any defaults on these loans.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	9,65,49,41,400	-	-	9,65,49,41,400	13,77,89,27,664	51,31,71,064	12,99,23,648	14,42,20,22,376
New assets originated or purchased (net)	47,66,07,854	3,76,31,982	-	51,42,39,836	1,59,33,40,998	-	-	1,59,33,40,998
Assets derecognised or repaid (net) (excluding write offs)	(5,01,31,66,804)	-	-	(5,01,31,66,804)	(6,23,04,98,326)	-	-	(6,23,04,98,326)
Transfers to Stage 1	-	-	-	-	51,31,71,064	(51,31,71,064)	-	-
Transfers to Stage 2	(2,09,67,48,117)	2,09,67,48,117	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	(12,99,23,648)	(12,99,23,648)
Gross carrying amount closing balance	**3,02,16,34,333**	**2,13,43,80,099**	-	**5,15,60,14,432**	**9,65,49,41,400**	-	-	**9,65,49,41,400**

Reconciliation of ECL balance is given below:

	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	13,56,93,416	-	-	13,56,93,416	10,96,95,229	6,20,80,695	7,11,56,250	24,29,32,174
New assets originated or purchased (net)	49,72,656	33,59,94,998	-	34,09,67,654	7,08,38,454	-	-	7,08,38,454
Assets derecognised or repaid (net) (excluding write offs)	(7,20,75,330)	-	-	(7,20,75,330)	(10,42,58,284)	-	-	(10,42,58,284)
Transfers to Stage 1	-	-	-	-	6,20,80,695	(6,20,80,695)	-	-
Transfers to Stage 2	(3,66,00,316)	3,66,00,316	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	(26,62,678)	-	(7,11,56,250)	(7,38,18,928)
ECL allowance - closing balance	**3,19,90,426**	**37,25,95,314**	-	**40,45,85,740**	**13,56,93,416**	-	-	**13,56,93,416**

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans	(6,71,02,674)	33,59,94,998	-	**26,88,92,324**	2,59,98,187	(6,20,80,695)	(7,11,56,250)	**(10,72,38,758)**
Total impairment loss	**(6,71,02,674)**	**33,59,94,998**	-	**26,88,92,324**	**2,59,98,187**	**(6,20,80,695)**	**(7,11,56,250)**	**(10,72,38,758)**

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Credit risk exposure analysis

	As at March 31 2021			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Per portfolio				
Loans	3,02,16,34,332	2,13,43,80,100	-	**5,15,60,14,432**
Break up into:				
Per sector				
Real estate loan portfolio	2,43,65,12,789	1,85,32,24,969	-	**4,28,97,37,758**
Corporate loan portfolio	58,51,21,543	28,11,55,131	-	**86,62,76,674**
Per region				
Maharashtra	28,11,55,131	-	-	**28,11,55,131**
Karnataka	1,93,83,39,934	-	-	**1,93,83,39,934**
Delhi/NCR	2,48,13,02,293	-	-	**2,48,13,02,293**
Tamil Nadu	45,52,17,074	-	-	**45,52,17,074**
West Bengal	-	-	-	-
Total	**3,02,16,34,332**	**2,13,43,80,100**	-	**5,15,60,14,432**
	As at March 31 2020			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Per portfolio				
Loans	9,65,49,41,400	-	-	**9,65,49,41,400**
Break up into:				
Per sector				
Real estate loan portfolio	7,93,67,41,940	-	-	**7,93,67,41,940**
Corporate loan portfolio	1,71,81,99,460	-	-	**1,71,81,99,460**
Per region				
Maharashtra	35,63,44,377	-	-	**35,63,44,377**
Karnataka	3,97,67,08,158	-	-	**3,97,67,08,158**
Delhi/NCR	2,70,25,56,415	-	-	**2,70,25,56,415**
Tamil Nadu	1,62,56,31,670	-	-	**1,62,56,31,670**
West Bengal	99,37,00,780	-	-	**99,37,00,780**
Total	**9,65,49,41,400**	-	-	**9,65,49,41,400**

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44.3 Collateral and other credit enhancements

Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements.

Type of credit enhancement or collateral		Fair value of collateral and credit enhancements held under the base case scenario								
As at March 31 2021	Maximum exposure to credit risk	Cash	Securities	Bank guarantees	Plant and machinery	Land and building	Book debts, inventory and other working capital items	Surplus collateral	Total collateral	Net exposure
Loans	5,15,60,14,432	-	-	-	-	4,70,73,38,785	6,74,00,83,629	-	11,44,74,22,414	-
Total financial assets at amortised cost	5,15,60,14,432	-	-	-	-	4,70,73,38,785	6,74,00,83,629	-	11,44,74,22,414	-
Other commitments	-	-	-	-	-	-	-	-	-	-

Type of credit enhancement or collateral		Fair value of collateral and credit enhancements held under the base case scenario								
As at March 31 2020	Maximum exposure to credit risk	Cash	Securities	Bank guarantees	Plant and machinery	Land and building	Book debts, inventory and other working capital items	Surplus collateral	Total collateral	Net exposure
Loans	9,65,49,41,400	-	5,56,00,000	-	-	2,81,72,24,644	16,76,04,12,768	-	19,63,32,37,412	-
Total financial assets at amortised cost	9,65,49,41,400	-	5,56,00,000	-	-	2,81,72,24,644	16,76,04,12,768	-	19,63,32,37,412	-
Other commitments	-	-	-	-	-	-	-	-	-	-

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45.4 Liquidity risk and funding management

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc. Key principles adopted in the Company's approach to managing liquidity risk include:
a) Monitoring the Company 's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information .
b) Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines.
c) Operating a prudent funding strategy which ensures appropriate dive rsification and limits maturity concentrations.

45.4.1. Liquidity ratios

Advances to borrowings ratio

	31-Mar-21	31-Mar-20
Year-end	1.66	1.43
Maximum during the last 12 months	1.66	1.54
Minimum during the last 12 months	1.27	1.40
Average during the last 12 months	1.42	1.46

45.4.2. Analysis of financial liabilities by remaining contractual maturities
The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include interest accrued till the reporting date.

Maturity pattern of liabilities as at March 31, 2021:

Particulars	On demand	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial liabilities								
Trade payables	-	39,98,364	-	-	-	-	-	39,98,364
Debt securities	-	27,56,41,360	12,91,72,949	1,49,81,14,788	74,75,77,173	-	-	2,65,05,06,270
Borrowings (other than debt securities)	-	32,89,75,602	-	-	24,21,38,867	-	-	57,11,14,469
Other financial liabilities	-	7,75,55,874	55,51,510	77,87,535	3,65,02,940	1,06,00,375	-	13,79,98,234
Total undiscounted financial liabilities	-	**68,61,71,200**	**13,47,24,459**	**1,50,59,02,323**	**1,02,62,18,980**	**1,06,00,375**	-	**3,36,36,17,337**

Maturity pattern of liabilities as at March 31, 2020:

Particulars	On demand	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial liabilities								
Trade payables	-	11,28,002	-	-	-	-	-	11,28,002
Debt securities	-	25,99,33,465	49,79,85,338	74,62,47,954	24,97,80,822	-	-	1,75,39,47,579
Borrowings (other than debt securities)	-	75,66,01,008	98,22,86,883	1,85,19,12,967	1,31,82,76,652	-	-	4,90,90,77,510
Other financial liabilities	-	51,96,102	1,18,45,000	1,28,53,880	-	6,19,43,021	-	9,18,38,003
Total undiscounted financial liabilities	-	**1,02,28,58,577**	**1,49,21,17,221**	**2,61,10,14,801**	**1,56,80,57,474**	**6,19,43,021**	-	**6,75,59,91,094**

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44.5 Market risk

Market Risk is the possibility of loss to the Company caused by the changes in the market variables. It is the risk that the value of on and off-balance sheet positions (and hence profits and even financial stability) will be adversely affected by movements in equity and interest rate. Asset Liability Management (ALM) is a part of the overall risk management system at the Company and is focused on Market Risk. It implies examination of all the assets and liabilities simultaneously on a continuous basis with a view to ensuring a proper balance between funds mobilization and their deployment with respect to their a) maturity profiles, b) cost and c) availability. The Company has a detailed ALM policy and it adheres to the same.

44.6 Interest rate risk

This is the potential negative impact on the Net Interest Income and it refers to the vulnerability of financial condition to the movement in interest rates. Changes in interest rate affect earnings, borrowing costs, value of assets and cash flow. Earnings perspective (impact on P&L) involves analysing the impact of changes in interest rates on reported earnings and borrowings over the life of the asset or liability. This is measured by measuring the changes in the Net Interest Income equivalent to the difference between total interest income and total interest expense due to changes in interest rates. It is preferable to alter the approach of the interest rate policy to borrowers depending on the stage of interest rates in the cycle i.e. in a rising interest rate scenario, it is advisable to keep variable lending interest rates and keep fixed lending interest rates in a falling interest rate scenario and vis a versa for borrowings. This is a guiding indicator and may be adhered to as much as possible while keeping business interests in mind.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) on the Company's statement of profit and loss and equity.

Market indices	Change in Interest rate	31 March, 2021		31 March, 2020	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	100 Basis Points down	2,82,13,644	1,90,37,569	6,17,70,129	4,58,39,467
	100 Basis Points Up	(2,82,13,644)	(1,90,37,569)	(6,17,70,129)	(4,58,39,467)

44.7 Operational risk

Companies are faced with inherent risks arising out of human error, financial fraud and natural disasters. Operational risk, though defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. In order to mitigate this, internal control and internal audit systems are used as the primary means. Operational risk events are associated with weak links in internal control procedures. The key to management of operational risk lies in the Company's ability to assess its processes and establish controls while providing for unanticipated worst-case scenarios. The Company has well laid out authorization matrix for each of its operational activities and shall adhere to the same. Effective controls have been established within the Company and these are verified by the internal auditors. One of the major tools in managing operational risk is a well-established internal control system and flow of information, documents and reporting. Accordingly, the Credit Policy has been detailed out to provide a streamlined and process driven method to providing loans. Each activity from loan sourcing to final disbursement and closure has been clearly spelt out. Further a proper system of monthly reporting to the Board of Directors and Investors has been established in order to take care of the timely reporting requirements. ALM Policy further defines the duties of the ALCO and ALCO's reporting requirements in order to manage the operational risk. Insurance is also one of the methods to mitigate some elements of operational risk and has been taken for all the physical assets of the Company.

44.8 Integrated risk

Companies are faced with varied categories of risk such as personnel risk, financial risk, legal risk etc. Thus, integrated risk can be defined as attached with various activities, operations or transactions and with external risks (risks related to legislative changes etc.) that may affect overall organization. The main objective to identify integrated risk is to protect assets, ensure continuity of organization's activities and adopting effective risk mitigation strategy. The Company ensures to manage the integrated risk by identifying all risks that affect the implementation of processes and activities attached to an organizational goal; it can assess the overall consequences and adopt measures depending on the level of uncertainty and the existing inherent risk that affects achieving objectives set. Integrated risk mitigation exercise helps to increase efficiency within the organization by administrative or managerial ways, such as better allocation of resources.

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Note 45: Additional Disclosures required by the Reserve Bank of India ('RBI')

Additional Disclosures as per the guidelines issued by the Reserve Bank of India in respect of Non-Banking Financial (Non Deposit accepting or holding) Systemically important (NBFC-NDSI) as under :

The disclosures are based on the Ind-AS financial statements. Accordingly, the corresponding comparative figures for the previous year have been restated wherever applicable.

a. **Capital funds, risk assets/ exposure and risk asset ratio (CRAR) as at 31 March 2021**

Sr.No	Item	31-Mar-21	31-Mar-20
I	CRAR (%)	63.17%	54.28%
2	CRAR - Tier I capital (%)	62.71%	53.03%
3	CRAR - Tier II Capital (%)	0.46%	1.25%
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issued of Perpetual Debt Instruments	-	-

b. **Investments**

Sr.No	Particulars	31-Mar-21	31-Mar-20
1	Value of investments		
	(i) Gross value of investments		
	(a) in India	147,58,00,000	63,00,00,000
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	147,58,00,000	63,00,00,000
	(a) outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(i) Closing balance	-	-

c. **Derivatives**

The Company has no transactions / exposure in derivatives in the current and previous year.

d. **Disclosures relating to Securitisation**

The Company has not entered in securitisation transaction during the year and had no outstanding securitisation transactions for earlier years.

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

Sr.No	Particulars	31-Mar-21	31-Mar-20
(i)	No.of accounts (Borrowers)	2	2
(ii)	Aggregate value (net of provisions) of accounts sold	1,07,73,13,118	64,14,83,590
(iii)	Aggregate consideration	1,05,00,00,000	60,00,00,000
(iv)	Aggregate consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/loss over net book value	2,73,13,118	4,14,83,590

f. **Details of Assignment transactions**
The Company has not undertaken any assignment transactions in the current and previous year.

g. **Details of non-performing financial assets purchase / sold**
The Company has not purchased /sold any non-performing financial assets in the current and previous year. However the company has sold two loan accounts to an asset reconstruction company, details of which are disclosed in (e) above.

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h. **Exposure**

i. Exposure to Real Estate Sector

(Amount in Rs. crores)

Sr.No	Category	31-Mar-21	31-Mar-20
a)	**Direct exposure**		
(i)	**Residential Mortgages -**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		-
(ii)	**Commercial Real Estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits;	400.33	780.51
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
	Total Exposure to Real Estate Sector	**400.33**	**780.51**

ii. Exposure to Capital Market

(Amount in Rs. crores)

	Particulars	31-Mar-21	31-Mar-20
(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;		
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix)	others	1.38	-
	Total Exposure to Capital Market	**1.38**	-

i. **Details of financing of parent company products**
None

j **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**
The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI.

k. **Unsecured Advances**
The Company has not given any unsecured advances against the rights, licenses, authorisations etc.

l. **Registration obtained from other financial sector regulators**
The Company is not registered with any financial sector regulators except with Reserve Bank of India.

m **Disclosure of Penalties imposed by RBI and other regulators**
No penalties were imposed by the RBI and other regulators during current and previous year.

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n Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

(Amount in Rs. crores)

Sr.No.	Particulars	31-Mar-21	31-Mar-20
(i)	Provision made towards Income tax	9.64	9.44
(ii)	Provision for bonus	-	1.00
(iii)	Provision for Employee Stock Option Plan (ESOP)	(0.75)	0.23
(iv)	Provision for gratuity	0.39	0.20
(v)	Provision for leave encashment	(0.07)	(0.05)
(vi)	Provision for expected credit losses (excluding provision towards NPA)	26.89	(10.72)
(vii)	Provision towards NPA	-	-
(viii)	Provisions for depreciation on Investment	-	-

o. Draw Down from Reserves

There has been no draw down from reserves during the current year and in the previous year.

p. Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

(Amount in Rs. crores)

Particulars	31-Mar-21	31-Mar-20
Total Advances to twenty largest borrowers	475.14	897.92
Percentage of Advances to twenty largest borrowers to Total Advances	100%	94%

ii) Concentration of Exposures

(Amount in Rs. crores)

Particulars	31-Mar-21	31-Mar-20
Total Exposures to twenty largest borrowers / customers	475.14	897.92
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	100%	94%

iii) Concentration of NPAs

(Amount in Rs. crores)

Particulars	31-Mar-21	31-Mar-20
Total of Exposures to top four NPA accounts*	-	-

* there is only one account classified as NPA as on 31st March 2019

iv) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	31-Mar-21	31-Mar-20
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

v) Movement of NPAs

(Amount in Rs. crores)

Particulars		31-Mar-21	31-Mar-20
(i)	**Net NPAs to Net Advances (%)**	-	-
(ii)	**Movement of NPAs (Gross):**		
(a)	Opening balance	-	11.25
(b)	Additions during the year	-	28.61
(c)	Reductions during the year (loans written-off)	-	39.85
(d)	**Closing balance**	-	-
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	-	4.13
(b)	Additions during the year	-	4.29
(c)	Reductions during the year	-	8.43
(d)	**Closing balance**	-	-
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	-	7.12
(b)	Provisions made during the year	-	24.32
(c)	Write-off / write-back of excess provisions	-	31
(d)	**Closing balance**	-	-

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vi) Reconciliation of Asset Classification as per provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') and impairment allowances as per Ind AS 109

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	3,02,16,34,333	3,19,90,426	2,98,96,43,908	1,21,20,581	1,98,69,845
	Stage 2	2,13,43,80,099	37,25,95,314	1,76,17,84,785	16,97,19,514	20,28,75,800
Subtotal		**5,15,60,14,432**	**40,45,85,740**	**4,75,14,28,693**	**18,18,40,095**	**22,27,45,645**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**3,02,16,34,333**	**3,19,90,426**	**2,98,96,43,908**	**1,21,20,581**	**1,98,69,845**
	Stage 2	**2,13,43,80,099**	**37,25,95,314**	**1,76,17,84,785**	**16,97,19,514**	**20,28,75,800**
	Stage 3	-	-	-	-	-
	Total	**5,15,60,14,432**	**40,45,85,740**	**4,75,14,28,693**	**18,18,40,095**	**22,27,45,645**

q. **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**
The Company has not invested in overseas assets in the current and previous year. There are no outstanding investments from earlier years.

r. **Off-balance Sheet SPVs sponsored by the Company**
The Company has no off-balance sheet SPV in the current and previous year.

s. **Disclosure of Complaints**
The Company has not received any complaints in the current and previous year.

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

XANDER FINANCE PRIVATE LIMITED
MUMBAI

Xander Finance Private Limited
Notes to the standalone financial statements as at 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

t. **Ratings assigned by credit rating agencies and migration of ratings during the year**

Sr.No.	Instruments	Credit Rating Agency	As on March 31, 2021	As on March 31, 2020
1	Long Term Borrowing Programme	ICRA Limited	[ICRA] A+ (Stable)	[ICRA] A+ (Stable)
2	Short Term Borrowing Programme	ICRA Limited	[ICRA] A1+	[ICRA] A1+

u. **Statement on Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at 31 March 2021

(Amount in Rs. crores)

Sr.No	Item	0-7 days	8-14 days	15 days to 1 month	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2	Advances	2.16	5.87	3.72	1.67	60.13	29.36	64.81	256.52	14.31	36.59	**475.14**
3	Investments	-	-	-	-	-	-	21.00	25.50	-	101.25	**147.75**
4	Borrowings	32.89	-	25.39	2.17	-	12.92	150.00	98.78	-	-	**322.15**
5	Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
6	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

v. **Restructured advances**

The Company has restructured the following accounts pursuant to RBI notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 on Resolution Framework for Covid-19 related stress

Disclosure pursuant to RBI notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	8	136.61	-	-	13.67
of which, MSMEs	-	-	-	-	-
Others	8	136.61	-	-	13.67
Total	**8**	**136.61**	**-**	**-**	**13.67**

w. **Fraud Reporting**

As required to be reported by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016, there have been no frauds noticed / reported during current and previous year.

x. The Company has not disbursed any loans against the security of gold

Xander Finance Private Limited
Notes to the standalone financial statements as at 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 46: Public disclosure on Liquidity Risk Management of the Company

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

(Amount in Rs. crores)

Sr. No.	Number of Significant Counterparties	Amount	% of total deposits	% of total borrowings
1	7	307.81	0%	100%

Note : A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's,

(ii) Top 20 large deposits (amount in Rs. crores and % of total deposits)

The Company is a non-deposit taking systemically important non banking finance company and does not accept any deposits from the public

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

(Amount in Rs. crores)

Type	Sanctioned	Drawn	Outstanding	% of total borrowings
Non - Convertible Debentures	525.00	525.00	250.00	81%
Term Loan	175.00	175.00	57.81	19%

(iv) Funding concentration based on significant instrument/product

(Amount in Rs. crores)

Name of the Instrument	Amount	% of total borrowings
Term Loan	57.81	19%
Non - Convertible Debentures	250.00	81%
	307.81	

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

(v) Stock Ratios:

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

The Company has not raised any funds through issuance of Commercial Papers (CPs) and hence this disclosure is not applicable.

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

The Company does not have any Non-convertible debentures with original maturity of less than one year and hence this disclosure is not applicable

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

(Amount in Rs. crores)

Short term liabilities (Amount in Rs. Crores)	% of Total Liabilities	% of Total Assets	% of Public Funds
15.61	1.76%	1.76%	5.07%

The above stated 'Other short-term liabilities' do not include cash credit facilities.

(vi) Institutional set-up for liquidity risk management

The Company has a board approved Asset - Liabilities Management Policy which outlines various parameters for Liquidity Risk Management.

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

XANDER FINANCE PRIVATE LIMITED MUMBAI

Xander Finance Private Limited
Notes to the standalone financial statements as at 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Note 47: Earnings and expenditure in foreign currency (on accrual basis)
During the year, the Company has incurred foreign currency expenditure of Rs.4,12,830 (Previous year Rs.6,28,402). The Company did not have any foreign exchange earnings.

Note 48: Net dividend remitted in foreign exchange

Year of remittance (ended on)	March 31, 2021	March 31, 2020
Period to which it relates	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	14,72,40,866	14,72,40,866
Amount remitted (in USD)	18,68,188	11,41,402
Amount remitted (in INR)	13,91,42,619	8,09,82,477

Amount remitted during the year ended March 31, 2021 is net of applicable witholding taxes

Note 49: Segment information
The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.

Note 50: Dues payable to Micro, Small and Medium Enterprises
There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises, as no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Particulars	As at March 31, 2021	As at March 31, 2020
Principal and interest amount remaining unpaid	-	-
Interest due thereon remaining unpaid	-	-

Note 51: Impact of Covid-19 on Financial statements
The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. In accordance with the Reserve Bank of India ("RBI") guidelines relating to "Covid-19 Regulatory Package" dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020 , the Company had offered moratorium to its borrowers based on requests for instalments falling due between March 1, 2020 and August 31, 2020. Further, the Company offered resolution plan to its borrowers pursuant to the RBI's guideline "Resolution framework for Covid-19 related stress" dated August 6, 2020.

Further, the Company has based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. The aggregate expected credit loss provision on financial assets as at March 31, 2021 is Rs.4,045.86 lakhs which includes Covid overlay of Rs.188.24 lakhs. The Company considers that the provision is adequate and reasonable under the current circumstances. Based on facts and circumstances, the Company does not anticipate any material changes to the carrying value of assets and liabilities existing as on the Balance Sheet date.
The eventual outcome of the impact of the global pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic conditions.

Following are the disclosures required in terms of RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

Particulars	(Amount in Rs. crores)
Respective amounts in SMA/ overdue categories, where the moratorium/deferment was extended (outstanding as of February 29, 2020)	116.80
Respective amounts where asset classification benefits is extended (outstanding as of March 31, 2021)	80.98
Provisions made in terms of paragraph 5 of the circular as at the end of the moratorium (As per para 4, applicable to NBFC's covered under Ind AS)	9.33
Provisions adjusted against slippages in terms of paragraph 6 of the circular	9.33
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	-

As required by RBI vide its circular number RBI/2021-22/17 dated April 7, 2021, the Board of Directors of the Company have approved a policy to refund/adjust the "interest on interest" charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in confirmity with the judgement of the Hon.Supreme Court of India in the case of "Small Scale Industrial Manufacturers Association vs Union of India & Others". Based on the methodology for calculation of the amount to be refunded/adjusted, as advised by the Indian Banks Association (IBA), the Company has reversed such interest on interest income of Rs.510.34 lakhs charged to the borrowers, that it had accrued during the aforesaid period.

Note 52: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 53: Previous year figures
Figures for the previous year have been regrouped, rearranged or reclassified, where necessary to conform to the current year's classification.

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Annexure to the standalone financial statements as at 31 March 2021

Schedule to the financial statements as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	Particulars	As at 31 March 2021		As at 31 March 2020	
	Liabilities Side				
1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	2,65,05,06,270	-	1,75,39,47,579	-
	: Unsecured	-	-	-	-
	(Other than falling within the meaning of public deposit)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	57,11,14,469	-	3,70,29,75,298	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (Cash Credit/ Working Capital Demand Loan Facilities)	-	-	1,20,61,02,212	-
	Assets Side				
		Amount Outstanding		**Amount Outstanding**	
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**				
	(a) Secured	4,75,14,28,692		9,51,92,47,984	
	(b) Unsecured	-		-	
3)	**Break up of Leased Assets 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) Repossessed Assets				
	(iii) Other loans counting towards AFC activities				
	(a) Loans where assets have been repossessed				
	(b) Loans other than (a) above				

S. R. BATLIBOI & CO. LLP
CHARTERED ACCOUNTANTS
MUMBAI

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MUMBAI

Xander Finance Private Limited
Annexure to the standalone financial statements as at 31 March 2021

Schedule to the financial statements as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

4)	**Break-up of Investments**	**Amount Outstanding**	**Amount Outstanding**
	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)	-	-
	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	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares : (a) Equity	12,00,00,000	12,00,00,000
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	1,35,58,00,000	51,00,00,000

S. R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

XANDER FINANCE PRIVATE LIMITED ★ MUMBAI

Xander Finance Private Limited
Annexure to the standalone financial statements as at 31 March 2021

Schedule to the financial statements as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

5)	**Borrower group-wise classification of assets financed as in (2) and (3) above**						
	Category	**Amount net of provisions as at 31 March 2021**			**Amount net of provisions as at 31 March 2020**		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	Total	-	-	-	-	-	-
	2. Other than related parties	4,75,14,28,692	-	4,75,14,28,692	9,51,92,47,984	-	9,51,92,47,984
	Less: Provision for sub-standard assets	-	-	-	-	-	-
	Total	**4,75,14,28,692**	-	**4,75,14,28,692**	**9,51,92,47,984**	-	**9,51,92,47,984**
	Total	**4,75,14,28,692**	-	**4,75,14,28,692**	**9,51,92,47,984**	-	**9,51,92,47,984**

6)	**Investor group-wise classification of all investments (current and long term) in shares**	**As at 31 March 2021**		**As at 31 March 2020**	
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties				
	(a) Subsidiaries	12,00,00,000	12,00,00,000	12,00,00,000	12,00,00,000
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	1,35,58,00,000	1,35,58,00,000	51,00,00,000	51,00,00,000
	Total	**147,58,00,000**	**1,47,58,00,000**	**63,00,00,000**	**63,00,00,000**

7)	**Other Information**		
		As at 31 March 2021	**As at 31 March 2020**
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(iii)	Assets acquired in satisfaction of debt	56,02,82,433	-

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S. R. BATLIBOI & CO. LLP MUMBAI ★ CHARTERED ACCOUNTANTS ★

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Xander Finance Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Xander Finance Private Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 50 of the accompanying consolidated financial statements, which describes the management's assessment of uncertainties caused by the continuing COVID-19 pandemic and its consequential effects on the carrying value of assets as at March 31, 2021. Our opinion is not modified in respect of this matter.

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 for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Kev audit matters	How our audit addressed the key audit matter
Impairment of financial instruments as at the balance sheet date (expected credit losses) (as described in note 5 & 6 of the consolidated financial statements)	
Ind AS 109 requires the Holding Company to provide for impairment of its loans (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Holding Company's loans and advances. In the process, a significant degree of judgement has been applied by the management including but not limited to the following matters for: • Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/ minimal historical defaults. The Holding Company also has outstanding investments in security receipts ('SRs') issued by various asset reconstruction companies to whom Holding Company has transferred certain loans. These investments are classified at fair value through the profit or loss as disclosed in the consolidated financial statements. An inherent part of the fair value estimation of such SRs is the assessment of impairment of loans underlying such SRs. The management has performed such assessment based on the judgement of inputs, assumptions and sources of information (internal and external) available till the reporting date. **Additional considerations on account of CoVID-19** Considering the evolving nature of COVID-19 pandemic, which has continued to impact the Holding Company's business operations, resulting in higher loan losses, the Holding Company has maintained a management overlay of Rs.188.24	Our audit procedures included among others the following: • Read and assessed the Holding Company's accounting policies for impairment of financial instruments and their compliance with Ind AS 109 and the governance framework approved by Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Holding Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework for COVID-19 related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on sample basis. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation of the input data used. • Tested the operating effectiveness of the controls for staging of loans based on their day's past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional consideration applied by the management for staging of loans as SICR or default categories in view of Holding Company's policy on one-time restructuring. • Tested the ECL model, including assumptions & underlying computations. Assessed the floor/ minimum rates of provisioning applied by the Holding Company for loan products with inadequate historical defaults. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic).

Key audit matters	How our audit addressed the key audit matter
lakhs as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including government and regulatory measures and the Holding Company's responses thereto, the actual credit losses for the next 12 months could be different than that being estimated. In view of the high degree of management's judgement involved in performing impairment assessment and estimation, accentuated by the considerations for COVID-19 related developments, it is an area of a key audit matter.	• Reviewed rating information provided by independent rating agencies in determining fair value of SRs. • Obtained management's assumptions in respect of cashflows underlying the SRs and tested them for sample cases. • Tested the arithmetical accuracy of computation of ECL provision performed by the Holding Company. • Assessed the adequacy and accuracy of disclosures included in the consolidated financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on impairment assessment.

Other Information

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities 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 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 with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as ap 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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 for the financial year ended March 31, 2021 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiary for the year ended March 31, 2021;

(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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements - Refer Note 38A to the consolidated financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

UDIN: 21037924AAAAFN7052

Mumbai
June 25, 2021

Annexure 1 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls 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 Xander Finance Private Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

UDIN: 21037924AAAAFN7052

Mumbai
June 25, 2021

Xander Finance Private Limited
Consolidated Balance Sheet as at 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Financial assets			
Cash and cash equivalents	3	95,08,63,989	2,00,70,70,952
Bank balance other than cash and cash equivalents	4	82,70,99,218	-
Loans	5	4,75,14,28,692	9,51,92,47,984
Investments	6	1,35,58,00,000	51,00,00,000
Other financial assets	7	1,02,89,300	1,04,91,950
		7,89,54,81,199	**12,04,68,10,886**
2 Non-financial assets			
Current tax assets (net)	8	16,15,83,332	15,25,54,056
Deferred tax assets (net)	9	13,72,62,916	6,04,04,891
Property, plant and equipment	10	6,67,85,224	8,64,11,965
Intangible assets	11	2,40,519	4,68,317
Other non financial assets	12	59,98,37,099	1,04,99,676
		96,57,09,090	**31,03,38,905**
Total Assets		**8,86,11,90,289**	**12,35,71,49,791**
II LIABILITIES AND EQUITY			
1 Financial liabilities			
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		39,98,364	11,28,002
Debt securities	14	2,65,05,06,270	1,75,39,47,579
Borrowings (other than debt securities)	15	57,11,14,469	4,90,90,77,510
Other financial liabilities	16	13,82,54,697	9,22,89,464
		3,36,38,73,800	**6,75,64,42,555**
2 Non-financial liabilities			
Current tax liabilities (net)	17	7,24,674	11,01,656
Provisions	18	95,87,972	85,43,652
Other non-financial liabilities	19	2,33,01,984	85,26,140
		3,36,14,630	**1,81,71,448**
3 Equity			
Equity share capital	20	1,48,05,02,160	1,48,05,02,160
Other equity	21	3,98,31,99,699	4,10,20,33,628
		5,46,37,01,859	**5,58,25,35,788**
Total Liabilities and Equity		**8,86,11,90,289**	**12,35,71,49,791**
Summary of significant accounting policies	2.3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Consolidated Statement of Profit and Loss for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
	Revenue from operations			
(i)	Interest income	22	1,33,90,33,039	2,09,29,54,949
(ii)	Other operating income	23	2,41,344	-
(iii)	Net gain/(loss) on fair value changes	24	(5,13,20,098)	63,44,703
(I)	**Total revenue from operations**		**1,28,79,54,285**	**2,09,92,99,652**
(II)	Other income	25	7,10,00,190	12,51,26,392
(III)	**Total income (I + II)**		**1,35,89,54,475**	**2,22,44,26,044**
	Expenses			
(i)	Finance cost	26	58,18,63,544	91,90,78,325
(iii)	Impairment of financial assets	27	52,07,81,293	49,04,39,946
(iv)	Employee benefit expenses	28	7,36,11,862	12,37,29,890
(v)	Depreciation, amortization and impairment	29	2,03,91,623	2,11,05,654
(vi)	Other expenses	30	9,97,33,484	11,42,81,538
(IV)	**Total expenses (IV)**		**1,29,63,81,807**	**1,66,86,35,353**
(V)	**Profit before tax**		**6,25,72,668**	**55,57,90,691**
(VI)	Tax expense:			
	(1) Current tax		9,73,82,684	9,62,58,581
	(2) Deferred tax		(7,73,85,489)	4,70,20,511
	(3) Earlier years adjustments		-	-
(VII)	**Profit for the year**		**4,25,75,474**	**41,25,11,599**
(VIII)	**Other comprehensive income**			
A	(i) Items that will not be classified to profit or loss			
	- Actuarial gain on gratuity valuation		20,95,771	66,651
	Tax on above		(5,27,464)	(16,775)
	Subtotal (A)		15,68,307	49,876
B	(i) Items that will be classified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other comprehensive income (A + B)		15,68,307	49,876
(IX)	**Total comprehensive income for the year**		**4,41,43,781**	**41,25,61,475**
	Earnings per equity share	32		
	Basic		0.29	2.79
	Diluted		0.29	2.79
Summary of significant accounting policies		2.3		
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from Operating activities			
Profit before tax as per the statement of profit and loss		6,46,68,439	55,58,57,342
Adjustment for			
Expected credit loss on advances		26,88,92,324	(10,72,38,758)
Depreciation and amortisation		2,03,91,623	2,11,05,654
Interest on fixed deposits		(7,06,93,120)	(6,23,04,227)
Interest income-unwinding of security deposit		(5,31,003)	(5,92,797)
Interest on lease liability		57,69,526	29,03,401
Interest on taxes		-	-
Loss on sale of property, plant and equipment		38,076	30,684
Income from sale of current investments		(15,64,376)	(63,44,703)
Employee Stock Option Plan (ESOP) reserve		(75,24,981)	22,86,135
Operating profit before working capital changes		**27,94,46,509**	**40,57,02,731**
Movement in working capital			
Increase / (Decrease) in other financial liabilities		5,88,19,113	(6,76,13,378)
Increase / (Decrease) in other non- financial liabilities		1,47,75,844	(1,03,01,214)
Increase / (Decrease) in trade payables		28,70,362	7,80,812
Increase / (Decrease) in provisions		10,44,320	13,85,716
(Increase) / Decrease in loans		4,49,89,26,967	4,76,70,80,977
(Increase) / Decrease in financial assets		(82,63,39,975)	(51,42,12,056)
(Increase) / Decrease in other non- financial assets		(58,93,63,011)	(13,42,712)
Cash Used in operations		**3,16,07,33,620**	**4,17,57,78,145**
Less: Direct taxes paid (Net of refunds)		(10,67,88,942)	(23,44,75,595)
Net Cash from/ (used) in operating activities	**A**	**3,33,33,91,186**	**4,34,70,05,281**
Cash flow from Investing activities			
Purchase of property, plant and equipment including capital work in progress and capital advances		(5,75,160)	(29,15,322)
Sale of investments		5,53,75,359	1,88,63,44,703
Purchase of investments		(89,96,10,983)	(1,88,00,00,000)
Interest on fixed deposits		7,06,93,120	6,23,04,227
Net Cash from /(used) for Investing activities	**B**	**(77,41,17,664)**	**6,57,33,608**
Cash flow from Financing activities			
Proceeds from debt securities (net)		89,65,58,691	(1,24,19,85,148)
Proceeds from borrowings other than debt securities (net)		(4,33,79,63,042)	(1,48,13,88,220)
Payment of lease rent		(1,86,23,406)	(1,76,15,970)
Payment of interim dividend (including dividend distribution tax)		-	(9,81,69,140)
Payment of final dividend		(15,54,52,729)	-
Net Cash from/ (used) in Financing activities	**C**	**(3,61,54,80,486)**	**(2,83,91,58,478)**
Net increase in cash and cash equivalents (A)+(B)+(C)		(1,05,62,06,964)	1,57,35,80,411
Cash and Cash Equivalents at the beginning of the year		2,00,70,70,952	43,34,90,541
Cash and Cash Equivalents at the end of the year		**95,08,63,988**	**2,00,70,70,952**
Components of Cash and Cash Equivalents at the end of the year:			
- Cash in hand		6,427	31,821
- Cheques in hand		21,94,325	6,07,00,000
- Balance with banks			
- in current accounts		93,87,97,909	64,70,43,087
- in fixed deposits		98,65,328	1,29,92,96,044
		95,08,63,989	**2,00,70,70,952**
Summary of significant accounting policies	**2.3**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

Xander Finance Private Limited
Statement of changes in equity for the year ended 31st March, 2021
(All amounts are in Indian Rupees unless otherwise stated)

A. Equity Share Capital

Balance at the beginning of the reporting period	Issued during the period	Reductions during the period	Balance at the end of the reporting period
1,48,05,02,160	-	-	1,48,05,02,160

B. Other equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	ESOP Reserve	Share Premium Account	Retained Earnings	
Opening balance as at March 31, 2019	67,50,62,501	73,72,861	1,51,81,38,907	1,58,47,80,889	3,78,53,55,158
Profit for the year	-	-	-	41,25,11,599	41,25,11,599
Other Comprehensive income for the year	-	-	-	49,876	49,876
Dividend paid including dividend distribution tax	-	-	-	(9,81,69,140)	(9,81,69,140)
Fair value of Employee Stock Option Plan (ESOP)	-	22,86,135	-		22,86,135
Transfer to/from retained earnings	8,13,86,000	-	-	(8,13,86,000)	-
Closing balance as at March 31, 2020	**75,64,48,501**	**96,58,996**	**1,51,81,38,907**	**1,81,77,87,224**	**4,10,20,33,628**
Opening balance as at March 31, 2020	**75,64,48,501**	**96,58,996**	**1,51,81,38,907**	**1,81,77,87,224**	**4,10,20,33,628**
Profit for the year	-	-	-	4,25,75,474	4,25,75,474
Other Comprehensive income for the year	-	-	-	15,68,307	15,68,307
Final Dividend paid	-	-	-	(15,54,52,729)	(15,54,52,729)
Fair value of Employee Stock Option Plan (ESOP)	-	(75,24,981)	-		(75,24,981)
Transfer to/from retained earnings	2,40,14,000	-	-	(2,40,14,000)	-
Closing balance as at March 31, 2021	**78,04,62,501**	**21,34,015**	**1,51,81,38,907**	**1,68,24,64,276**	**3,98,31,99,699**

Summary of significant accounting policies **Note 2.3**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

S.R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021

1. Corporate Information

Xander Finance Private Limited ('the Company') ('the Parent Company') was incorporated on January 10, 1997 under the provisions of the Companies Act, 1956 as a private limited company. The Company is registered with the Reserve Bank of India ('the RBI') as a non-deposit accepting systemically important non-banking financial company or NBFC-ND-SI under the Reserve Bank of India Act, 1934. The Company is engaged in the business of providing loans to corporates and other activities associated with lending.

Balestier Ventures Private Limited ('BVPL' or the 'Subsidiary Company' formerly known as Yuj Home Finance Private Limited) was incorporated on March 15, 2018. BVPL had applied to National Housing Bank ('NHB') for housing finance license to carry out housing finance business. The said application for Certificate of Registration ('COR') was submitted on July 25, 2018 to NHB. Considering changes made in the Finance (No.2) Act, 2019 (23 of 2019), the National Housing Bank Act, 1987 was amended and regulatory powers governing the housing finance companies in India were conferred to Reserve Bank of India ('RBI'). The application was transferred and an updated application along with requisite documents were submitted to RBI. However, the application was rejected by RBI vide email dated May 19, 2020. BVPL is in the process of evaluating the future business options.

The audited consolidated financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On June 25, 2021, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Basis of preparation

The consolidated financial statements 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) and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Consolidated Financial Statements comprise of the financial statements of the Parent company and Subsidiary Company (hereinafter collectively referred to as the 'Group').

The preparation of financial statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 2.4.18 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) except when otherwise indicated.

2.1. Presentation of financial statements

The financial statements of the Group are presented in order of liquidity and in accordance with Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 36. Financial assets and financial liabilities are generally reported on a gross basis except when,

S. R. BATLIBOI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

XANDER FINANCE PRIVATE LIMITED
MUMBAI

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

2.2. Statement of compliance

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and the Subsidiary Company (from the date control is gained), being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of the Subsidiary Company are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of the Subsidiary Company to align the accounting policies in line with accounting policies of the Parent Company. The Parent Company holds the entire shareholding in the Subsidiary Company and there are no contractual arrangements which rebute the control of the Parent Company over its Subsidiary Company. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The Consolidated financial statements include results of the subsidiary of Xander Finance Private Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	Proportion of ownership as at reporting date	Consolidated as
Balestier Ventures Private Limited (formerly known as Yuj Home Finance Private Limited)	India	100% *	Subsidiary

* Out of the above shares, 1 share is being held by one director in the capacity as a nominee

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group

2.4. Significant accounting policies

2.4.1 Revenue from operations

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

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Revenue includes the following:

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified and measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash 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 in estimating the cash flows
c. Including all fees 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.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Net gain on Fair value changes

Any differences between the fair values of financial assets (including investments) classified as fair value through the profit or loss ("FVTPL") (refer Note 24), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In case there is a net gain in the aggregate, the same is recognised in "Net gain on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified at amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

2.4.2 Financial Instruments

Financial assets and liabilities can be termed as financial instruments.

2.4.2.1 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 other comprehensive income
3. Financial assets to be measured at fair value through statement of profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit and loss or other comprehensive income (OCI).

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Financial Assets

(i) Financial assets measured at amortised cost

These financial assets comprise bank balances, loans, trade receivables, and other financial assets.

Financial assets with contractual terms that give rise to cash flows on specified dates and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.
These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(ii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income 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 both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Group does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iii) Financial assets measured at fair value through statement of profit or loss

Items at fair value through profit or loss comprise:

a) Investments (including equity shares) and stock in trade held for trading;
b) Items specifically designated as fair value through profit or loss on initial recognition; and
c) debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss 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.

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Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. As at the reporting date the Group does not have any financial instruments measured held for trading.

Financial Liabilities

The Group 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.

(i) 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 EIR.

(ii) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements. As at the reporting date the Group does not have any undrawn loan commitments.

2.4.3 Derecognition of financial assets and financial liabilities

2.4.3.1 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 credit-impaired at the origination date. 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.

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

A financial asset or a part of financial asset 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, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset; or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows.

A transfer only qualifies for derecognition if either:

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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.

2.4.3.3 Derecognition of Financial liabilities

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

2.3.4.3. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.4.4 Impairment of financial assets

<u>Overview of the ECL principles</u>

The Group recognises loss allowances for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:
i. debt instruments measured at amortised cost and fair value through other comprehensive income;
ii. loan commitments; and
iii. financial guarantee contracts.

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 ECLs 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 classified its loan portfolio into Corporate lending and Real estate lending.

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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 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 have a 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 1 month default under this category. Stage 1 loans also include facilities where the credit risk has improved, 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. More than 1 month due is considered as significant increase in credit risk. Further, one-time restructuring of loan accounts allowed by RBI vide circular resolution framework for COVID-19 related stress dated August 6, 2020 to the extent having no overdues has been assessed as an indicator of significant increase in credit risk on a conservative basis and accordingly such loan accounts have been classified under stage 2 upon their restructuring. These loans shall be upgraded to Stage 1 only after they demonstrate good repayment behaviour over a period of time.

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 recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. The Group shall classify all advances exceeding 3 months default under this category.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI 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 assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

i. Significant financial difficulty of the borrower or issuer;
ii. A breach of contract such as a default or past due event;
iii. The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
iv. The disappearance of an active market for a security because of financial difficulties.

Loan commitments

When estimating lifetime ECL, for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

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

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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. The concept of PD is further explained in Note 44

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 44

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 Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 44.

2.4.5 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 equity shares, movable and immovable assets, project cash flows 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. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral is valued based on data provided by third parties or management judgements.

2.4.6 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.

2.4.7 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 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 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 Group 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.

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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 sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

<u>Difference between transaction price and fair value at initial recognition</u>
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 statement of 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 deferred and is only recognised in statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

2.4.8 Expenses

2.4.8.1 Finance costs

Finance costs represents interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.
The EIR in case of a financial liability is computed

i. 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.
ii. By considering all the contractual terms of the financial instrument in estimating the cash flows
iii. 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 income with the corresponding adjustment to the carrying amount of the assets.

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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, processing fees.

2.4.8.2 Retirement and other employee benefits

Short term employee benefit
All employee benefits including short term compensated absences and statutory bonus/ performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are charged to the Statement of Profit and Loss of the year.

Post-employment employee benefits
a) Defined contribution schemes
Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan and contributions to the respective funds administered by the Government are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due

b) Defined Benefit schemes
Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

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. 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 annually.

Re-measurement, comprising of actuarial gains and losses (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 statement of profit and loss in subsequent periods.

2.4.8.3 Share-based payments

Share based compensation benefits are provided to employees via Xander Finance Employee Incentive Scheme 2016 (the 'Scheme'). The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options granted at each reporting period.

. 2.4.8.4 Other income and expenses

All Other income and expense are recognized in the period they occur.

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2.4.8.5 Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.4.9 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items are taken to the Statement of Profit and Loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss is taken to the Statement of Profit and Loss.

2.4.10 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, cheques on hand and balances with banks. 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.

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2.4.11 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 on plant, property and equipment is calculated using the straight-line method which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the primary period of the lease. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

Assets individually costing less than Rs. 5,000 are depreciated fully in the year of purchase

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule III of the Companies Act, 2013	Useful life estimated by Group
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	3 years

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.

2.4.12 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 indefinite. 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

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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 / up to 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.
The Group's intangible assets consist of computer software with definite 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.

2.4.13 Leases (As a lessee)

Identifying a lease

At the inception of the contract, the Group assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

i. The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
ii. The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
iii. The Group has right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 April 2018.
At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Recognition of right of use asset

The Group recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred.

Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of lease liability

The lease liability is initially measured at the present value of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the SBI MCLR rate

Subsequent measurement of lease liability

Lease liability is measured at amortised cost using the effective interest method. The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate/SBI MCLR rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

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It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in statement of profit or loss of the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value.

2.4.14 Provisions

A provision is recognized when the Group has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.4.15 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.

2.4.16 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.

2.4.17 Contingencies and events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

2.4.18 Significant accounting judgements, estimates and assumptions

The preparation of the Group's 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

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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.

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Note 3: Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	6,427	31,821
Balances with Banks		
- fixed deposits (with original maturity within 3 months)	98,65,328	1,18,02,51,080
- in current accounts	93,87,97,909	64,70,43,087
Others		
- fixed deposits with financial institutions (with original maturity within 3 months)	-	11,90,44,964
Cheques in hand	21,94,325	6,07,00,000
Total	**95,08,63,989**	**2,00,70,70,952**

Note 4: Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
- fixed deposits (with original maturity greater than 3 months and less than 12 months)	82,70,99,218	-
Total	**82,70,99,218**	**-**

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Note 5: Loans

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Receivables under financing activities (at amortised cost)	5,15,60,14,432	9,65,49,41,400
Total (A) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less: Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (A) - Net	**4,75,14,28,692**	**9,51,92,47,984**
i) Secured by tangible assets and intangible assets	5,15,60,14,432	9,65,49,41,400
ii) Unsecured	-	-
Total (B) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less : Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (B) - Net	**4,75,14,28,692**	**9,51,92,47,984**
Loans in India		
i) Public Sector	-	-
ii) Others (to be specified)	5,15,60,14,432	9,65,49,41,400
Total (C) - Gross	**5,15,60,14,432**	**9,65,49,41,400**
Less: Provision for expected credit losses	40,45,85,740	13,56,93,416
Total (C) - Net	**4,75,14,28,692**	**9,51,92,47,984**
Loans outside India	-	-
Less: Provision for expected credit losses	-	-
Total - Net	-	-
Total	**4,75,14,28,692**	**9,51,92,47,984**

Note:
There are no loan assets measured at FVOCI, FVTPL or designated at FVTPL

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Note 6: Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Recorded at FVTPL		
Security Receipts *		
i) Investment in CFMARC Trust 1	46,33,00,000	51,00,00,000
ii) Investment in Arcil-AST-063-II Trust	55,25,85,000	-
iii) Investment in Arcil-AST-063-I Trust	33,99,15,000	-
Total - Gross	**1,35,58,00,000**	**51,00,00,000**
Investments in India	1,35,58,00,000	51,00,00,000
Investments outside India	-	-
Total - Gross	**1,35,58,00,000**	**51,00,00,000**
Less : Impairment loss allowance	-	-
Total - Net	**1,35,58,00,000**	**51,00,00,000**

* Security Receipts represents loans which are transferred to Asset Reconstruction Companies. For determining the fair value, estimated cash flows of underlying loans are considered

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Note 7: Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	1,02,89,157	77,18,515
Other financial assets	-	22,70,219
Other receivables	143	5,03,216
Total	**1,02,89,300**	**1,04,91,950**

Note 8: Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for tax)	16,15,83,332	15,25,54,056
Total	**16,15,83,332**	**15,25,54,056**

Note 9: Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Provision for expected credit losses	10,18,26,139	3,41,51,319
Impact of provision for gratuity	20,65,767	16,20,136
Impact of provision for employee stock option plan (ESOP)	5,37,089	24,30,976
Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	-	-
Impact of provision for leave encashment	3,47,334	5,30,130
Impact of deferred employee benefits	-	-
Impact of unamortised processing fees on loans	1,62,46,560	2,55,28,555
Deferred lease rental	-	-
Lease Liability	1,55,89,820	1,88,24,884
Fair valuation of Security Deposits	5,71,661	41,273
Fair valuation of Investments and other assets	1,33,09,965	-
Deferred tax liabilities		
Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	1,00,42,761	1,50,93,441
Impact of unamortised processing fees on borrowings	31,79,534	76,13,377
Interest on NPA on loans	-	-
Fair valuation of Security Deposits	-	-
Deferred lease rental	9,124	15,564
Lease Liability	-	-
Total	**13,72,62,916**	**6,04,04,891**

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Note 10: Property, plant and equipment

Particulars	Computers	Furniture & Fixtures	Office Equipment	Leasehold Improvements	Buildings (leased)	Total
At cost or fair value at the beginning of the year	37,03,344	19,85,601	15,49,048	3,42,24,297	10,91,63,883	15,06,26,173
Additions	5,59,723	-	-	-	-	5,59,723
Acquisitions through business combination	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-
Disposals	83,500	-	38,214	-	-	1,21,714
Reclassification from/to held for sale	-	-	-	-	-	-
At cost or fair value at the end of the year	**41,79,567**	**19,85,601**	**15,10,834**	**3,42,24,297**	**10,91,63,883**	**15,10,64,182**
Accumulated Depreciation and impairment as at the beginning of the year	28,75,619	6,54,674	10,13,386	2,62,93,204	3,33,77,325	6,42,14,208
Depreciation for the year	4,67,062	1,88,632	1,44,983	25,25,642	1,68,41,457	2,01,67,776
Disposals	79,325	-	23,701	-	-	1,03,026
Impairment/ (reversal) of Impairment	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-
Accumulated Depreciation and impairment as at the end of the year	**32,63,356**	**8,43,306**	**11,34,668**	**2,88,18,846**	**5,02,18,782**	**8,42,78,958**
Net Carrying amount as at the end of the year	**9,16,211**	**11,42,295**	**3,76,166**	**54,05,451**	**5,89,45,101**	**6,67,85,224**
Net Carrying amount as at the end of the previous year	**8,27,725**	**13,30,927**	**5,35,662**	**79,31,093**	**7,57,86,558**	**8,64,11,965**

Note 11: Intangible assets

Particulars	Software	Total
At cost, beginning of the year	8,93,137	8,93,137
Additions	15,437	15,437
Acquisitions	-	-
Fair value adjustment, if any	-	-
Disposals	1,48,848	1,48,848
Total Cost	**7,59,726**	**7,59,726**
Accumulated amortisation and impairment:		
At the beginning of the year	4,24,820	4,24,820
Amortisation	2,23,847	2,23,847
Disposals	1,29,460	1,29,460
Impairment/ (reversal) of Impairment	-	-
Total Amortisation and impairment	**5,19,207**	**5,19,207**
Net Carrying amount as at the end of the year	**2,40,519**	**2,40,519**
Net Carrying amount as at the end of the previous year	**4,68,317**	**4,68,317**

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Note 12: Other non-financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	2,01,15,875	2,20,330
Asset acquired in satisfaction of loans (held for sale)	56,02,82,433	-
Deferred lease rental	36,251	61,840
Advance against expenses	7,77,754	2,03,985
GST & service tax input credit available / receivable	1,86,24,786	1,00,13,521
Total	**59,98,37,099**	**1,04,99,676**

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Note 13: Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	39,98,364	11,28,002
Total	**39,98,364**	**11,28,002**

Note 14: Debt securities

Particulars	As at 31 March 2021	As at 31 March 2020
Debentures at amortised cost		
Secured		
Non Convertible Debentures, fully paid, privately placed	2,65,05,06,270	1,75,39,47,579
Total	**2,65,05,06,270**	**1,75,39,47,579**
Debt securities in India	2,65,05,06,270	1,75,39,47,579
Debt securities outside India	-	-
Total	**2,65,05,06,270**	**1,75,39,47,579**

The debentures are redeemable at par. The debentures are secured against pari passu charge on standard asset portfolio of book debts and receivables of the company.

Terms of repayment of the debt securities are as under:

Terms of repayment as on 31 March 2021 for Non Convertible Debentures

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Half Yearly repayment schedule								
1 - 3 years	9.70%	1	25,37,00,685	-	-	-	-	25,37,00,685
Subtotal(A)			**25,37,00,685**		**-**		**-**	**25,37,00,685**
Bullet repayment schedule								
1 - 3 years	9%-10.25%	1	2,17,21,497	1	25,00,00,000	-	-	27,17,21,497
		2	106,35,03,258	-	-	-	-	1,06,35,03,258
		1	3,51,81,387	1	49,59,11,139	-	-	53,10,92,526
		1	53,04,88,304	-	-			53,04,88,304
Subtotal(B)			**165,08,94,446**		**74,59,11,139**		**-**	**2,39,68,05,585**
Total (A+B)			**190,45,95,131**		**74,59,11,139**		**-**	**2,65,05,06,270**

Terms of repayment as on 31 March 2020 for Non Convertible Debentures

Half Yearly repayment schedule								
1 - 3 years	9%-10%	5	150,41,66,757	1	24,97,80,822	-	-	1,75,39,47,579
Total			**1,50,41,66,757**		**,24,97,80,822**			**1,75,39,47,579**

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Note 15: Borrowings (otherthan debt securities)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Term Loans		
Secured		
From Banks	57,11,14,469	3,24,19,54,842
From Financial institutions	-	46,10,20,456
(b) Loans repayable on demand		
Secured		
Cash credit / Overdraft facilities from banks	-	1,20,61,02,212
Total	**57,11,14,469**	**4,90,90,77,510**
Borrowings in India	57,11,14,469	4,90,90,77,510
Borrowings outside India	-	-
Total	**57,11,14,469**	**4,90,90,77,510**

The loans are secured against pari passu charge on standard asset portfolio of book debts and receivables of the parent company.

Terms of repayment of the secured loans are as under:

Terms of repayment as on 31 March 2021 for Borrowings from Banks & Financial Institutions

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Total
Quarterly repayment schedule								
1- 4 Years	9%-10%	1	16,59,48,185	-	-	-	-	16,59,48,185
		1	16,30,27,416	-	-	-	-	16,30,27,416
		-	-	4	24,21,38,868	-	-	24,21,38,868
Total			**32,89,75,601**		**24,21,38,868**		-	**57,11,14,469**

Terms of repayment as on 31 March 2020 for Borrowings from Banks & Financial Institutions

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 3 Years		Due above 3 years		
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Total
Quarterly repayment schedule								
1- 4 Years	9%-12%	4	13,42,07,815	-	-	-	-	13,42,07,815
		4	16,67,47,964	-	-	-	-	16,67,47,964
		4	13,14,81,222	-	-	-	-	13,14,81,222
		4	16,62,68,355	2	8,31,81,984	-	-	24,94,50,339
		4	16,59,70,177	2	8,16,50,262	-	-	24,76,20,439
		4	16,89,72,678	2	8,28,65,800	-	-	25,18,38,478
		1	7,19,25,763	3	16,71,38,864	-	-	23,90,64,627
		2	4,98,18,664	-	-	-	-	4,98,18,664
		4	33,71,44,246	2	16,63,93,977	-	-	50,35,38,223
		4	16,88,61,378	4	16,64,48,593	-	-	33,53,09,971
		4	8,30,79,944	4	8,31,04,412	-	-	16,61,84,356
		4	16,63,97,846	4	16,48,62,812	-	-	33,12,60,658
		4	16,62,02,613	1	2,46,50,369	-	-	19,08,52,982
		4	10,13,95,676	5	12,40,93,309	-	-	22,54,88,985
		4	9,62,81,206	7	17,38,86,268	-	-	27,01,67,474
Subtotal(A)			**2,17,47,55,547**		**1,31,82,76,650**		-	**3,49,30,32,197**
Half Yearly repayment schedule								
1-4 Years	9%-10%	1	20,99,43,101	-	-	-	-	20,99,43,101
Subtotal(B)			**20,99,43,101**		-		-	**20,99,43,101**
Total (A+B)			**2,38,46,98,648**		**1,31,82,76,650**		-	**3,70,29,75,298**

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Note 16: Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Liability	6,19,43,021	7,47,96,901
Payable for expenses	50,55,576	72,92,563
Employee benefits payable	9,17,020	1,02,00,000
Others (liabilities in respect of assets held for sale)	7,03,39,080	-
Total	**13,82,54,697**	**9,22,89,464**

Note 17: Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
For taxation	7,24,674	11,01,656
Total	**7,24,674**	**11,01,656**

Note 18: Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Gratuity	82,07,910	64,37,285
- Leave encashment	13,80,062	21,06,367
Total	**95,87,972**	**85,43,652**

Note 19: Other Non-financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	94,09,465	74,34,675
Advance from customers	1,38,92,519	10,91,465
Total	**2,33,01,984**	**85,26,140**

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Note 20: Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
EQUITY SHARE CAPITAL		
Authorised:		
14,81,00,000 (31 March 2020: 14,81,00,000) equity shares of Rs.10 each	1,48,10,00,000	1,48,10,00,000
	1,48,10,00,000	**1,48,10,00,000**
Issued, subscribed and fully paid up		
Equity shares		
14,80,50,216 (31 March 2020: 14,80,50,216) equity shares of Rs.10 each	1,48,05,02,160	1,48,05,02,160
Total Equity	**1,48,05,02,160**	**1,48,05,02,160**

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

Particulars	**31-Mar-21**		**31-Mar-20**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance as at beginning of the year	14,80,50,216	1,48,05,02,160	14,80,50,216	1,48,05,02,160
Add:- Equity shares issued during the year	-	-	-	-
Balance as at end of the year	**14,80,50,216**	**1,48,05,02,160**	**14,80,50,216**	**1,48,05,02,160**

Terms and rights attached to equity shares
The Parent company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.

In the event of liquidation of the Parent company, the holders of equity shares will be entitled to receive remaining assets of the Parent company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company and details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	**31-Mar-21**		**31-Mar-20**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Xander Credit Pte Ltd., the holding company	14,72,40,866	1,47,24,08,660	14,72,40,866	1,47,24,08,660
Shares of Rs. 10 each fully paid.				

Particulars	**31-Mar-21**		**31-Mar-20**	
	Number of Shares	**% holding**	**Number of Shares**	**% holding**
Xander Credit Pte Ltd., the holding company	14,72,40,866	99.45%	14,72,40,866	99.45%

As per the record of the Parent company, including its register of shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Parent company has not issued shares for consideration other than cash during the period of five years immediately preceding the reporting date.

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Note 21: Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory reserve (As required by section 45-IC of the Reserve Bank of India Act, 1934)	78,04,62,501	75,64,48,501
Securities premium account	1,51,81,38,907	1,51,81,38,907
Retained earnings (surplus/deficit in profit & loss account)	1,68,24,64,276	1,81,77,87,224
Employees Stock Option Plan (ESOP) Reserve	21,34,015	96,58,996
Total	**3,98,31,99,699**	**4,10,20,33,628**

Note 21.1: Nature and purpose of reserves

Statutory reserve: Statutory reserve represents appropriation of retained earning as per section 45 IC of the Reserve Bank Of India Act, 1934.

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.

Retained earnings: Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders. The Group recognises any change on account of remeasurement of the net defined liability/(asset) which comprises of actuarial gains/losses in other comprehensive income which is considered as part of retained earnings.

Employees Stock Option Plan (ESOP) Reserve: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 34 for further details of these plans.

Note 21.2: Other equity movement

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory reserve (As required by section 45-IC of the Reserve Bank of India Act, 1934)		
Balance as at the beginning of the year	75,64,48,501	67,50,62,501
Additions during the year - Transfer from Surplus from Statement of Profit and Loss	2,40,14,000	8,13,86,000
Balance as at the end of the year	**78,04,62,501**	**75,64,48,501**
Securities premium account		
Balance as at the beginning of the year	1,51,81,38,907	1,51,81,38,907
Add: Premium on shares issued during the year	-	-
Balance as at the end of the year	**1,51,81,38,907**	**1,51,81,38,907**
Retained earnings (surplus/deficit in profit & loss account)		
Balance as at the beginning of the year	1,81,77,87,224	1,58,47,80,889
Add: Profit for the year	4,25,75,474	41,25,11,599
Less : Appropriations		
Transfer to Statutory Reserve	2,40,14,000	8,13,86,000
Dividend paid during the year		
- Dividend	-	8,14,27,621
- Dividend Distribution Tax	-	1,67,41,519
Final Dividend for FY 2019-20	15,54,52,729	-
Other Comprehensive Income	15,68,307	49,876
Balance as at the end of the year	**1,68,24,64,276**	**1,81,77,87,224**
Employees Stock Option Plan (ESOP) Reserve		
Balance as at the beginning of the year	96,58,996	73,72,861
Add: Provision for the year	(75,24,981)	22,86,135
Balance as at the end of the year	**21,34,015**	**96,58,996**
Total	**3,98,31,99,699**	**4,10,20,33,628**

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Note 22: Interest income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on financial assets measured at amortised cost		
Interest Income	1,33,84,76,447	2,09,23,36,563
Other interest income-unwinding of security deposit	5,56,592	6,18,386
Total	**1,33,90,33,039**	**2,09,29,54,949**

Note 23: Other operating income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Redemption Premium	2,41,344	-
Total	**2,41,344**	-

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On investment portfolio		
- Mutual Funds	-	63,44,703
- Other items	(5,13,20,098)	-
Fair Value changes:		
- Realised	15,64,376	63,44,703
- Unrealised	(5,28,84,474)	-
	(5,13,20,098)	**63,44,703**
Total	**(5,13,20,098)**	**63,44,703**

Note 25: Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on fixed deposits	7,06,93,120	6,23,04,227
Provisions no longer required written back	2,00,000	6,27,75,409
Other miscellaneous income	1,07,070	46,756
Total	**7,10,00,190**	**12,51,26,392**

Note 26: Finance cost

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost		
Interest		
- On term loans from banks	22,59,91,485	47,44,43,797
- On cash credit from banks	4,24,33,812	9,84,63,559
- On working capital demand loans from bank	-	-
- On term loans from financial institutions	2,96,47,115	6,70,00,708
- On non-convertible debentures	27,05,08,035	26,49,16,543
- On taxes	5,06,644	-
Other borrowing cost	-	-
Other borrowing costs	60,46,676	99,74,720
Bank charges	9,60,251	13,75,597
Interest on lease liability	57,69,526	29,03,401
Total	**58,18,63,544**	**91,90,78,325**

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Note 27: Impairment of financial assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impairment on Financial instruments measured at Amortised cost		
Loss on assignment	25,18,88,969	18,27,42,122
Bad Debts	-	39,75,12,934
Provision for expected credit losses	26,88,92,324	(10,72,38,758)
Reversal of interest on Non Performing Asset	-	1,74,23,648
Total	**52,07,81,293**	**49,04,39,946**

Note 28: Employee benefit expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	7,49,35,028	11,36,46,973
Contributions to provident and other funds	30,14,933	38,25,732
Employees stock option plan	(75,24,981)	35,20,679
Gratuity	38,66,396	19,66,970
Leave encashment expenses	(7,26,305)	(5,14,603)
Staff welfare expenses	46,791	12,84,139
Total	**7,36,11,862**	**12,37,29,890**

Note 29: Depreciation, amortization and impairment

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of tangible and intangible assets	2,03,91,623	2,11,05,654
	2,03,91,623	**2,11,05,654**

Note 30: Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rates and taxes	11,22,769	2,98,443
Rent	79,47,621	2,01,57,674
Electricity	1,85,723	5,65,830
Traveling and conveyance	10,12,900	1,16,44,567
Communication	10,30,391	16,12,202
Insurance	32,89,287	23,04,182
Office maintenance	21,18,176	31,53,772
Legal and professional fee	5,78,59,942	5,53,26,846
Recruitment expense	-	2,87,760
Loss on sale of property, plant and equipment	38,076	30,684
Auditors' remuneration *	34,44,985	28,20,975
Corporate social responsibility	1,75,00,000	1,00,00,000
Miscellaneous expenses	41,83,614	60,78,603
Total	**9,97,33,484**	**11,42,81,538**

Auditors' Remuneration

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
As auditors		
Audit fees	17,32,500	16,62,000
Limited review	2,72,500	2,50,000
Tax audit fees	3,52,000	3,27,495
In other capacity		
Certification fees	7,95,000	1,27,000
Reimbursement of expenses	17,985	29,480
	31,69,985	**23,95,975**

Details of CSR expenditure:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Amount required to be spent by the Company during the year	1,64,41,382	1,88,67,674
b) Amount spent during the year	1,75,00,000	1,00,00,000
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1,75,00,000	1,00,00,000
Total	**1,75,00,000**	**1,00,00,000**

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Note 31: Income tax

The components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	9,73,82,684	9,62,58,581
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(7,73,85,489)	4,70,20,511
Total tax charge	**1,99,97,195**	**14,32,79,092**

Reconciliation of the total tax charge:

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	6,25,72,668	55,57,90,691
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	1,57,00,000	13,99,00,000
Difference in tax rate due to:		
Effect of non-deductible expenses	44,00,000	-
Effect of non taxable income	-	-
Others	(1,02,805)	33,79,092
Total Tax expense	**1,99,97,195**	**14,32,79,092**
Effective tax rate	**31.96%**	**25.78%**

Deferred tax

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

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	31-Mar-21	31-Mar-21	2020-21	2020-21
Depreciation	-	1,00,42,761	50,50,680	-
Impairment allowance for financial assets	10,18,26,139	-	6,76,74,820	-
Financial instruments measured at EIR	1,62,46,560	31,79,534	(48,48,152)	-
Remeasurement gain / (loss) on defined benefit plan	20,65,767	-	9,73,095	(5,27,464)
Other Provisions	8,84,423	-	(20,76,683)	-
Other temporary differences	2,94,71,446	9,124	1,06,11,729	-
Total	**15,04,94,335**	**1,32,31,419**	**7,73,85,489**	**(5,27,464)**

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	31-Mar-20	31-Mar-20	2019-20	2019-20
Depreciation	-	1,50,93,441	(2,43,00,791)	-
Impairment allowance for financial assets	3,41,51,319	-	(3,00,38,530)	-
Financial instruments measured at EIR	2,55,28,555	76,13,377	(1,72,34,998)	-
Remeasurement gain / (loss) on defined benefit plan	16,20,136	-	3,15,747	(16,775)
Other Provisions	29,61,106	-	(43,17,097)	-
Other temporary differences	1,88,66,157	15,564	2,85,55,158	-
Total	**8,31,27,273**	**2,27,22,382**	**(4,70,20,511)**	**(16,775)**

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Note 32: Earnings per share

Basic Earnings Per Share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars		**Year ended 31 March 2021**	**Year ended 31 March 2020**
Profit attributable to equity shareholders **(A)**	Rupees	4,25,75,474	41,25,11,599
Nominal value of equity share	Rs. / Share	10	10
Weighted average number of ordinary shares for basic earnings per share			
Opening Balance of equity shares **(B1)**	Nos	14,80,50,216	14,80,50,216
Issued during the year **(B2)**	Nos	-	-
Weighted average no. of equity shares issued during the year **(B3)**	Nos	-	-
Total weighted no. of equity shares for basic EPS **(B) = (B1+B3)**	Nos	14,80,50,216	14,80,50,216
Basic EPS **(A/B)**	Rs. / Share	**0.29**	**2.79**
Total weighted no. of equity shares for diluted EPS **(C)**	Nos	14,80,50,216	14,80,50,216
Diluted EPS **(A/C)**	Rs. / Share	**0.29**	**2.79**

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Note 33: Employee Stock Option Plan (ESOP)

The Parent company provides share-based employee benefits to the employees of the Parent company. During the year ended March 31, 2021, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

The Board of Directors approved the Xander Finance Employee Incentive Scheme 2016 (the 'Scheme') for issue of stock units to the key employees and directors of the Parent company. According to the Scheme, the employees selected by the Administrator of the Scheme (as appointed by Board of Directors of the Parent company) from time to time will be entitled to stock units, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of at least 2 years. The contractual life (comprising the vesting period and the exercise period) of options granted is 3 years as per the Scheme. However, the Parent company estimates that based on current market conditions the stock units could be exercised at the end of 5 years by way of settlement in cash. The other relevant terms of the grant are as below:

Other relevant terms of the grant are as follows	Terms
Vesting period	3 years
Exercise period	After completion of the vesting period, currently estimated at 5 years
Expected life	5 years
Exercise price	Nil

The details of the Scheme are summarized below:

Particulars	31-Mar-21	31-Mar-20
Date of grant	-	15-May-19
Date of Board / Nomination & Remuneration committee approval	-	15-May-19
Number of Options granted	-	2,24,291

Particulars	31-Mar-21		31-Mar-20	
	Average exercise price	Number of options	Average exercise price	Number of options
Options outstanding at the beginning of the year	43.38	8,99,994	44.23	7,46,938
Granted during the year	-	-	42.12	2,24,291
Forfeited during the year	NA	6,26,689	NA	10,776
Exercised during the year	-	-	45.20	60,459
Expired during the year	-	-	-	-
Outstanding at the end of the year	40.29	2,73,305	43.38	8,99,994
Exercisable at the end of the year	-	-	-	-

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Note 34: Transfer of financial assets

During the current reporting year, the Group has transferred two loan accounts to an Asset Reconstruction Group (ARC) on a without recourse basis. Both the loans were secured and were classified as credit impaired on the date of assignment. The Group has received the entire purchase consideration in cash from the ARC and has subscribed to the Security Receipts to the extent of 85%.

In view of the above, the Group has substantially retained all the risks and rewards of the ownership to the extent of 85% of the loans sold to the ARC and thereby does not meet the derecognition criteria as set out in Ind AS 109. However for balance 15% of the loans transferred against cash, derecognition criteria as set out in Ind AS 109 has been met.

Since the loans and advances have been transferred and the new asset (in the form of Security Receipts) having substantially different characteristics have been acquired, the Group has derecognised the loans and recognised the modified assets i.e. Security Receipts under "Investments".

The modified asset i.e. Security Receipts are classified at "Fair Value Through Profit & Loss" (FVTPL) by the Group as the contractual cash flows of the Security Receipts do not represent for Solely for Principal and Interest (SPPI) on amount outstanding under the basic lending arrangement.

The following table provides a summary of financial assets that have been transferred:

Particulars	31-Mar-21	31-Mar-20
Carrying amount of transferred assets measured at amortised cost	1,30,18,88,969	78,27,42,122
Fair value of modified assets	89,25,00,000	51,00,00,000

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

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Note 35: Retirement benefit plan

Defined contribution plan

In accordance with the Indian regulations, employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Group contribute monthly at a determined rate. These contributions are made to a recognised provident fund. The employee contributes 12% of his/her basic salary and the Group contributes an equal amount. The Group recognised Rs.30,14,933 (Previous year Rs.38,25,732) for Provident Fund contribution in the Statement of Profit and Loss.

Defined benefit plan

The Group has a non-contributory unfunded defined benefit gratuity plan, under which every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn basic salary for each completed year of service.

Based on Ind AS 19 "Employee Benefits" notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016, the following disclosures have been made as required by the standard:

A. Amount recognised in the balance sheet	**31-Mar-21**	**31-Mar-20**
Present value of defined benefit obligation	82,07,910	64,37,285
Fair value of plan assets	-	-
Asset/(liability) recognized in the balance sheet	**82,07,910**	**64,37,285**

B. Change in projected benefit obligation	**31-Mar-21**	**31-Mar-20**
Opening defined benefit obligation	64,37,285	45,36,966
Current service cost	11,18,064	16,20,346
Interest cost	4,25,505	3,46,624
Past Service Cost	23,22,827	-
Benefits paid	-	-
Actuarial loss / (gain) on obligation	(20,95,771)	(66,651)
Closing defined benefit obligation	**82,07,910**	**64,37,285**

C. Change in plan assets	**31-Mar-21**	**31-Mar-20**
Opening fair value of plan assets	-	-
Return on plan assets	-	-
Actuarial gain/(loss)	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

D. Amount recognised in the statement of profit and loss	**31-Mar-21**	**31-Mar-20**
Current service cost	11,18,064	16,20,346
Interest cost on benefit obligation	4,25,505	3,46,624
Past Service Cost	23,22,827	-
Expenses recognised in the statement of profit and loss	**38,66,396**	**19,66,970**

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E. Amount recognised in other comprehensive income	31-Mar-21	31-Mar-20
Actuarial (gains)/losses		
- Effect of changes in demographic assumptions	-	-
- Effect of changes in financial assumptions	15,373	3,57,526
- Effect of experience adjustments	(21,11,144)	(4,24,177)
Total remeasurements included in other comprehensive income	**(20,95,771)**	**(66,651)**

F. Expected cash flows for following year	31-Mar-21	31-Mar-20
Expected contributions / Additional Provision Next Year	11,18,064	16,20,346
Expected total benefit payments		
Year 1	48,61,210	6,12,433
Year 2	3,81,149	6,70,154
Year 3	3,77,056	6,66,397
Year 4	3,64,266	6,55,788
Year 5	3,47,406	6,18,145
Next 5 years	15,10,860	25,33,852

G. Assumptions used	31-Mar-21	31-Mar-20
Discount rate	6.57%	6.61%
Attrition rate	10%	10%
Expected rate of return on assets	NA	NA

H. Sensitivity Analysis	31-Mar-21		31-Mar-20	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	79,01,057	85,57,348	60,00,165	69,33,837
Salary increase rate (1% movement)	85,15,773	79,34,271	67,11,026	61,61,597
Attrition rate (1% movement)	82,11,136	82,02,695	64,78,367	63,85,183

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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. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the Expected interest rate (EIR). Issued debt reflect the contractual coupon amortisations.

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	95,08,63,989	-	95,08,63,989	2,00,70,70,952	-	2,00,70,70,952
Bank balance other than cash and cash equivalents	82,70,99,218	-	82,70,99,218	-	-	-
Loans	1,67,71,38,424	3,07,42,90,268	4,75,14,28,692	3,85,17,51,424	5,66,74,96,560	9,51,92,47,984
Investments	21,00,00,000	1,14,58,00,000	1,35,58,00,000	-	51,00,00,000	51,00,00,000
Other financial assets	2,11,143	1,00,78,157	1,02,89,300	31,58,385	73,33,565	1,04,91,950
Non-financial Assets						
Current tax assets (net)	-	16,15,83,332	16,15,83,332	-	15,25,54,056	15,25,54,056
Deferred tax assets (net)	-	13,72,62,916	13,72,62,916	-	6,04,04,891	6,04,04,891
Property, plant and equipment	-	6,67,85,224	6,67,85,224	-	8,64,11,965	8,64,11,965
Other intangible assets	-	2,40,519	2,40,519	-	4,68,317	4,68,317
Other non financial assets	5,33,62,959	54,64,74,140	59,98,37,099	1,04,37,836	61,840	1,04,99,676
Total assets	**3,71,86,75,733**	**5,14,25,14,556**	**8,86,11,90,289**	**5,87,24,18,597**	**6,48,47,31,194**	**12,35,71,49,791**
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	39,98,364	-	39,98,364	11,28,002	-	11,28,002
Debt Securities	1,90,26,07,868	74,78,98,402	2,65,05,06,270	1,50,41,66,757	24,97,80,822	1,75,39,47,579
Borrowings (other than debt securities)	32,58,32,870	24,52,81,599	57,11,14,469	3,59,08,00,860	1,31,82,76,650	4,90,90,77,510
Other Financial liabilities	9,11,51,382	4,71,03,315	13,82,54,697	3,03,46,444	6,19,43,021	9,22,89,464
Non-financial liabilities						
Current tax liabilities (net)	-	7,24,674	7,24,674	-	11,01,656	11,01,656
Provisions	60,13,205	35,74,767	95,87,972	26,10,428	59,33,224	85,43,652
Other non-financial liabilities	94,09,465	1,38,92,519	2,33,01,984	74,34,675	10,91,465	85,26,140
Total liabilities	**2,33,90,13,154**	**1,05,84,75,276**	**3,39,74,88,430**	**5,13,64,87,166**	**1,63,81,26,838**	**6,77,46,14,003**
Net	**1,37,96,62,580**	**4,08,40,39,280**	**5,46,37,01,859**	**73,59,31,431**	**4,84,66,04,356**	**5,58,25,35,788**

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Note 37: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at 31 March, 2020	Cash Flows	Other	As at 31 March 2021
Debt Securities	1,75,39,47,579	75,00,00,000	14,65,58,691	2,65,05,06,270
Borrowings other than debt securities	4,90,90,77,510	(4,33,47,98,895)	(31,64,147)	57,11,14,469
Total	**6,66,30,25,089**	**(3,58,47,98,895)**	**14,33,94,544**	**3,22,16,20,738**

Particulars	As at 31 March, 2019	Cash Flows	Other	As at 31 March 2020
Debt Securities	2,98,40,06,498	(1,25,00,00,000)	1,99,41,081	1,75,39,47,579
Borrowings other than debt securities	6,37,19,89,968	(1,47,81,08,143)	1,51,95,685	4,90,90,77,510
Total	**9,35,59,96,466**	**(2,72,81,08,143)**	**3,51,36,766**	**6,66,30,25,089**

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Note 38: Contingent liabilities, commitments

(A) Contingent Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent Liabilities		
- Income tax matter in dispute	2,69,77,960	-
- Service tax matter in dispute	23,63,500	-
	2,93,41,460	-

The Group does not expect any significant liabilities to materialise

(B) Commitments

- Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for as at 31 March 2021 is Rs. Nil (31 March 2020: Rs. Nil).
- Other commitments pertaining to undrawn committed credits as at 31 March 2021 is Rs. Nil (31 March, 2020 : Rs. Nil)

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Note 39: Related party disclosures

a) List of related parties

Holding Company
Xander Credit Pte Limited, Singapore (the Holding Company)

Company where the directors have significant influence
Xander Advisors (India) Private Limited

Key managerial personnel during the year:
Mr. Rohan Sikri, Chairman and Director
Mr. Amar Merani, Managing Director and CEO
Mr. Sandeep Chhabda, Director (till March 10, 2021)
Mr. Pankaj Rathi, Company Secretary (till March 23, 2021)
Ms. Hinal Shah, Company Secretary
Mr. Rajesh Jogi, Independent Director (w.e.f. March 05, 2021)

b) Transactions with related parties

Particulars	31-Mar-21	31-Mar-20
Holding company		
Payment of interim dividend	-	8,09,82,477
Payment of final dividend	13,91,42,619	-
Company where the directors have significant influence		
Cost incurred towards reimbursement of rent expenses	33,32,949	1,25,65,068
Cost incurred towards reimbursement of administrative expenses	19,764	3,13,242
Key Managerial Personnel		
Remuneration to Key Managerial Personnel during the year*		
Mr. Rohan Sikri		
Payment of interim dividend	-	2,14,891
Payment of final dividend	3,24,915	-
Mr. Amar Merani		
- Salaries & wages	1,80,22,620	2,36,45,040
- Post employment benefits	11,50,380	12,54,960
Mr. Sandeep Chhabda		
- Salaries & wages	77,82,016	34,37,500
- Post employment benefits	-	-
Mr. Pankaj Rathi		
- Salaries & wages	50,48,173	63,64,000
- Post employment benefits	8,68,269	-
Ms. Hinal Shah		
- Salaries & wages	8,23,866	9,04,530
- Post employment benefits	-	-
Mr. Rajesh Jogi		
- Sitting fees	1,00,000	-

* Provision for gratuity and leave encashment is made for the Company as a whole and the amounts pertaining to the key managerial personnel is not specifically identified and hence not included above.

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Note 40: Capital

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 shareholder 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. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 41: Events after reporting date

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

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Note 42: Leases

Parent company as a Lessee

The Parent company has leased premises for a period of 5 years which has been recognised as a "Right to Use" Asset

Set out below are the carrying amounts of right-to-use assets recognised and the movements during the period:

Particulars	Buildings (leased)	Total
As at March 31, 2020	**7,57,86,558**	**7,57,86,558**
Addition	-	-
Depreciation	1,68,41,457	1,68,41,457
As at March 31, 2020	**5,89,45,101**	**5,89,45,101**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	7,47,96,901	83,10,508
Addition	-	8,11,98,961
Accretion of interest	57,69,526	29,03,402
Payments	1,86,23,406	1,76,15,970
Closing Balance	**6,19,43,021**	**7,47,96,901**

The Maturity analysis of lease liabilities is as under:

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Lease Liabilities	1,48,39,706	4,71,03,315	6,19,43,021	1,28,53,880	6,19,43,021	7,47,96,901

The following are the amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation expense of right-of-use assets	1,68,41,457	1,67,39,594
Interest expense on lease liabilities	57,69,526	29,03,401
Total amount recognised in profit or loss	**2,26,10,983**	**1,96,42,995**

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Note 43: Fair value measurement

43.1 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below:

43.2 Fair value hierarchy of assets and liabilities

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance 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. This is the case for Security Receipts included in level 3.

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

31 March 2021

Assets measured at fair value	Level-1	Level-2	Level-3	Total
Investments				
Security Receipts	-	-	1,35,58,00,000	1,40,25,00,000
Asset acquired in satisfaction of loans				
Quoted equity shares	1,38,44,542.58	-	-	1,38,44,543
Total financial assets measured at fair value	**1,38,44,542.58**	**-**	**1,35,58,00,000.00**	**1,41,63,44,542.58**

31 March 2020

Assets measured at fair value	Level-1	Level-2	Level-3	Total
Investments				
Security Receipts	-	-	51,00,00,000	51,00,00,000
Total financial assets measured at fair value	**-**	**-**	**51,00,00,000**	**51,00,00,000**

43.3 Valuation techniques

Security Receipts
Fair valuation has been carried out using discounted cash flow method. Cash flows have been projected based on the realisations from underlying assets.

Asset acquired in satisfaction of loans
The assets acquired in satisfaction of claims include assets acquired in the form of listed equity shares. The shares have been valued at the lower of quoted prices on NSE and BSE as on March 31, 2021

43.4 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-21	As at 1 April 2020	Purchase	Sales	Transfers into Level 3	Transfers from Level 3	At 31 March 2021	Unrealised gains and losses related to balances held at the end of the period
Investments							
Security Receipts	51,00,00,000	89,25,00,000	-	-	-	1,35,58,00,000	(4,67,00,000)
Asset acquired in satisfaction of loans							
Quoted equity shares	-	7,38,40,000	5,38,10,983	-	-	1,38,44,543	(61,84,474)
Total	**51,00,00,000**	**96,63,40,000**	**5,38,10,983**	**-**	**-**	**1,36,96,44,543**	**(5,28,84,474)**

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-20	As at 1 April 2019	Purchase	Sales	Transfers into Level 3	Transfers from Level 3	At 31 March 2020	Unrealised gains and losses related to balances held at the end of the period
Investments							
Security Receipts	-	51,00,00,000.00	-	-	-	51,00,00,000	-
Total	**-**	**51,00,00,000.00**	**-**	**-**	**-**	**51,00,00,000**	**-**

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43.5 Sensitivity of fair value measurements to changes in unobservable market data

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below

	31-Mar-21		31-Mar-20	
	Favourable changes	**Unfavourable changes**	**Favourable changes**	**Unfavourable changes**
Security Receipts				
Sensitivity to movement in significant unobservable inputs i.e. underlying cashflows				
- increase by 25%	35,06,25,000	-	12,75,00,000	-
- decrease by 25%	-	(35,06,25,000)	-	(12,75,00,000)

43.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

31-Mar-21	**Notional amount**	**Fair Value**			
		Level-1	**Level-2**	**Level-3**	**Total**
Financial assets:					
Cash and cash equivalents	95,08,63,989	95,08,63,989	-	-	95,08,63,989
Bank balance other than cash and cash equivalents	82,70,99,218	82,70,99,218	-	-	82,70,99,218
Loans	4,75,14,28,692	-	5,31,42,58,969	-	5,31,42,58,969
Other Financial assets	1,02,89,300	1,02,89,300	-	-	1,02,89,300
Total financial assets	**6,53,96,81,199**	**1,78,82,52,507**	**5,31,42,58,969**	-	**7,10,25,11,476**
Financial liabilities:					
Trade Payables	39,98,364	39,98,364	-	-	39,98,364
Debt securities	2,65,05,06,270	-	2,62,96,69,046	-	2,62,96,69,046
Borrowings (other than debt security)	57,11,14,469	-	58,03,56,793	-	58,03,56,793
Other Financial liabilities	13,82,54,697	13,82,54,697	-	-	13,82,54,697
Total financial liabilities	**3,36,38,73,800**	**14,22,53,061**	**3,21,00,25,839**	-	**3,35,22,78,900**
Off balance sheet items	-	-	-	-	-
Other commitments	-	-	-	-	-
Total off-balance sheet items	-	-	-	-	-

31-Mar-20	**Notional amount**	**Fair Value**			
		Level-1	**Level-2**	**Level-3**	**Total**
Financial assets:					
Cash and cash equivalents	2,00,70,70,952	2,00,70,70,952	-	-	2,00,70,70,952
Loans	9,51,92,47,984	-	-	9,82,50,07,080	9,82,50,07,080
Other Financial assets	1,04,91,950	1,04,91,950	-	-	1,04,91,950
Total financial assets	**11,53,68,10,886**	**2,01,75,62,902**	-	**9,82,50,07,080**	**11,84,25,69,982**
Financial liabilities:					
Trade Payables	11,28,002	11,28,002	-	-	11,28,002
Debt securities	1,75,39,47,579	-	-	1,73,87,74,899	1,73,87,74,899
Borrowings (other than debt security)	4,90,90,77,510	-	-	4,86,81,17,706	4,86,81,17,706
Other Financial liabilities	9,22,89,464	9,22,89,464	-	-	9,22,89,464
Total financial liabilities	**6,75,64,42,555**	**9,34,17,466**	-	**6,60,68,92,605**	**6,70,03,10,071**
Off balance sheet items	-	-	-	-	-
Other commitments	-	-	-	-	-
Total off-balance sheet items	-	-	-	-	-

43.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained above

Financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and balances, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models.

Debt securities and borrowings

The fair value of debt securities and borrowings are based on discounted cash flows using a current borrowing rate.

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Note 44: Risk management

44.1 Introduction and Risk Profile

The objective of risk management is not to prohibit or prevent risk taking activity, but to ensure that the risks are consciously taken with full knowledge, clear purpose and understanding so that they can be mitigated. It also prevents the Group from suffering losses causing it to materially damage its competitive position. Balancing risk and return is not an easy task as risk is subjective and not quantifiable whereas return is objective and measurable. Hence, there is a need to establish a risk management framework to manage, mitigate and attempt to build an estimate of the various components of risk that exist at any point in time. As the complexity and scale of the organization increases, risk increases disproportionately.

44.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (RMC) which is responsible for monitoring the overall risk processes within the Group. RMC shall be responsible for managing risk. The functions of RMC should essentially be to identify, monitor and measure the risk profile of the Group arising from its business activities. RMC shall be responsible for developing policies and procedures, approve the structure of the models that are used for providing credit, reviewing the risk mitigation mechanisms as development takes place in the markets and identify new risks.

44.1.2 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual borrower/Group of borrowers.

44.2 Credit Risk

Credit Risk is the potential that a borrower/counter party fails to meet the obligations on pre-agreed terms. The objective of credit risk management is to minimize the risk and maximize the Group's risk adjusted rate of return by assuming and maintaining credit exposure within the acceptable parameters. The interest rate charged to the borrower would be a function of risk perceived, cost of funds, margin, competitive forces, potential reinvestment risk and period of funding.

44.2.1 Management of Credit risk

Credit risk consists of primarily two components, i.e. quantity of risk, which is the outstanding loan balance as on the date of default and the quality of risk, i.e., the severity of loss defined by both probability of default as reduced by the recoveries that could be made in the event of default. Thus, credit risk is a combined outcome of default risk and exposure risk. As mentioned earlier, due t othe nature of business of the Group, it is imperative to have sufficient capital cushion against default risk and hence, adequate leverage will be taken with careful balancing of interests of shareholder returns and risk prudence.

Since default is not an abrupt process and the borrower's creditworthiness and asset quality declines gradually, the Group carefully monitors the developments of the asset post disbursement for operational progress, accounting and financial information, sales and collections. The Group also assesses the overall financial health of the borrower and its group at regular intervals and attempt sto get information.

The Group adheres to high standards of credit risk management and mitigation. The lending proposals are subjected to assessment of promoters, group financial strength and leverage, operational and financial performance track record, client cash flows, valuation of collateral, status of projects etc.

44.2.2 Write off policy

In case of financial assets where recovery is improbable, the Board of Directors or a Board constituted Committee i.e. the Credit Committee takes the decision for principal write-offs. Initially these are only technical write-offs and the loans are monitored and followed-up for recovery by all legitimate means. Financial assets are written off completely only after there is no hope of recovery after the Group exhausts all legitimate means of recovery and the Group in its judgement feels that no further recovery is possible.

44.2.3 Impairment Assessment

44.2.3.1 Staging of Assets

Based on t hedays past due status for each loan and increase in credit risk, the loans will be categorized 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 shall classify all standard advances and advances up to 1 month default under this category. Stage 1 loans also include facilities where the credit risk has improved, 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. 30 days past due is considered as significant increase in credit risk. The Group shall classify all advances between 1- 3 months default under this category. Also, the advances where there has been a rating downgrade by multiple notches since initial recognition and the account shows signs of stress, such exposures shall also be classified under Stage 2.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimat edfuture cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. The Group shall classify all advances exceeding 3 months default under this category.

44.2.3.2 Measurement of Expected Credit Losses (ECL)

As per Para 5.5.17 of Ind AS 109, the Group should measure expected credit losses of a financial instrument in a way that reflects an unbiased and probability- weightedamount that is determined by evaluating a range of possible outcomes; the time value of money, and reasonable and supportable information that is available

Based on above, ECL on Advances (Funded portion) has been computed in the following manner:
ECL = EAD * PD * LGD

(1) Exposure at Default (EAD)

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

(2) Probability of Default (PD)

It is an estimate of the likelihood of default over a given time horizon. As per Para B5.5.51 of Ind AS 109, an entity may use various sources of data, that may be both internal (entity-specific) and external. Possible data sources include internal historical credit loss experience, internal ratings, credit loss experience of other entities and external ratings, reports and statistics. Entities that have no, or insufficient, sources of entity-specific data may use peer group experience for the comparable financial instrument (or groups of financial instruments). While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. 12 Months PD is applied to assets in Stage 1. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. Lifetime PD has been applied considered in case of Stage 2 advances. For credit impaired assets, a PD of 100% has been applied.

(3) Loss Given Defaul t(LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

44.2.4 Analysis of risk concentration

The carrying amounts of the following financial assets represent the maximum credit risk exposure:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	95,08,63,989	2,00,70,70,952
Bank balance other than cash and cash equivalents	82,70,99,218	-
Loans	4,75,14,28,692	9,51,92,47,984
Investments	1,35,58,00,000	51,00,00,000
Other Financial assets	1,02,89,300	1,04,91,950
Total	**7,89,54,81,199**	**12,04,68,10,886**

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Credit quality of assets
The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

	31-Mar-21				31-Mar-20			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade								
Performing								
High grade (0 DPD)	2,55,61,85,091	1,43,02,62,188	-	3,98,64,47,279	9,36,79,96,905	-	-	9,36,79,96,905
Standard grade (1-30 DPD)	46,54,49,241	42,29,62,781	-	88,84,12,022	28,69,44,495	-		28,69,44,495
Sub-standard grade (31-60)	-	28,11,55,131	-	28,11,55,131	-	-	-	-
Past due but not impaired (61-90)	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**3,02,16,34,332**	**2,13,43,80,100**	-	**5,15,60,14,432**	**9,65,49,41,400**	-	-	**9,65,49,41,400**

Stage 2 includes loans with gross carrying amount of Rs.143.02 crores, which were restructured pursuant to RBIs COVID-19 framework dated August 6, 2020. These have been classified as Stage 2 on a conservative basis based on qualitative assessment performed by the Group in accordance with Ind AS 109. However, based on Group's assessment of the overall creditworthiness of the borrowers, the Group does not anticipate any defaults on these loans.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	9,65,49,41,400	-	-	9,65,49,41,400	13,77,89,27,664	51,31,71,064	12,99,23,648	14,42,20,22,376
New assets originated or purchased (net)	47,66,07,854	3,76,31,982	-	51,42,39,836	1,59,33,40,998	-	-	1,59,33,40,998
Assets derecognised or repaid (net) (excluding write offs)	(5,01,31,66,804)	-	-	(5,01,31,66,804)	(6,23,04,98,326)	-	-	(6,23,04,98,326)
Transfers to Stage 1	-	-	-	-	51,31,71,064	(51,31,71,064)	-	-
Transfers to Stage 2	(2,09,67,48,117)	2,09,67,48,117	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	(12,99,23,648)	(12,99,23,648)
Gross carrying amount closing balance	**3,02,16,34,333**	**2,13,43,80,099**	-	**5,15,60,14,432**	**9,65,49,41,400**	-	-	**9,65,49,41,400**

Reconciliation of ECL balance is given below:

	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	13,56,93,416	-	-	13,56,93,416	10,96,95,229	6,20,80,695	7,11,56,250	24,29,32,174
New assets originated or purchased (net)	49,72,656	33,59,94,998	-	34,09,67,654	7,08,38,454	-	-	7,08,38,454
Assets derecognised or repaid (net) (excluding write offs)	(7,20,75,330)	-	-	(7,20,75,330)	(10,42,58,284)	-	-	(10,42,58,284)
Transfers to Stage 1	-	-	-	-	6,20,80,695	(6,20,80,695)	-	-
Transfers to Stage 2	(3,66,00,316)	3,66,00,316	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	(26,62,678)	-	(7,11,56,250)	(7,38,18,928)
ECL allowance - closing balance	**3,19,90,426**	**37,25,95,314**	-	**40,45,85,740**	**13,56,93,416**	-	-	**13,56,93,416**

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans	(6,71,02,674)	33,59,94,998	-	**26,88,92,324**	2,59,98,187	(6,20,80,695)	(7,11,56,250)	**(10,72,38,758)**
Total impairment loss	**(6,71,02,674)**	**33,59,94,998**	-	**26,88,92,324**	**2,59,98,187**	**(6,20,80,695)**	**(7,11,56,250)**	**(10,72,38,758)**

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Credit risk exposure analysis

	As at March 31 2021			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Per portfolio				
Loans	3,02,16,34,332	2,13,43,80,100	-	**5,15,60,14,432**
Break up into:				
Per sector				
Real estate loan portfolio	2,43,65,12,789	1,85,32,24,969	-	**4,28,97,37,758**
Corporate loan portfolio	58,51,21,543	28,11,55,131	-	**86,62,76,674**
Per region				
Maharashtra	28,11,55,131	-	-	**28,11,55,131**
Karnataka	1,94,58,88,873	-	-	**1,94,58,88,873**
Delhi/NCR	2,48,13,02,293	-	-	**2,48,13,02,293**
Tamil Nadu	45,52,17,074	-	-	**45,52,17,074**
West Bengal	-	-	-	-
Total	**3,02,16,34,332**	**2,13,43,80,100**	-	**5,15,60,14,432**

	As at March 31 2020			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Per portfolio				
Loans	9,65,49,41,400	-	-	**9,65,49,41,400**
Break up into:				
Per sector				
Real estate loan portfolio	7,93,67,41,940	-	-	**7,93,67,41,940**
Corporate loan portfolio	1,71,81,99,460	-	-	**1,71,81,99,460**
Per region				
Maharashtra	35,63,44,377	-	-	**35,63,44,377**
Karnataka	3,97,67,08,158	-	-	**3,97,67,08,158**
Delhi/NCR	2,70,25,56,415	-	-	**2,70,25,56,415**
Tamil Nadu	1,62,56,31,670	-	-	**1,62,56,31,670**
West Bengal	99,37,00,780	-	-	**99,37,00,780**
Total	**9,65,49,41,400**	-	-	**9,65,49,41,400**

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44.3 Collateral and other credit enhancements

Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements.

Type of credit enhancement or collateral		Fair value of collateral and credit enhancements held under the base case scenario								
As at March 31 2021	Maximum exposure to credit risk	Cash	Securities	Bank guarantees	Plant and machinery	Land and building	Book debts, inventory and other working capital items	Surplus collateral	Total collateral	Net exposure
Loans	5,15,60,14,432	-	-	-	-	4,70,73,38,785	6,74,00,83,629	-	11,44,74,22,415	-
Total financial assets at amortised cost	5,15,60,14,432	-	-	-	-	4,70,73,38,785	6,74,00,83,629	-	11,44,74,22,415	-
Other commitments	-	-	-	-	-	-	-	-	-	-

Type of credit enhancement or collateral		Fair value of collateral and credit enhancements held under the base case scenario								
As at March 31 2020	Maximum exposure to credit risk	Cash	Securities	Bank guarantees	Plant and machinery	Land and building	Book debts, inventory and other working capital items	Surplus collateral	Total collateral	Net exposure
Loans	9,65,49,41,400	-	5,56,00,000	-	-	2,81,72,24,644	16,76,04,12,768	-	19,63,32,37,411	-
Total financial assets at amortised cost	9,65,49,41,400	-	5,56,00,000	-	-	2,81,72,24,644	16,76,04,12,768	-	19,63,32,37,411	-
Other commitments	-	-	-	-	-	-	-	-	-	-

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44.4 Liquidity risk and funding management

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Group has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc. Key principles adopted in the Group's approach to managing liquidity risk include:

a) Monitoring the Group 's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information .
b) Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines.
c) Operating a prudent funding strategy which ensures appropriate dive rsification and limits maturity concentrations.

44.4.1. Liquidity ratios

Advances to borrowings ratio

	31-Mar-21	31-Mar-20
Year-end	1.66	1.43
Maximum during the last 12 months	1.66	1.54
Minimum during the last 12 months	1.27	1.40
Average during the last 12 months	1.42	1.46

44.4.2. Analysis of financial liabilities by remaining contractual maturities

The table below summarises the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include interest accrued till the reporting date.

Maturity pattern of liabilities as at March 31, 2021:

Particulars	On demand	Less than 3 months	Over 3 months & up to 6 mooths	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial liabilities								
Trade payables	-	39,98,364	-	-	-	-	-	39,98,364
Debt securities	-	27,56,41,360	12,91,72,949	1,49,81,14,788	74,75,77,173	-	-	2,65,05,06,270
Borrowings (other than debt securities)	-	32,89,75,602	-	-	24,21,38,867	-	-	57,11,14,469
Other financial liabilities	-	7,78,12,337	55,51,510	77,87,535	3,65,02,940	1,06,00,375	-	13,82,54,697
Total undiscounted financial liabilities	-	68,64,27,663	13,47,24,459	1,50,59,02,323	1,02,62,18,980	1,06,00,375	-	3,36,38,73,800

Maturity pattern of liabilities as at March 31, 2020:

Particulars	On demand	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial liabilities								
Trade payables	-	11,28,002	-	-	-	-	-	11,28,002
Debt securities	-	25,99,33,465	49,79,85,338	74,62,47,954	24,97,80,822	-	-	1,75,39,47,579
Borrowings (other than debt securities)	-	75,66,01,008	98,22,86,883	1,85,19,12,967	1,31,82,76,652	-	-	4,90,90,77,510
Other financial liabilities	-	56,47,563	1,18,45,000	1,28,53,880	-	6,19,43,021	-	9,22,89,464
Total undiscounted financial liabilities	-	1,02,33,10,038	1,49,21,17,221	2,61,10,14,801	1,56,80,57,474	6,19,43,021	-	6,75,64,42,555

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44.5 Market risk
Market Risk is the possibility of loss to the Group caused by the changes in the market variables. It is the risk that the value of on and off-balance sheet positions (and hence profits and even financial stability) will be adversely affected by movements in equity and interest rate. Asset Liability Management (ALM) is a part of the overall risk management system at the Group and is focused on Market Risk. It implies examination of all the assets and liabilities simultaneously on a continuous basis with a view to ensuring a proper balance between funds mobilization and their deployment with respect to their a) maturity profiles, b) cost and c) availability. The Group has a detailed ALM policy and it adheres to the same.

44.6 Interest rate risk
This is the potential negative impact on the Net Interest Income and it refers to the vulnerability of financial condition to the movement in interest rates. Changes in interest rate affect earnings, borrowing costs, value of assets and cash flow. Earnings perspective (impact on P&L) involves analysing the impact of changes in interest rates on reported earnings and borrowings over the life of the asset or liability. This is measured by measuring the changes in the Net Interest Income equivalent to the difference between total interest income and total interest expense due to changes in interest rates. It is preferable to alter the approach of the interest rate policy to borrowers depending on the stage of interest rates in the cycle i.e. in a rising interest rate scenario, it is advisable to keep variable lending interest rates and keep fixed lending interest rates in a falling interest rate scenario and vis a versa for borrowings. This is a guiding indicator and may be adhered to as much as possible while keeping business interests in mind.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) on the Group's statement of profit and loss and equity.

Market indices	Change in Interest rate	31 March, 2021		31 March, 2020	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	100 Basis Points down	2,82,13,644	1,91,97,028	6,17,70,129	4,58,46,206
	100 Basis Points Up	(2,82,13,644)	(1,91,97,028)	(6,17,70,129)	(4,58,46,206)

44.7 Operational risk
Companies are faced with inherent risks arising out of human error, financial fraud and natural disasters. Operational risk, though defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. In order to mitigate this, internal control and internal audit systems are used as the primary means. Operational risk events are associated with weak links in internal control procedures. The key to management of operational risk lies in the Group's ability to assess its processes and establish controls while providing for unanticipated worst-case scenarios. The Group has well laid out authorization matrix for each of its operational activities and shall adhere to the same. Effective controls have been established within the Group and these are verified by the internal auditors. One of the major tools in managing operational risk is a well-established internal control system and flow of information, documents and reporting. Accordingly, the Credit Policy has been detailed out to provide a streamlined and process driven method to providing loans. Each activity from loan sourcing to final disbursement and closure has been clearly spelt out. Further a proper system of monthly reporting to the Board of Directors and Investors has been established in order to take care of the timely reporting requirements. ALM Policy further defines the duties of the ALCO and ALCO's reporting requirements in order to manage the operational risk. Insurance is also one of the methods to mitigate some elements of operational risk and has been taken for all the physical assets of the Group.

44.8 Integrated risk
Companies are faced with varied categories of risk such as personnel risk, financial risk, legal risk etc. Thus, integrated risk can be defined as attached with various activities, operations or transactions and with external risks (risks related to legislative changes etc.) that may affect overall organization. The main objective to identify integrated risk is to protect assets, ensure continuity of organization's activities and adopting effective risk mitigation strategy. The Group ensures to manage the integrated risk by identifying all risks that affect the implementation of processes and activities attached to an organizational goal; it can assess the overall consequences and adopt measures depending on the level of uncertainty and the existing inherent risk that affects achieving objectives set. Integrated risk mitigation exercise helps to increase efficiency within the organization by administrative or managerial ways, such as better allocation of resources.

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Note 45: Earnings and expenditure in foreign currency (on accrual basis)
During the year, the Group has incurred foreign currency expenditure of Rs.4,12,830 (Previous year Rs.6,28,402). The Group did not have any foreign exchange earnings.

Note 46: Net dividend remitted in foreign exchange

Year of remittance (ended on)	March 31, 2021	March 31, 2020
Period to which it relates	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	14,72,40,866	14,72,40,866
Amount remitted (in USD)	18,68,188	11,41,402
Amount remitted (in INR)	13,91,42,619	8,09,82,477

Note 47: Segment information
The Group is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.

Note 48: Dues payable to Micro, Small and Medium Enterprises
There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises, as no supplier has intimated the Group about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Particulars	As at March 31, 2021	As at March 31, 2020
Principal and interest amount remaining unpaid	-	-
Interest due thereon remaining unpaid	-	-

Note 49: Additional Disclosure as required by paragraph 2 of the General Instructions fore preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of the entities in the Group	Net Assets (i.e. total assets minus total liabilities)		Share in Profit		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent Company								
Xander Finance Private Limited	97.55%	5,33,00,71,016	92.66%	3,94,49,336	100.00%	15,68,307	92.92%	4,10,17,643
Subsidiary Company								
Balestier Ventures Private Limited	2.45%	13,36,30,843	7.34%	31,26,138	0.00%	-	7.08%	31,26,138
	100.00%	**5,46,37,01,859**	**100.00%**	**4,25,75,474**	**100.00%**	**15,68,307**	**100.00%**	**4,41,43,781**

Note 50: Impact of Covid-19 on Financial statements
The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. In accordance with the Reserve Bank of India ("RBI") guidelines relating to "Covid-19 Regulatory Package" dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020, the Company had offered moratorium to its borrowers based on requests for instalments falling due between March 1, 2020 and August 31, 2020. Further, the Company offered resolution plan to its borrowers pursuant to the RBI's guideline "Resolution framework for Covid-19 related stress" dated August 6, 2020.

Further, the Company has based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. The aggregate expected credit loss provision on financial assets as at March 31, 2021 is Rs.4,045.86 lakhs which includes Covid overlay of Rs.188.24 lakhs. The Company considers that the provision is adequate and reasonable under the current circumstances. Based on facts and circumstances, the Company does not anticipate any material changes to the carrying value of assets and liabilities existing as on the Balance Sheet date.

The eventual outcome of the impact of the global pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic conditions.

Following are the disclosures required in terms of RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

Particulars	(Amount in Rs. crores)
Respective amounts in SMA/ overdue categories, where the moratorium/deferment was extended (outstanding as of February 29, 2020)	116.80
Respective amounts where asset classification benefits is extended (outstanding as of March 31, 2021)	80.98
Provisions made in terms of paragraph 5 of the circular as at the end of the moratorium (As per para 4, applicable to NBFC's covered under Ind AS)	9.33
Provisions adjusted against slippages in terms of paragraph 6 of the circular	9.33
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	-

As required by RBI vide its circular number RBI/2021-22/17 dated April 7, 2021, the Board of Directors of the Company have approved a policy to refund/adjust the "interest on interest" charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in confirmity with the judgement of the Hon.Supreme Court of India in the case of "Small Scale Industrial Manufacturers Association vs Union of India & Others". Based on the methodology for calculation of the amount to be refunded/adjusted, as advised by the Indian Banks Association (IBA), the Company has reversed such interest on interest income of Rs. 510.34 lakhs charged to the borrowers, that it had accrued during the aforesaid period.

Note 51: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 52: Previous year figures
Figures for the previous year have been regrouped, rearranged or reclassified, where necessary to conform to the current year's classification.

For S.R. BATLIBOI & CO. LLP
ICAI Firm's Registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Place: Mumbai
Date:- June 25, 2021

For and on behalf of the Board of Directors of
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Rajesh Jogi
Director
DIN No.: 03341036

Hinal Shah
Company Secretary

Place: Mumbai
Date:- June 25, 2021