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INDEPENDENT AUDITORS' REPORT

To The Members of Vivriti Capital Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vivriti Capital Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40.8 to the standalone financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's standalone financial statements are dependent on future developments, which are highly uncertain.

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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** The Company recognizes interest income using the effective rate of interest method ("EIR") as prescribed under IND AS 109. The recognition of Interest income as per the EIR requires computation involving the contractual interest rate and transaction costs. The completeness and accuracy of the interest income computed on EIR basis therefore is KAM. *Relevant reference in the Standalone Financial Statements :-* Accounting policies - Point no. 2.1 (a) of the standalone financial statements.	**Principal audit procedures performed:** • Engagement Team (ET) obtained understanding of the Company's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes. • ET tested the design and operating effectiveness of the controls directly associated with the calculation and reporting of interest income using EIR on loans to customers and test a sample of loans and recomputed EIR interest income for those loans. • ET tested the computations of interest income on EIR basis and trace the total EIR income to the standalone financial statement.
2	**Impairment of carrying value of loans and advances:** The Company provides credit facility to Corporates which are secured by receivable of the borrowers and unsecured loans. In line with Ind AS 109 - Financial Instruments, Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are timely identification and classification of the loans, determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors. The Company was formed in 2017 and started lending activities in the previous year. Considering Company started lending activities in previous year only, the Company doesn't have credit loss history and has assigned PD to each borrower either based on rating available in public domain or on the basis of the Company's internal rating model on CRISIL database and LGD are based on RBI circular DBOD.No.BP.BC.67/21.06.202/2011-12 dated 22 December 2011 on implementation of the internal rating based (IRB) approaches for	**Principal audit procedures performed:** We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. We involved our specialists to assist us in performing our procedures where appropriate. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, multiple economic scenarios, individual provisions and production of journal entries and disclosures.

	calculation of capital charge for credit risk for arriving at the estimated provision. The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus: • Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also considers the impact of recent RBI's Covid-19 regulatory circulars; • Accounting interpretations, modelling assumptions and data used to build and run the models; • Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple scenarios; • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic and • The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. *Relevant reference in the Standalone Financial Statements :-* Accounting policies - Refer Note 2.6 of the standalone financial statements. Refer notes 40.3.2 on impairment assessment and 40.8 on the impact assessment of COVID-19 to the standalone financial statements.	We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2020 by reconciling it with the balances as per loan balance register, investment register, and open financial guarantee report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. For exposure determined to be individually impaired, we tested a samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. We assessed the appropriateness of the scenarios used and calculation of the management overlay in response to Covid-19 related economic uncertainty and corroborated the assumptions using the data provided by the borrowers of the Company. We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the management's report (but does not include the standalone financial statements and our auditor's report thereon) management's report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore 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

Reporting on comparatives in case of first Ind AS financial statements

The comparative financial information of the Company for the year ended 31st March 2019 and the related transition date opening balance sheet as at 1st April 2018 included in these standalone financial statements, have been prepared after adjusting previously issued standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

      i. The Company does not have any pending litigations which would impact its financial position as at the year-end except stated in Note 35 (c) to the standalone financial statements.

      ii. The Company did not have any long-term contracts as at year-end 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.

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

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAEJ2402

Place: Mumbai

Date: 28th April 2020

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Vivriti Capital Private Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAEJ2402

Place: Mumbai
Date: 28th April 2020

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ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

(c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

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

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has granted loan to party covered in the register maintained under section 189 of the Act and to the best of our knowledge and according to the information and explanations given to us

(a) the terms and conditions of the grant of such loans are not prejudicial to the company's interest and

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular;

(iv) To the best of our knowledge and according to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. .

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Goods & Services tax, Provident Fund and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods & Services tax, Provident Fund and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, and Goods & Services tax as on 31st March 2020 on account of disputes.

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, in respect of moneys borrowed through term loans or debt securities, in our opinion and accordingly to information and explanation given to us, the Company has utilized the money for the purpose for which they were borrowed, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, during the year under review the Company has made private placement of 30,618,766 Compulsorily Convertible Preference Shares ("CCPS") bearing a face value of Rs.10/- and 8,11,402 Optionally Convertible Redeemable Preference Shares bearing a face value of Rs. 60/-.
In respect of the above issue, we further report that:

a. the requirement of Section 42 of the Act, as applicable, have been complied with; and

b. the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

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(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAEJ2402

Place: Mumbai
Date: 28th April 2020

Vivriti Capital Private Limited
Standalone Balance Sheet as at March 31, 2020
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	3	49,468.71	4,180.15	112.10
Bank Balances other than above	4	59.11	-	-
Receivables	5	701.40	457.24	159.82
Loans	6	82,215.04	45,395.06	-
Investments	7	10,087.05	7,179.95	1.06
Other financial assets	8	228.33	455.08	302.42
Total Financial Assets		**1,42,759.64**	**57,667.48**	**575.40**
Non-Financial assets				
Current Tax Assets (Net)	9	1,061.27	308.40	52.61
Deferred tax assets (Net)	10	633.18	310.18	16.34
Property, plant and equipment	11	729.51	736.58	830.88
Right of use asset	37	1,212.50	-	-
Other intangible assets	11	132.38	25.75	15.03
Intangible Assets Under Development		35.12	144.90	-
Other non-financial assets	12	299.83	136.36	62.52
Total Non-Financial Assets		**4,103.79**	**1,662.17**	**977.38**
Total Assets		**1,46,863.43**	**59,329.65**	**1,552.78**
EQUITY AND LIABILITIES				
LIABILITIES				
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		201.62	551.64	479.77
Debt Securities	14	30,446.55	19,127.78	-
Borrowings (Other than Debt Securities)	15	47,218.16	15,618.89	140.00
Other financial liabilities	16	951.82	1.27	6.51
Total Financial Liabilities		**78,818.15**	**35,299.58**	**626.28**
Non-Financial Liabilities				
Provisions	17	306.91	136.54	4.97
Other non-financial liabilities	18	1,392.34	182.62	59.25
Total Non-Financial Liabilities		**1,699.25**	**319.16**	**64.22**
Total liabilities		**80,517.40**	**35,618.74**	**690.50**
EQUITY				
Equity Share Capital	19a	1,130.02	1,130.01	850.00
Convertible Non-participating Preference Share Capital	19b	7,770.48	4,700.49	-
Other equity	20	57,445.53	17,880.41	12.28
Total equity		**66,346.03**	**23,710.91**	**862.28**
Total equity and liabilities		**1,46,863.43**	**59,329.65**	**1,552.78**

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: April 28, 2020

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Vivriti Capital Private Limited

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar
Managing Director
DIN 06848801

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary

Place: Chennai
Date: April 28, 2020

VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Vivriti Capital Private Limited
Standalone Statement Of Profit And Loss For The Year Ended March 31, 2020
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations			
Interest Income	21	11,353 83	975 65
Fees and commission Income	22	3,407 61	2,565 80
Net gain on fair value changes	23	12 74	11 49
Total Revenue from Operations		**14,774.18**	**3,552.94**
Other Income	24	41 58	9.55
Total Income (I+II)		**14,815.76**	**3,562.49**
Expenses			
Finance costs	25	6,227.75	421 48
Impairment on financial instruments	26	891 19	212.76
Employee benefit expense	27	3,665.62	1,918.34
Depreciation and amortisation expense	28	665 85	217 49
Other expenses	29	1,977.04	1,396.00
Total expenses		**13,427.45**	**4,166.07**
Profit before Tax (III-IV)		**1,388.31**	**(603.58)**
Tax expense			
- Current tax		679.99	147.62
- Deferred tax		(320.77)	(301.18)
Total tax expense		359.22	(153 56)
Net Profit After Tax		**1,029.09**	**(450.02)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans (net)		12 47	(5 91)
Income tax impact		(3 41)	1 52
Items that will be reclassified to profit or loss			
Net (loss) / gain on financial instrutement designated at FVOCI for the year		(22 07)	36 62
Income tax impact		5 63	(8.71)
Other Comprehensive Income		**(7.38)**	**23.52**
Total comprehensive income (VII+VIII)		**1,021.71**	**(426.50)**
Earnings per equity share	31		
Basic (₹)		**7.36**	**(3.63)**
Diluted (₹)		**1.46**	**(3.63)**

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: April 28, 2020

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Vivriti Capital Private Limited

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar
Managing Director
DIN 06848801

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary

Place: Chennai
Date: April 28, 2020

VIVRITI CAPITAL PRIVATE LIMITED
CHENNAI
600 035

Vivriti Capital Private Limited
Standalone Statement Of Cash Flows For The Year Ended March 31, 2020
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Operating activities		
Profit before tax	1,388.31	(603.58)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	665.85	217.49
Impairment on financial instruments	891.19	212.76
Interest on Lease on liability	(275.40)	-
Provision for doubtful debts	75.92	-
Net loss on financial asset designated at FVOCI	(7.38)	23.52
Share Based Payments to employees	72.67	11.79
Provision for Bonus	-	600.00
Provision for Gratuity	20.72	16.69
Provision for Leave Encashment	105.06	45.09
Operating Profit before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**2,936.94**	**523.76**
Working capital changes		
Loans	(37,711.17)	(45,607.82)
Trade receivables and contract asset	(93.33)	(450.08)
Other Non-financial Assets	(163.47)	(73.84)
Trade payables and contract liability	(350.02)	71.87
Other financial liability	950.55	(5.24)
Other Non-financial liability	(110.99)	123.01
Provision	44.59	(530.21)
Cash flows used in operating activities	**(34,496.90)**	**(45,948.55)**
Income tax paid	(1,435.09)	(396.07)
Net cash flows from/(used in) operating activities	**(35,931.99)**	**(46,344.62)**
Interest paid	(5,959.66)	(331.63)
Interest received	11,086.09	786.89
Cash used in operations	**5,126.43**	**455.26**
Investing activities		
Investment in Bank Fixed Deposits	(59.11)	-
Purchase of property, plant and equipment and intangible assets	(256.58)	(133.92)
Intangible Assets Under Development	(15.45)	(144.90)
Purchase of investment at amortised cost	(2,907.10)	(7,178.89)
Net cash flows from/(used in) investing activities	**(3,238.24)**	**(7,457.70)**
Financing activities		
Debt securities issued	11,318.77	19,127.78
Borrowings other than debt securities issued	31,599.27	15,479.24
Proceeds from issuance of sharecapital	3,070.00	4,980.50
Proceeds from securities premium	38,470.75	18,282.85
Net cash flows from financing activities	**84,458.79**	**57,870.37**
Net increase in cash and cash equivalents	45,288.56	4,068.05
Cash and cash equivalents at the beginning of the year	4,180.15	112.10
Cash and cash equivalents at the end of the year	**49,468.71**	**4,180.15**
Components of cash and cash equivalents		
Balances with banks		
In current accounts	3,157.89	567.36
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	46,244.40	3,612.79
Cheques in hand	66.42	
Total cash and cash equivalents	**49,468.71**	**4,180.15**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Vivriti Capital Private Limited

Standalone Statement Of Cash Flows For The Year Ended March 31, 2020
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Debt Securities	Borrowings (other than debt securities)
Balance as at March 31, 2019	**19,127.78**	**15,618.89**
Cash Flows	10,868.74	30,079.76
Non Cash Changes	450.03	1,519.51
Balance as at March 31, 2020	**30,446.55**	**47,218.16**

1. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities

2 Previous Years figures have been regrouped, wherever necessary to confirm to current year's classification.

3 Figures in brackets represent outflows

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: April 28, 2020

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Vivriti Capital Private Limited

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar
Managing Director
DIN 0684880

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary

Place: Chennai
Date: April 28, 2020

VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Vivriti Capital Private Limited
Standalone Statement Of Changes In Equity
(All amounts are in Rupees lakhs, unless stated otherwise)

A. EQUITY SHARE CAPITAL

As at April 01, 2018	Changes in equity share capital during the year 2018-19	As at March 31, 2019	Changes in equity share capital during the year 2019-20	As at March 31, 2020
850.00	280.01	1,130.01	0.01	1,130.02

B. OTHER EQUITY

Particulars	Compulsorily Convertible Preference Shares	Optionally Convertible Redeemable Preference Shares	Other Equity						Total
			Reserves and Surplus				Other Comprehensive Income		
			Securities Premium	Retained Earnings	Employee Stock Option Reserve	Statutory Reserve	Debt Instruments through OCI	Remeasurement of defined benefit liability/ asset	
Balance as at April 1, 2018	-	-	-	9.75	-	2.53	-	-	12.28
Changes in equity for the year ended March 31, 2019									
Shares issued during the year	4,700.49	-	18,974.54	-	-	-	-	-	23,675.03
Share issue expenses	-	-	(516.65)	-	-	-	-	-	(516.65)
Amount recoverable from ESOP Trust	-	-	(175.04)	-	-	-	-	-	(175.04)
Stock Compensation expense during the year	-	-	-	-	11.79	-	-	-	11.79
Remeasurement of net defined benefit liability	-	-	-		-	-	-	(4.39)	(4.39)
Fair valuation of investment in debt instruments (net)	-	-	-	-	-	-	27.91	-	27.91
Transfer to retained earnings	-	-	-	27.91	-	-	(27.91)	-	-
Loss for the year	-	-	-	(450.02)	-	-	-	-	(450.02)
Transfer to statutory reserve	-	-	-	(34.03)	-	34.03	-	-	-
Preference Dividend for CCPS	-	-	-	(0.01)		-	-	-	(0.01)
Balance as at March 31, 2019	**4,700.49**	**-**	**18,282.85**	**(446.40)**	**11.79**	**36.56**	**-**	**(4.39)**	**22,580.90**
Changes in equity for the year ended March 31, 2020									
Shares issued during the year	3,061.88	8.11	39,931.41	-	-	-	-	-	43,001.40
Share issue expenses	-	-	(967.30)	-	-	-	-	-	(967.30)
Amount recoverable from ESOP Trust	-	-	(493.36)	-	-	-	-	-	(493.36)
Stock Compensation expense during the year	-	-	-	-	72.67	-	-	-	72.67
Remeasurement of net defined benefit liability	-	-	-		-	-	-	9.06	9.06
Fair valuation of investment in debt instruments (net)	-	-	-	-	-	-	(16.44)	-	(16.44)
Transfer to retained earnings				(16.44)	-	-	16.44	-	-
Profit for the year	-	-	-	1,029.09	-	-	-	-	1,029.09
Transfer to statutory reserve	-	-	-	(205.82)	-	205.82	-	-	-
Preference Dividend for CCPS	-	-	-	(0.01)	-	-	-	-	(0.01)
Balance as at March 31, 2020	**7,762.37**	**8.11**	**56,753.60**	**360.42**	**84.46**	**242.38**	**-**	**4.67**	**65,216.01**

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP

Chartered Accountants

G. K. Subramaniam
Partner
Place: Mumbai
Date: April 28, 2020

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Vivriti Capital Private Limited

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar
Managing Director
DIN 06848801

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary

VIVRITI CAPITAL PRIVATE LIMITED
CHENNAI
600 035

Place: Chennai
Date: April 28, 2020

Corporate Information

Vivriti Capital Private Limited (the Company) is a private limited Company domiciled in India and incorporated on June 22, 2017 under the provisions of the Companies Act, 2013 (the Act). The Company is registered with the Reserve Bank Of India ('RBI') under Section 45 IA of the RBI Act, 1934 as Non-Banking Finance Company (Non Deposit Accepting or Holding) (NBFC-ND) with effect from January 5, 2018.

1. Basis of preparation

1.1 Statement of Compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly these standalone financial statements have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under Section 133 of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in Note 43.

These standalone financial statements were authorised for issue by the Company's Board of Directors on April 28, 2020.

1.2 Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity, are presented in the format prescribed under Division III of Schedule III as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Company presents its balance sheet in order of liquidity. 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 separately.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis

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VIVRITI CAPITAL PRIVATE LIMITED
CHENNAI 600 035

1.3 Functional and presentational currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs (two decimals), unless otherwise indicated

1.4 Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for certain the financial instruments that are measured at fair values.
A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Company.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116.
Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date.
• Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

1.5 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements

Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

a. Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

- Development of ECL models, including the choice of inputs.

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

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

b. Effective Interest method

The Company recognises interest income / expense using Effective Interest Rate ("EIR") i.e a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges)

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument

c. Fair Value of financial instruments

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

1.6 First Time Adoption of Ind AS (Ind AS 101)

The Company has prepared financial statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and RBI guidelines. Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2020, together with comparative information as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies.

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at April 1, 2018.
Note 40 explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018, and the financial statements as at and for the year ended March 31, 2019.

1.7 Exemptions availed

1.7.1 Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets, measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

1.7.2 Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

1.7.3 Fair Value of Financial Assets and Liabilities

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same from the transition date.

2. Significant accounting policies

2.1 Revenue recognition

A. Interest Income

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost, financial instrument measured at Fair value through other comprehensive income ('FVOCI') and financial instrument measured at Fair Value Through Profit and Loss ('FVTPL'). The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

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

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

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

B. Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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VIVRITI CAPITAL PRIVATE LIMITED
CHENNAI
600 035

C. Fees and commission income

Arranger fees are recognised after the performance obligation in the contract is fulfilled and commission income such as guarantee commission, service income etc. are recognised on point in time or over the period basis, as applicable

D. Other interest income

Other interest income is recognised on a time proportionate basis

2.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised Cost
- FVOCI
- FVTPL

2.3 Financial assets and liabilities

A. Financial Assets

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Sole Payments of Principal and Interest (SPPI test)

As a second step of its classification process, the Company assesses the contractual terms of financial to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL

Accordingly, financial assets are measured as follows

i. Financial assets carried at amortised cost (AC)

   A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

   A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVTOCI.

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

   A financial asset which is not classified in any of the above categories are measured at FVTPL

iv. Investment in subsidiaries

   The Company has accounted for its investments in subsidiaries at cost as per Ind AS 27 – Separate Financial Statements.

B. Financial Liabilities

Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method

2.4 Reclassification of financial assets and liabilities

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

2.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and condition

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 de-recognition 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.

a. Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

b. Financial liability

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

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

2.6 Impairment of financial assets

A. Overview of expected credit loss ('ECL') principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD: Probability of Default ("PD") 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.

EAD: Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD: Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

recognised in OCI as an accumulated impairment amount with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a forward looking macro parameters (GDP) and estimated the impact on the default at a given point of time.

2.7 Write offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

2.8 Determination of fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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; and

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

2.9 Property plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including

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import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss

B. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

C. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company

D. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight Line method, and is generally recognised in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset Category	Estimated Useful Life
Computers and Accessories	3 Years
Leasehold Improvements	3 Years
Servers	6 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years

2.10 Intangible Assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the Straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss

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Asset Category	Estimated Useful Life
Computers software	4 Years

2.11 Employee benefits

A. Post-employment benefits

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

Defined benefit plans

Gratuity
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

B. Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

C. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated

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absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur

D. Stock based compensation

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

2.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to

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the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Leases

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain re-measurement adjustments. The Company has elected to apply this Standard to its leases using modified retrospective method from April 1, 2019.

2.14 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

2.15 Cash and Cash Equivalents

Cash and cash equivalents comprises current account balances and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Segment reporting- Identification of segments

An operating segment is a component of the Company that engages in business activities from which it many earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.17 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss

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after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity shareholders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

2.19 Securities Premium Account

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.

2.20 Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

2.21 **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when:

(i) The Company has a present obligation (legal or constructive) as a result of a past event;
(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

Contingent liability is disclosed in case of:

(i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
(ii) A present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.22 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Uncalled liability on shares and other investments partly paid; and

d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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Note 3. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Balances with banks:			
- In Current Accounts	3,157 89	567 36	112 10
- In Deposit accounts with original maturity of 3 months or less*	46,244.40	3,612.79	-
(ii) Cheques on hand	66.42	-	-
Total	**49,468.71**	**4,180.15**	**112.10**

*Short-term deposits are made for varying periods of between one day and fourteen days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has taken bank overdraft against the deposit balances (refer note 15), hence the cash and cash equivalents for the purpose of cashflow statement is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and cash equivalents	49,468 71	4,180 15	112.10
Less: Bank Overdraft	(7,800.00)	-	-
Cash and cash equivalents for cashflow statements	**41,668.71**	**4,180.15**	**112.10**

Note 4. Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Earmarked balances with banks			
- Deposits with Banks as Collateral towards securitisation loan	59.11	-	-
Total	**59.11**	-	-

Balance with banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date and earns interest at fixed rate of 8.3% p.a.

Note 5. Receivables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured - Considered Doubtful			
Outstanding for a period exceeding six months from the date due for payment	75 92	11 80	-
Less: Provision for impairment	(75 92)	-11 80	-
Unsecured - Considered Good			
Outstanding for a period less than six months*	701.40	457 24	159.82
Less: Provision for impairment	-	-	-
Total	**701.40**	**457.24**	**159.82**

*Includes Dues from related parties, refer note 34
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6. Loans (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A. Based on Nature			
Loans	82,222.33	43,075 74	-
Inter Corporate Deposit	-	2,501 51	-
Loan to employees	46.27	-	-
Loans and advances to related parties - Subsidiary	900.00	-	-
Total - Gross	83,168.60	45,577.25	-
Less : Impairment loss allowance	(953.56)	(182.19)	-
Total - Net	**82,215.04**	**45,395.06**	-
B. Based on Security			
a. Secured by intangible assets	82,222.33	45,577 25	-
b Unsecured	946.27	-	-
Total - Gross	83,168.60	45,577.25	-
Less : Impairment loss allowance	(953.56)	(182.19)	-
Total - Net	**82,215.04**	**45,395.06**	-

a All loans are in India granted to individuals or entities other than public sector
b. Secured loans means exposures secured wholly by way of underlying portfolio

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Note 7. Investments

Particulars	As at March 31, 2020	As at March 31. 2019	As at April 1. 2019
Investment in equity instruments			
Subsidiary at cost			
-Vivriti Asset Management Private Limited (10,000 Equity shares of Rs. 10 each fully paid up)	1.00	-	-
Alternate investment fund - FVTPL			
- Vivriti Samarth Bond Fund	100.00	-	-
Others - FVTPL			
Mutual funds			1.06
Others - Unquoted - FVOCI			
-Non Convertible Debentures	8,225.91	4,951.03	-
-Pass Through Certificates	1,760.14	2,228.92	-
Total	**10,087.05**	**7,179.95**	**1.06**

All investments represented above are made in India

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Note 8. Others financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unbilled Revenue	-	282.49	132.50
Income Accrued but not due	26.80	-	-
Security Deposits	193.83	172.59	169.92
Other Advances	7.70	-	-
Total	**228.33**	**455.08**	**302.42**

Note 9. Current tax assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance tax (net of provisions)	1,061.27	308.40	52.61
Total	**1,061.27**	**308.40**	**52.61**

Note 10. Deferred tax assets

Particulars	As at March 31, 2020	
	Asset	**Liability**
a) Provisions for employee benefit	46.80	-
b) Depreciation	21.15	-
c) Preliminary Expenses	3.22	-
d) Impairment of assets	254.48	-
e) Deferred lease asset	25.14	-
f) Effective Interest Rate	276.81	-
g) Fair valuation on financial instruments	5.58	-
Total	**633.18**	-
Net Deferred tax asset		**633.18**

Particulars	As at March 31, 2019	
	Asset	**Liability**
a) Provisions for employee benefit	14.98	-
b) Depreciation	13.18	-
c) Preliminary Expenses	5.34	-
d) Impairment of assets	50.67	-
e) Deferred lease asset	0.21	-
f) Amortised Fees Income	227.82	-
g) Fair valuation on financial instruments	-	2.02
Total	**312.20**	**2.02**
Net Deferred tax asset		**310.18**

Particulars	As at April 1, 2018	
	Asset	**Liability**
a) Provisions for employee benefit	1.43	-
b) Depreciation	7.39	-
c) Preliminary Expenses	7.38	-
d) Deferred lease asset	0.14	-
Total	**16.34**	-
Net Deferred tax asset		**16.34**

Note 12. Others non financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Prepaid Expenses	207.74	113.64	8.41
Advance to vendors	48.34	4.65	-
Balance with Government Authorities	42.76	8.83	23.31
Deferred lease rentals	0.99	9.24	19.07
Others	-	-	11.73
Total	**299.83**	**136.36**	**62.52**

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Note 11. Property, plant and equipment & Intangible Assets

Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computers & Laptops	131.19	132.50	-	263.69	34.51	69.96	-	104.47	159.22	96.68
Office Equipments	128.55	0.10	-	128.66	26.31	27.85	-	54.16	74.50	102.25
Leasehold Improvements	266.40	98.58	-	364.98	98.36	112	-	210.38	154.60	168.04
Electrical Installations	145.35	4.46	-	149.82	13.97	15.19	-	29.16	120.66	131.38
Furniture & Fittings	195.06	1.72	-	196.78	19.42	20.41	-	39.84	156.94	175.64
Servers & Networks	76.25	15.90	-	92.16	13.66	14.91	-	28.56	63.59	62.60
Total	**942.81**	**253.27**	**-**	**1,196.08**	**206.23**	**260.34**	**-**	**466.57**	**729.51**	**736.58**

Intangible assets

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	23.34	128.50	-	151.85	7.70	18.31	-	26.01	125.84	15.64
Website	13.67	-	-	13.67	3.56	3.57	-	7.13	6.54	10.11
Total	**37.01**	**128.50**	**-**	**165.52**	**11.27**	**21.88**	**-**	**33.14**	**132.38**	**25.75**

Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Computers & Laptops	28.15	103.04	-	131.19	-	34.51	-	34.51	96.68	28.15
Office Equipments	140.14	7.77	19.35	128.55	-	26.31	-	26.31	102.25	140.14
Leasehold Improvements	256.74	9.66	-	266.40	-	98.36	-	98.36	168.04	256.74
Electrical Installations	138.14	7.21	-	145.35	-	13.97	-	13.97	131.38	138.14
Furniture & Fittings	194.63	0.44	-	195.06	-	19.42	-	19.42	175.64	194.63
Servers & Networks	73.07	3.18	-	76.25	-	13.66	-	13.66	62.60	73.07
Total	**830.88**	**131.29**	**19.35**	**942.81**	**-**	**206.23**	**-**	**206.23**	**736.58**	**830.88**

Intangible assets

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Software	1.36	21.98	-	23.34	-	7.70	-	7.70	15.64	1.36
Website	13.67	-	-	13.67	-	3.56	-	3.56	10.11	13.67
Total	**15.03**	**21.98**	**-**	**37.01**	**-**	**11.26**	**-**	**11.26**	**25.75**	**15.03**

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Note 13. Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	197 24	181 99	374.82
Accrued Employee Benefit Expense	4.38	369.65	104.95
Total	**201.62**	**551.64**	**479.77**

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Amount outstanding but not due as at year end	-	-	-
b) Amount due but unpaid as at the year end	-	-	-
c) Amounts paid after appointed date during the year	-	-	-
d) Amount of interest accrued and unpaid as at year end	-	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-	-

Note 14. Debt Securities (At Amortised Cost)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Redeemable Non-Convertible Debentures Medium-Term - Secured	30,446.55	19,127.78	-
Total	**30,446.55**	**19,127.78**	-
Debt securities in India	30,446.55	19,127 78	-
Debt securities outside India	-	-	-
Total	**30,446.55**	**19,127.78**	-

14.1 Security
(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of exclusive charge over identified receivables
(ii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 14.2 based on theContractual terms basis.

14.2 Details of Debentures - Contractual principal repayment value
Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

Debt Reference	Maturity	Due date of redemption	Terms of repayment	March 31, 2020	March 31, 2019
11% Vivriti Capital Private Limited - No put call option	< 1 year	19-Mar-21	Note 1	19,616	19,128
Market Linked Debentures - I	< 1 year	27-Sep-20	Note 2	758	-
11 50% Vivriti Capital Private Limited	1-2 years	16-Aug-21	Note 1	3,016	-
Market Linked Debentures - II	1-2 years	13-Aug-21	Note 2	543	-
12 96% Vivriti Capital Private Limited	2-3 years	03-Mar-23	Principal is Bullet payment and Interest is monthly payment	2,518	-

Note 1 : Principal is Quarterly payment and Interest is Monthly payment
Note 2 : Principal and interest is Bullet payment

Secured Redeemable Non-Convertible Debentures - Redeemable at par - With call option

Debt Reference	Maturity	Due date of redemption	Terms of repayment	March 31, 2020	March 31, 2019
12 12% Vivriti Capital Private Limited	2-3 years	26-Aug-22	Principal is Bullet payment and Interest is Half yearly payment	3,996	-

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Note 15. Borrowings (Other Than Debt Securities) - AT AMORTISED COST

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
Term Loans from Banks (Refer note 15.1 and 15.2 below)	17,639.16	3,765.23	-
Term Loans from other parties			
Financial institutions (Refer note 15.1 and 15.2 below)	19,255.40	7,938.08	-
Collateralised debt obligations (Refer note 15.3)	1,514.73	-	-
Loan Repayable on Demand			
From Banks (Overdraft) (Refer note 15.1 (ii) and (iii) below)	7,808.87	3,415.00	-
From Banks (Cash Credit)	1,000.00	500.58	-
Loan From Related Parties			
From Directors	-	-	140.00
Total (A)	**47,218.16**	**15,618.89**	**140.00**
Borrowings in India	47,218.16	15,618.89	140.00
Borrowings outside India	-	-	-
Total (B)	**47,218.16**	**15,618.89**	**140.00**

15.1 Security

(i) Loans from banks and financial institutions are secured by pari passu charge on the receivables and guaranteed by directors of the Company
(ii) Rate of interest payable on bank overdraft varies from 4.5% p.a to 5.8% p.a (March 31, 2019: 4.5% p.a.) The Company has taken bank overdraft against the deposit balances, refer note 3
(iii) Rate of interest payable on cash credit loans is 11% p.a. (March 31, 2019: 11.2% p.a.)

15.2 Details of term loans - Contractual principal repayment value

Rate of Interest	Maturity	Amount outstanding 31-Mar-20	Amount outstanding 31-Mar-19
10.00% to 12%	< 1 year	5,082.55	4,246.38
	1-2 years	14,906.95	4,963.15
	2-3 years	829.10	-
Total		**20,818.60**	**9,209.53**
Base rate / MCLR + Spread (0.5% to 4.75%)	< 1 year	2,607.78	
	1-2 years	3,589.10	2,493.78
	2-3 years	9,879.09	-
Total		**16,075.96**	**2,493.78**

15.3 Details of Collateralised debt obligation

Rate of Interest	Maturity	Amount outstanding 31-Mar-20	Amount outstanding 31-Mar-19
11.97%	< 1 year	903.35	-
	1-2 years	611.38	-
	2-3 years	-	-
Total		**1,514.73**	-

Collateralised debt obligation represent amount received against term loans securitised, which does not qualify for derecognition. The Company is expected to recover the same within a period of 2 years.

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Note 16. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advances from customers	22.57	1.27	-
Interest Accrued but not due on borrowings	-	-	6.51
Payable to capital creditors	929.25	-	-
Total	**951.82**	**1.27**	**6.51**

Note 17. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision on non-fund exposure	120.93	1.20	-
Provision for Employee Benefits			
- Gratuity	35.82	27.57	4.97
- Compensated Absences	150.15	45.09	-
Other provision	-	62.67	-
Provision for CCPS dividend	0.01	0.01	-
Total	**306.91**	**136.54**	**4.97**

Note 18. Other non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory Remittances	80.42	182.62	59.25
Lease Liability	1,311.92	-	-
Total	**1,392.34**	**182.62**	**59.25**

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Note 19 a. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
AUTHORISED			
1,59,00,000 (As at March 31, 2019: 2,00,00,000 shares, As at April 1, 2018: 1,00,00,000 shares) Equity Shares of Rs 10 each	1,590.00	2,000.00	1,000.00
	1,590.00	**2,000.00**	**1,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP			
1,44,89,600 (As at March 31, 2019: 1,36,89,600 shares) Equity shares of Rs 10 each	1,448.97	1,368.96	850.00
Less: 31,89,500 Shares held under Vivriti ESOP Trust	(318.95)	(238.95)	-
	1,130.02	**1,130.01**	**850.00**

Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Equity Shares

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	Amount	Number	Amount	Number	Amount
As at the beginning of the year	1,36,89,600	1,368.96	85,00,000	850.00	85,00,000	850.00
Issued during the year						
Under Employee stock option (ESOP) scheme	8,00,000	80.00	23,89,500	238.95	-	-
Others	100	0.01	28,00,100	280.01	-	-
As at the end of the year	**1,44,89,700**	**1,448.97**	**1,36,89,600**	**1,368.96**	**85,00,000**	**850.00**

Equity shares held by the trust

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	Amount	Number	Amount	Number	Amount
As at the beginning of the year	23,89,500	238.95	-	-	-	-
Issued during the year	8,00,000	80.00	23,89,500	238.95	-	-
As at the end of the year	**31,89,500**	**318.95**	**23,89,500**	**238.95**	-	-

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	%	Number	%	Number	%
Promoter's Block	1,13,00,000	78%	1,13,00,000	83%	85,00,000	100%
Vivriti ESOP Trust	31,89,500	22%	23,89,500	17%	-	-

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

Terms/Rights attached to equity shares:
The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

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Note 19 b. Convertible Non-participating Preference Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
AUTHORISED			
78,348,035 (As at March 31, 2019: 4,78,83,494 shares, As at April 1, 2018: Nil) Compulsorily Convertible Preference Shares of Rs 10 each	7,834 80	4,788 35	-
850,000 (As at March 31, 2019: NIL shares, As at April 1, 2018: Nil) Optionally Convertible Redeemable Preference Shares of Rs. 60 each	510.00	-	-
	8,344.80	**4,788.35**	-
ISSUED, SUBSCRIBED AND FULLY PAID UP			
7,76,23,698 (As at March 31, 2019: 47,004,932) 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each	7,762 37	4,700.49	-
ISSUED, SUBSCRIBED AND PARTIALLY PAID UP			
8,11,402 (As at March 31, 2019: Nil) Optionally Convertible Redeemable Preference shares	8.11	-	-
	7,770.48	4,700.49	-

Compulsorily Convertible Preference Shares

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	Amount	Number	Amount	Number	Amount
As at the beginning of the year	4,70,04,932	4,700 49	-	-	-	-
Issued during the year	3,06,18,766	3,061 88	4,70,04,932	4,700 49	-	-
As at the end of the year	**7,76,23,698**	**7,762.37**	**4,70,04,932**	**4,700.49**	-	-

Optionally Convertible Redeemable Preference Shares

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	Amount	Number	Amount	Number	Amount
As at the beginning of the year	-	-	-	-	-	-
Issued during the year	8,11,402	8 11	-	-	-	-
As at the end of the year	**8,11,402**	**8.11**	-	-	-	-

Details of preference shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	%	Number	%	Number	%
Creation Investments LLC	5,74,69,473	73%	4,70,04,932	100%	-	-
Lightstone Fund S.A.	2,01,54,225	26%	-	-	-	-

Notes:

During the year ended March 31, 2020, the Company has issued 30,618,766, 0.001% Compulsorily Convertible Preference Shares ("CCPS") of face value Rs. 10/- aggregating Rs. 2,015 Lakhs which are convertible into equity shares at the option of CCPS holder during the conversion period. Conversion of CCPS into equity shares will be as per the respective shareholders agreement and are treated pari-passu with equity shares on all voting rights. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of red herring prospectus (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable law at the relevant time; and

b. By delivering a Conversion Notice at any time during the relevant Conversion Period as per the respective shareholders agreement.

The CCPS holders have a right to receive dividend, prior to the Equity shareholders and will be cumulative if preference dividend is not declared or paid in any year. The Company has bifurcated Equity and liability component on CCPS and shown entire conversion portion as Equity above and coupon on CCPS as liability under provision.

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Note 20. Other equity

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 1, 2018**
Statutory Reserve			
Balance at the beginning of the year	36.56	2.53	-
Add: Transfer from retained earnings	205.82	34.03	2.53
Balance at the end of the year	**242.38**	**36.56**	**2.53**
Securities Premium			
Balance at the beginning of the year	18,282.85	-	-
Add : Premium received on shares issued during the year	39,931.41	18,974.54	-
Less : Utilised during the year for writing off share issue expenses	(967.30)	(516.65)	
Less : Amount recoverable from Vivriti ESOP Trust	(493.36)	(175.04)	
Balance at the end of the year	**56,753.60**	**18,282.85**	-
Employee Stock Option Reserve			
Balance at the beginning of the year	11.79	-	-
Add: Stock compensation expense during the year	72.67	11.79	-
Balance at the end of the year	**84.46**	**11.79**	-
Other Comprehensive Income			
Balance at the beginning of the year	(4.39)	-	-
Add/ (Less) : Remeasurement of net defined benefit liability	9.06	(4.39)	-
Add/ (Less) : Fair valuation of investment in debt instruments (net)	(16.44)	27.91	-
Less : Transfer to retained earnings	16.44	(27.91)	
Balance at the end of the year	**4.67**	**(4.39)**	-
Retained earnings			
Balance at the beginning of the year	(446.40)	9.75	10.10
Add : Profit/ (Loss) for the year	1,029.09	(450.02)	-
Add/ (less) : Transfer from other comprehensive income	(16.44)	27.91	
Less: Preference Dividend for CCPS	(0.01)	(0.01)	-
Less: Transfer to Statutory reserve	(205.82)	(34.03)	-
Add/Less: Ind AS adjustments on transition	-	-	(0.35)
Balance at the end of the year	**360.42**	**(446.40)**	**9.75**
TOTAL	**57,445.53**	**17,880.41**	**12.28**

Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act, 1934")
Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI

Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc in accordance with the provisions of the Companies Act, 2013.

Employee stock option reserves

The Company has stock option schemes under which options to subscribe for the Company's shares have been granted to eligible employees and key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments

Other comprehensive income
a. The Company has elected to recognise changes in the fair value of investments in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity

b. Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any

Retained earnings
Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. This reserve is free reserves which can be utilised for any purpose as may be required

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Note 21. Interest Income

Particulars	Year Ended March 31, 2020		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVOCI	Total
Interest on Loans	9,764.92	-	9,764.92
Interest income from investments	-	1,492.39	1,492.39
Interest on Inter Corporate deposits	2.26	-	2.26
Interest on term deposits	94.26	-	94.26
Total	**9,861.44**	**1,492.39**	**11,353.83**

Particulars	Year Ended March 31, 2019		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVOCI	Total
Interest on Loans	832.49	-	832.49
Interest income from investments	-	135.02	135.02
Interest on Inter Corporate deposits	1.51	-	1.51
Interest on term deposits	6.63	-	6.63
Total	**840.63**	**135.02**	**975.65**

Note 22. Fees and commission Income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Fee and Commission Income	3,407.61	2,565.80
Total	**3,407.61**	**2,565.80**

Note 23. Net gain on fair value changes

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain on fair value changes	12.74	11.49
Total	**12.74**	**11.49**

Note 24. Other Income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on Rental Deposit	10.54	9.55
Rental income from related party	4.66	-
Liabilities written back	26.36	-
Other income	0.02	-
Total	**41.58**	**9.55**

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Note 25. Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on borrowings	2,442.78	316.15
Interest on Bank Overdraft	19.02	2.07
Interest on debt securities	3,583.09	93.43
Interest cost on Rental Deposit	10.26	9.83
Interest on discounting of financial instruments	172.60	-
Total	**6,227.75**	**421.48**

Note 26. Impairment on financial instruments

Particulars	Year Ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Loans - measured at cost	275.06	-	495.97	771.03
Investments - measured at cost and FVTPL	0.43	-	-	0.43
Financial guarantee	119.73	-	-	119.73
Total	**395.22**	**-**	**495.97**	**891.19**

Particulars	Year Ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Loans - measured at cost	182.19	-	-	182.19
Investments - measured at cost and FVTPL	29.37	-	-	29.37
Financial guarantee	1.20	-	-	1.20
Total	**212.76**	**-**	**-**	**212.76**

Note 27. Employee benefit expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and Bonus	3,396.50	1,815.19
Contribution to provident and other funds	96.71	45.57
Staff Training and Welfare Expenses	79.02	29.10
Gratuity expenses	20.72	16.69
Share Based Payments to employees	72.67	11.79
Total	**3,665.62**	**1,918.34**

Note 28. Depreciation and amortisation expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation and amortisation expense	665.85	217.49
Total	**665.85**	**217.49**

Note 29. Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Administrative Expenses	6.18	2.20
Advertisement Expenses	21.50	17.22
Auditor's Remuneration (refer note below)	35.03	19.50
Communication Expenses	35.85	31.20
Director Sitting Fees	19.00	12.00
Insurance	46.79	17.32
Maintenances of Premises	180.80	148.99
Other Expenses	155.34	53.85
Professional Fees	308.25	148.52
Provision for Doubtful Debts	75.92	11.80
Rates and Taxes	190.42	106.21
Recruitment related Fees	308.75	52.82
Rent of Premises	-	300.35
Subscription expenses	7.34	-
IT Cost	251.76	76.12
Travelling Expenses	292.47	197.90
Investor meet Expenses	41.64	-
Total	**1,977.04**	**1,396.00**

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Auditor's Remuneration

As auditor	Year Ended March 31, 2020	Year Ended March 31, 2019
Statutory audit	14.00	14.00
Limited review and tax audit	10.50	1.50
Other services	10.53	4.00
Total	**35.03**	**19.50**

Note 30. Income Tax

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax	666.93	147.62
Deferred tax relating to origination and reversal of temporary differences	(320.77)	(301.18)
Adjustment in respect of current income tax of prior years	13.06	-
Total Tax charge	**359.22**	**(153.56)**
Current tax	679.99	147.62
Deferred tax	(320.77)	(301.18)

The promulgated Taxation Law (Amendment) Ordinance 2019 has inserted section 115BBA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess The Company has irreversibly opted for the new tax rate i.e 25.17%

30.1 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 India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting profit before tax	1,388.31	(603.58)
At India's statutory income tax rate of 25.17% (March 31, 2019: 27.82%)	349.44	(173.35)
Adjustment in respect of current income tax of prior years	13.06	-
Effect of enacted tax rate on Deferred tax	(3.28)	19.79
others		
Income tax expense reported in the statement of profit and loss	**359.22**	**(153.56)**

The effective income tax rate for March 31, 2020 is 25.87% (March 31, 2019: 25.44%).

Note 31. Earnings Per Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit after tax	**1,029.09**	**(450.02)**
Preference dividend paid (including tax thereon)#	-	-
Weighted average number of equity shares (Basic)	1,39,89,878	1,23,94,543
Add: Dilutive effect relating to convertible shares	5,62,95,642	68,48,805
Earnings per share - Basic INR	7.36	(3.63)
Earnings per share - Diluted INR *	1.46	(3.63)
Face value per share INR	**10.00**	**10.00**

Note:
Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share"
less than INR 1,000
* Diluted Earnings per Share for the year ended March 31, 2019 is kept at INR 3.63 per share as the effect of dilutive convertible preference shares, is anti-dilutive.

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Note 32. Retirement Benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted The Calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Defined Benefit Obligation at the beginning of the year	27.57	3.34
Service cost	18.85	18.05
Interest cost	1.87	0.26
Actuarial changes arising from changes in demographic assumptions	8.49	1.06
Actuarial changes arising from changes in financial assumptions	(32.13)	0.39
Experience adjustments	11.17	4.46
Contributions by employer	-	-
Defined Benefit Obligation at the end of the year	**35.81**	**27.57**
Fair Value of Plan Assets as at the End of the Year	-	-
Defined benefit obligation at the End of the Year	35.81	27.57
Amount Recognised in the Balance Sheet under Provisions	**35.81**	**27.57**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	18.85	18.05
Net interest Expense	1.87	0.26
Net Cost recognized in the statement of Profit and Loss	**20.72**	**18.31**
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(32.13)	0.39
b) Effect of experience adjustments	11.17	4.46
c) Effect of changes in demographic assumptions	8.49	1.06
Net cost recognized in Other Comprehensive Income	**(12.47)**	**5.91**
Assumptions		
Discount rate	7%	8%
Future salary increase	3%	8%
Attrition Rate	10%	5%
Mortality	1-3.75%	1-3.75%

Sensitivity analysis

Impact on defined benefit obligation	Sensitivity Level	Discount Rate	Future Salary Increases	Employee Turnover
As at March 31, 2020	1% increase	(5.02)	6.28	0.81
	1% decrease	6.19	(5.14)	(1.17)
As at March 31, 2019	1% increase	(3.98)	3.98	(1.19)
	1% decrease	4.91	(3.72)	1.27
As at April 1, 2018	1% increase	(0.46)	0.55	(0.16)
	1% decrease	0.56	(0.46)	0.17

Maturity Analysis of benefit payments

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	0.09	0.05
Between 2 and 5 years	0.37	0.18
Between 6 and 10 years	0.48	0.25
Beyond 10 years	34.88	27.10
Total expected payments	35.81	27.57

Notes:

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimatedterm of the obligation.

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Note 33. Segment Information

The Company has been operating only in one segment viz. financing activities and the operations being only in India, the disclosure requirements of Ind AS 108 is not applicable.

Note 34. Related Party information

List of related parties

Subsidiary Company		Vivriti Asset Management Private Limited
Entity Over which control is exercised		Vivriti Employee trust
Key Management Personnel		Mr. Vineet Sukumar, Managing Director Mr. Gaurav Kumar, Managing Director Mr. John Tyler Day, Nominee Director Mr. Kenneth Dan Vander Weele, Nominee Director Ms Namrata Kaul, Independent Director Mr. Sridhar Srinivasan, Independent Director
Entity in which KMP is a Director	Mr. Vineet Sukumar, Managing Director	1. Sangvint Technologies Private Limited 2. Vivriti Asset Management Private Limited
	Mr. Gaurav Kumar, Managing Director	Vivriti Asset Management Private Limited

a) Transactions with related parties

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
Interest Income		
Vivriti Asset Management Private Limited	2.75	-
Rent income		
Vivriti Asset Management Private Limited	4.66	-
Reimbursement of expenses		
Vivriti Asset Management Private Limited	160.92	-
Loan Given		
Vivriti Asset Management Private Limited	900.00	-
Equity contribution		
Vivriti Asset Management Private Limited	1.00	-
Remuneration paid		
Mr. Vineet Sukumar	137.50	25.22
Mr. Gaurav Kumar	137.50	25.22
Directors Sitting fees		
Mr. Sridhar Srinivasan	8.00	7.00
Ms Namrata Kaul	11.00	5.00
Interest Expenses on short term borrowings paid		
Mr. Vineet Sukumar	-	9.04
Mr. Gaurav Kumar	-	0.31
Short-term Borrowings - Taken		
Mr Gaurav Kumar	-	35.00
Short-term Borrowings - Repaid		
Mr. Gaurav Kumar	-	35.00
Mr. Vineet Sukumar	-	140.00

b) Balances with related parties

Particulars	As at		
	31-Mar-20	31-Mar-19	31-Mar-18
Loan outstanding			
Vivriti Asset Management Private Limited	900.00	-	-
Mr. Vineet Sukumar	-	-	140.00
Interest accrued but not due on loan			
Vivriti Asset Management Private Limited	2.75	-	-
Mr. Vineet Sukumar			6.51
Trade receivables			
Vivriti Asset Management Private Limited	160.92	-	-

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Note 35. Contingent Liabilities and Commitments

a) Contingent liabilities

Particulars	As at		
	31-Mar-20	31-Mar-19	31-Mar-18
Guarantees issued to third party	7,807.02	300.00	-

b) Commitments

Particulars	As at		
	31-Mar-20	31-Mar-19	31-Mar-18
Capital commitments	18.53	-	-
Undrawn committed sanctions to borrowers	-	54,048.65	-

c) Litigations
The Company has pending litigation amounting to INR 619.95 Lakh against its borrowers (March 31, 2019 INR Nil).

Note 36. ESOP Disclosure
The Company constituted the Vivriti ESOP Trust (the Trust) to administer the Employee Stock Options (ESOP) scheme and allotted 16,57,000 (March 31, 2019: 23,89,500; April 1, 2018: Nil)) equity shares to Trust. The Trust has granted 16,57,000 (March 31, 2019: 16,79,500: April 1, 2018: Nil)) options under the Employee Stock Option Scheme to employees spread over a vesting period of 2 to 5 years. The details of which are as follows;

Plan	Grant date	No. of Options	Exercise Price (Amount in Rs.)	Vesting Period
Scheme 1	30-Jun-18	16,79,500	10.00	2 to 5 years
Scheme 2	19-Jul-19	6,97,500	47.48	1 to 5 years
Scheme 3	18-Nov-19	9,09,500	71.67	1 to 5 years
Scheme 4	15-Dec-19	50,000	71.67	1 to 5 years

Vesting Condition : Time based vesting (for all schemes)

Reconciliation of outstanding options	Number of Options		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Outstanding at beginning of the year	16,79,500	-	-
Forfeited during the year	(3,47,000)	-	-
Exercised during the year	(83,600)	-	-
Granted during the year	16,57,000	16,79,500	-
Outstanding at the end of the year	29,05,900	16,79,500	-
Vested and exercisable as at end of the year	-	-	-

The fair value of the options is estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions:

Particular	As at March 31, 2020	As at March 31, 2019
Dividend Yield*	-	-
Expected Life	3 - 6 years	3 - 6 years
Risk free interest rate	5.56%- 7.01%	7.96%- 8.32%
Volatility**	14.70%- 18.82%	16.29%- 19.25%

* Company has not paid any dividend till date.
** Company is a unlisted entity and having no listed peer companies, so volatility of BSE Finance Index for the historical period as per the time to maturity in each vesting has been considered.

During the year, the Company has issued 8,11,402 Optionally Convertible Redeemable Preference shares to its Promotor Directors The Company has determined the option value and the said value will get amortised over the option vesting period.

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Note 37. Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application i.e. April 01, 2019, the adoption of the new standard resulted in recognition of "Right to Use' (RoU) asset of INR 1,212.50 lakh and a lease liability of INR 1,311.92 lakh. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 11.78%. The Company has recognised amortisation from RoU of INR 374.82 lakh and interest expenses on lease liabilities of INR 172.60 lakh. Lease payments during the year have been disclosed under financial activities in the cash flow statements.

The following is the summary of practical expedients elected on initial application:
a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.
d) Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

Category of Asset	Gross Block				Accumulated Amortisation				Net Block	Net Block
	As at 01.04.2019	Addition	Deletion	As at 31.03.2020	As at 01.04.2019	Amortisation for the year	Deductions	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Right of Use	-	1,587.32	-	1,587.32	-	374.82	-	374.82	1,212.50	-

Note 38. Events after reporting date

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

Note 39. Fair Value Measurements

Valuation Principles : 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. exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique

Financial instrument by category

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2020 were as follows

Particulars	Carrying Value		Fair Value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Investment in Non Convertible Debentures	-	8,225.91	-	8,225.91	-	8,225.91
Investment in Pass Through Securities	-	1,760.14	-	1,760.14	-	1,760.14
Investment in Alternate Investment Fund	100.00	-	-	-	100.00	100.00

The carrying value and fair value of financial instruments measured at fair value as of March 31, 2019 were as follows

Particulars	Carrying Value		Fair Value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Investment in Non Convertible Debentures	-	4,951.03	-	4,951.03	-	4,951.03
Investment in Pass Through Securities	-	2,228.92	-	2,228.92	-	2,228.92
Investment in Alternate Investment Fund	-	-	-	-	-	-

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Reconciliation of fair value measurement is as follows:

Particulars	For the Year Ended	
	Mar 31, 2020	Mar 31, 2019
Financial instruments measured at FVOCI		
Balance at the beginning of the year	27.91	-
Total loss measured through OCI	(16.44)	27.91
Balance at the end of the year	11.47	27.91

Note - Above balances are net of taxes

Particulars	For the Year Ended	
	Mar 31, 2020	Mar 31, 2019
Financial assets measured at FVTPL		
Fair value adjustment	-	-

Sensitivity Analysis - Increase / Decrease by 1%

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	Increase	Decrease	Increase	Decrease
Investment in Non Convertible Debentures	(268)	202	(247)	(20)
Investment in Pass Through Securities	1	32	(12)	29
Investment in Alternate Investment Fund	(1)	1	-	-

The carrying value and fair value of other financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Carry Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	49,468.71	-	49,468.71	-	49,468.71
Bank Balances other than above	59.11	-	59.11	-	59.11
Receivables	701.40	-	-	701.40	701.40
Loans	82,215.04	-	-	75,528.47	75,528.47
Investment	1.00	-	-	1.00	-
Other financial assets	228.33	-	-	228.33	228.33
Financial Liabilities not measured at fair value					
Trade payables	201.62	-	-	201.62	201.62
Debt Securities	30,446.55	-	-	30,446.55	30,446.55
Borrowings (Other than Debt Securities)	47,218.16	-	-	47,218.16	47,218.16
Other financial liabilities	951.82	-	-	951.82	951.82

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The carrying value and fair value of other financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Carry Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	4,180.15	-	4,180 15	-	4,180.15
Receivables	457.24	-	-	457 24	457.24
Loans	45,395.06	-	-	41,703.07	41,703.07
Other financial assets	455.08	-	-	455 08	455.08
Financial Liabilities not measured at fair value					
Trade payables	551.64	-	-	551.64	551.64
Debt Securities	19,127 78	-	-	19,127.78	19,127.78
Borrowings (Other than Debt Securities)	15,618 89	-	-	15,618.89	15,618.89
Other financial liabilities	1.27	-	-	1.27	1.27

The carrying value and fair value of other financial instruments by categories as of April 1, 2018 were as follows:

Particulars	Carry Value	Fair Value			
	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	112.10	-	112 10	-	112 10
Receivables	159 82	-	-	159.82	159 82
Loans	-	-	-	-	-
Other financial assets	302.42	-	-	302.42	302.42
Financial Liabilities not measured at fair value					
Trade payables	479.77	-	-	479.77	479.77
Borrowings (Other than Debt Securities)	140.00	-	-	140.00	140.00
Other financial liabilities	6.51	-	-	6.51	6.51

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices This includes listed equity instruments, traded bonds and mutual funds that have quoted price The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature

The Company lend term loans at fixed rate and the fair valuation is disclosed above

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

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Note 40. Capital Management
The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Company's capital management policy is 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.

40.1 Regulatory capital

Particulars	March 31, 2020	March 31, 2019
Tier I capital	65,436.98	23,120.83
Tier II capital	353.85	182.19
Total Capital	**65,790.83**	**23,303.02**
Risk weighted assets	1,02,031.29	54,733.21
Capital to Risk Weighted Asset Ration(CRAR) - Tier I	64.13%	42.24%
Capital to Risk Weighted Asset Ration(CRAR) - Tier II	0.35%	0.33%
Capital to Risk Weighted Asset Ration(CRAR) - Total	**64.48%**	**42.58%**

40.2 Risk Management
The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks

40.2.1 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 appointed the Supervisory Board which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Supervisory Board.

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

The Risk Controlling Unit is responsible for monitoring compliance with risk principles, policies and limits across the Company. Each business Company has its own unit which is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks of new products and structured transactions. It is the Company's policy that this unit also ensures the complete capture of the risks in its risk measurement and reporting systems. The Company's policy also requires that exceptions are reported on a daily basis, where necessary, to the Risk Committee, and the relevant actions are taken to address exceptions and any areas of weakness.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Supervisory Board and Audit Committee.

The company has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

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40.2.2 Risk Measurement and reporting systems
The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Company also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept, with additional emphasis on selected industries. In addition, the Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Board of Directors, the Risk Committee, and the head of each business division. The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, VaR, liquidity ratios and risk profile changes. On a monthly basis, detailed reporting of industry, customer and geographic risks takes place. Senior management assesses the appropriateness of the allowance for credit losses on a monthly basis. The Supervisory Board receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company on the utilisation of market limits, analysis of VaR, proprietary investments and liquidity, plus any other risk developments.

Stress testing is a fundamental pillar of the Company's risk management toolkit, to simulate various economic stress scenarios to help the Company set and monitor risk appetite and to ensure that the Company maintains a conservative risk profile. The outcome of tests is embedded into the individual credit, liquidity and funding risk profiles through limits and mitigation contingency plans and includes both financial and regulatory measures.

40.3 Credit Risk
Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

40.3.2 Impairment assessment
The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

Grouping
As per Ind AS 109, the Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups namely Loans, investments in pass through securities, investment in non-convertible debentures, colending and partial guarantees towards pooled bond & loan issuances.

Expected Credit Loss("ECL")
ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probity is low. ECL is calculated based on the following components: a. Marginal probability of default ("MPD") b. Loss given default ("LGD") c. Exposure at default ("EAD") d. Discount factor ("D")

Expected Credit Losses are measured via a combination of Monte Carlo Simulations across three major cohorts of exposure and the losses across these three cohorts are then added and loss distribution is used to arrive at Expected Credit Loss (ECL)
• 12 month expected credit losses (basis defaults in Monte Carlo simulation) across the financial instruments on Stage I assets
• Lifetime expected credit losses (basis defaults in Monte Carlo simulation) across the financial instruments which have either become NPA (Stage III) or have displayed significant increase in credit risk (Stage II assets)
• Partial Guarantee product losses wherein a partial guarantee is extended to a pool of issuers- in this case; the entire EAD of all the issuances is considered to arrive at expected credit losses.

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a) Marginal probability of default: PD is defined as the probability of whether borrowers will default on their obligations in the future PD is derived from the external rating of the borrower by following steps:

1) To arrive at the PD, the annual default study published by rating agencies is relied upon The default numbers published against each rating category in different studies are then aggregated to arrive at internal PD matrix for each rating category
2) The PD numbers published are on an annual scale and since the exposure of the instruments are on monthly basis, the monthly PD is then interpolated on a monthly basis by fitting the data points from annual PD curve using cubic splines.
3) Finally, the Through the Cycle (TTC) PDs are converted to Point in Time (PIT) PDs using forward looking variables (GDP etc) using combinations of correlation of underlying sectors asset quality and Pluto Tasche model.
4) The PDs derived from the methodology described above, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year

b) Loss Given Default (LGD): LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. The Company has considered the workout LGD approach by considering historical losses and recoveries.

The following steps are performed to calculate the LGD:
1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by initial contractual rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate
   d) Collateral (security) amount

The formula for the computation is as below:
% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate In addition, the Company has also considered an LGD of 65% on unsecured exposures and 50% on secured exposures as recommended by the Foundation Internal Ratings Based (FIRB) approach under Basel II guidelines issued by RBI

Refer Note 40 8 to assess the impact of COVID-19

c) Exposure at Default (EAD): As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments.

The Company has considered outstanding expected future cash flows (including interest cashflows) , SLCE for all the loans at DPD bucket level for each of the risk segments, which was used for computation of ECL Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss

EAD is taken as the gross exposure under a facility upon default of an obligor The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation
The advances have been bifurcated into following three stages:
Stage I – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0 to 29 days are classified as Stage I.
Stage II – Advances with significant increase in credit risk Hence the advances from 30 to 89 days are classified as Stage II.
Stage III – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage III. Another loan of the same borrower whether in Stage I or Stage II is also considered as Stage III loan.
Note:- Days past due has been computed after considering the RBI Circular dated March 27, 2020, for the aforesaid classification into Stage I, Stage II and Stage III Loans.

d) Discounting Factor: As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate which is obtained from the underlying yield (inclusive of processing fee) for each instrument

Additionally, the model also uses correlation matrix for deriving correlation in events of stress between different borrowers in same segment.
Correlation Matrix: This provides correlation between different entities/sectors which are present in the structure When defaults are simulated on the portfolio, these entities in same or different sectors default together to the extent of strength of correlation The correlation between two entities is derived as follows:

- Inherently, the entire NBFC sector carries a bit of correlation in terms of liquidity risk- in event of stress, we see the liquidity vanishing from NBFC sector very quickly
- There is slight overlap between entities operating in the same sector- for example event like GST and demonetization did impact all small business loans establishments, although to a varying extent
- For microfinance sector, since the loans are more homogenous, geopolitical, and social issues do tend to dominate majority of stress events and hence geographically exclusivity will help
- Occupation profiles of the underlying borrowers served by entities

ECL computation: Conditional ECL at DPD pool level was computed with the following method: Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

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40.4 Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices The company's exposure to market risk is a function of asset liability management activities The company is exposed to interest rate risk and liquidity risk

The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework ALCO activities are in turn monitored and reviewed by a board sub-committee.

40.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events

The operational risks of the company are managed through comprehensive internal control systems and procedures and key backup processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self assessment at branches to identify process lapses by way of exception reporting This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing
enterprise exposure

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the company's readiness.

40.6 Liquidity Risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required The company also has lines of credit that it can access to meet liquidity needs

Refer Note No 41 for the summary of maturity profile of undiscounted cashflows of the company's financial assets and financial liabilities as at reporting period

40.7 Interest Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The core business of the company is providing loans to Institutional Finance The Company borrows through various financial instruments to finance its core lending activity These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

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

As at March 31, 2020

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Lendings	25 Basis point Up	Impact on Profit before Tax	204.72	Impact on Equity	153.20
	50 Basis point Up		409.45		306.39
	25 Basis point Down		(204.72)		(153.20)
	50 Basis point Down		(409.45)		(306.39)

(All amounts are in Rupees lakhs, unless stated otherwise)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Borrowings	25 Basis point Up	Impact on Profit before Tax	(191.39)	Impact on Equity	(143.22)
	50 Basis point Up		(382.79)		(286.44)
	25 Basis point Down		191.39		143.22
	50 Basis point Down		382.79		286.44

As at March 31, 2019

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Lendings	25 Basis point Up	Impact on Profit before Tax	115.10	Impact on Equity	83.08
	50 Basis point Up		230.20		166.16
	25 Basis point Down		(115.10)		(83.08)
	50 Basis point Down		(230.20)		(166.16)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Borrowings	25 Basis point Up	Impact on Profit before Tax	86.88	Impact on Equity	62.71
	50 Basis point Up		173.77		125.43
	25 Basis point Down		(86.88)		(62.71)
	50 Basis point Down		(173.77)		(125.43)

40.8 The impact assessment of COVID-19

The SARS CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared as global Pandemic by the World Health Organisation Numerous Governments and Companies have introduced variety of measures to contain the spread of the virus On March 24, 2020, the Indian Government announced a strict 21 day lockdown which was further extended till May 3, 2020 across the Country to contain the spread of the virus. The standalone financial results, includes the potential impact of the COVID-19 Pandemic on the Company's results which are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability's on the Company's assets

Further, the Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial Statement Accordingly, the Company has made provision for expected credit loss on financial assets as at March 31, 2020. As part of the management overlays, as per the approved ECL policy, the management has reassessed the ratings to determine PDs and adjusted LGDs basis the cash flow analysis carried out of the borrower in ECL Model depending on the nature of the portfolio/borrower, the industry in which they operate, the management's estimate of the future stress & risk and available market information Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will impact the Company's Financial Statement will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial Statement and the Company will continue to closely monitor any material changes to future economic conditions.

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Note 41. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled They have been classified to mature and/or be repaid within 12 months With regards to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the EIR

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets									
Cash and cash equivalents	49,468.71	-	49,468.71	4,180.15	-	4,180.15	112.10	-	112.10
Bank Balance other than above		59.11	59.11	-	-	-	-	-	-
Trade Receivables	701.40	-	701.40	457.24	-	457.24	159.82	-	159.82
Loans	44,511.04	37,704.00	82,215.04	20,707.92	24,687.14	45,395.06	-	-	-
Investments	2,178.87	7,908.18	10,087.05	1,053.84	6,126.11	7,179.95	1.06	-	1.06
Other financial Assets	34.50	193.83	228.33	282.49	172.59	455.08	132.50	169.92	302.42
Total Assets	**96,894.51**	**45,865.13**	**1,42,759.64**	**26,681.64**	**30,985.84**	**57,667.48**	**405.48**	**169.92**	**575.40**
LIABILITIES									
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	201.62	-	201.62	551.64	-	551.64	479.77	-	479.77
Debt Securities	22,362.18	8,084.37	30,446.55	60.16	19,067.62	19,127.78	-	-	-
Borrowings (Other than debt securities)	32,426.76	14,791.40	47,218.16	10,603.76	5,015.13	15,618.89	140.00	-	140.00
Other financial liabilities	951.82	-	951.82	1.27	-	1.27	6.51	-	6.51
Total liabilities	**55,942.39**	**22,875.76**	**78,818.15**	**11,216.83**	**24,082.75**	**35,299.58**	**626.28**	-	**626.28**
Net	**40,952.13**	**22,989.36**	**63,941.49**	**15,464.81**	**6,903.09**	**22,367.90**	**(220.80)**	**169.92**	**(50.88)**

Note 42. Analysis Of Financial Assets And Financial Liabilities By Remaining Contractual Maturities
As at March 31, 2020

Particulars	On demand	Upto 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Assets							
Cash and cash equivalents	3,224.31	45,048.34	1,196.06	-	-	-	49,468.71
Bank Balance other than above	-	-	-	-	59.11	-	59.11
Trade Receivables (Refer Note 2)	-	701.40	-	-	-	-	701.40
Loans (Refer Note 1 & Note 2)	-	3,698.12	7,363.78	32,430.10	37,704.00	1,019.04	82,215.04
Investments (Refer Note 1)	-	180.66	388.27	1,609.92	4,207.31	3,700.87	10,087.05
Other financial Assets	-	34.50	-	-	193.83	-	228.33
Total undiscounted financial assets	**3,224.31**	**49,663.03**	**8,948.11**	**34,040.03**	**42,164.26**	**4,719.91**	**1,42,759.64**
LIABILITIES							
Financial Liabilities							
Trade Payables							-
(i) total outstanding dues of creditors other	-	201.62	-	-	-	-	201.62
Debt Securities (Refer Note 1)	-	547.93	4,881.13	16,933.12	8,084.37	-	30,446.55
Borrowings (Other than debt securities) (Refer Note 1)	-	9,599.54	4,174.26	18,652.96	14,791.40	-	47,218.16
Other financial liabilities	-	951.82	-	-	-	-	951.82
Total undiscounted financial liabilities	-	**11,300.91**	**9,055.40**	**35,586.08**	**22,875.76**	-	**78,818.15**
Total net Undiscounted financial assets/(liabilities)	**3,224.31**	**38,362.12**	**(107.29)**	**(1,546.05)**	**19,288.49**	**4,719.91**	**63,941.49**

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As at March 31, 2019

Particulars	On demand	Upto 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Assets							
Cash and cash equivalents	567.36	3,612.79	-	-	-	-	4,180.15
Trade Receivables (Refer Note 2)	-	457.24	-	-	-	-	457.24
Loans (Refer Note 1 & Note 2)	-	1,496.28	2,726.81	16,484.83	24,687.14	-	45,395.06
Investments (Refer Note 1)	-	5.03	7.64	1,041.17	1,040.02	5,086.08	7,179.95
Other financial Assets	-	282.49	-	-	172.59		455.08
Total undiscounted financial assets	**567.36**	**5,853.82**	**2,734.46**	**17,526.00**	**25,899.76**	**5,086.08**	**57,667.48**
LIABILITIES							
Financial Liabilities							
Trade Payables							
(i) total outstanding dues of creditors other	-	551.64	-	-	-	-	551.64
Debt Securities (Refer Note 1)	-	60.16	-	-	19,067.62	-	19,127.78
Borrowings (Other than debt securities) (Refer Note 1)	-	4,188.48	1,541.78	4,873.50	5,015.13	-	15,618.89
Other financial liabilities	-	1.27	-	-	-	-	1.27
							-
Total undiscounted financial liabilities	-	**4,801.55**	**1,541.78**	**4,873.50**	**24,082.75**	-	**35,299.58**
Total net Undiscounted financial assets/(liabilities)	**567.36**	**1,052.27**	**1,192.67**	**12,652.50**	**1,817.01**	**5,086.08**	**22,367.90**

As at April 1, 2018

Particulars	On demand	Upto 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Assets							
Cash and cash equivalents	112.10	-	-	-	-	-	112.10
Trade Receivables	-	159.82	-	-	-	-	159.82
Loans	-	-	-	-	-	-	-
Investments	-	1.06	-	-	-	-	1.06
Other financial Assets	-	132.50	-	-	169.92	-	302.42
Total undiscounted financial assets	**112.10**	**293.38**	-	-	**169.92**	-	**575.40**
LIABILITIES							
Financial Liabilities							
Trade Payables							
(i) total outstanding dues of creditors other	-	479.77	-	-	-	-	479.77
Debt Securities	-	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	140.00	-	-	-	-	140.00
Other financial liabilities	-	6.51	-	-	-	-	6.51
Total undiscounted financial liabilities	-	**626.28**	-	-	-	-	**626.28**
Total net Undiscounted financial assets/(liabilities)	**112.10**	**(332.90)**	-	-	**169.92**	-	**(50.88)**

Note1:
Loans. Investment, Debt securities and Borrowings balances includes the unamortised processing fee accounted in line with the EIR

Note 2:
Loans and trade receivables balances are net off of provisions

Note 3:
Information on the maturity pattern is based on the reasonable assumptions made by the management before considering impact of RBI Circular Dated 27 March, 2020.

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Note 43. First-time adoption of Ind AS

The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) ("Collectively referred to as "the Previous GAAP")

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS The Company has applied the following exemptions/ exceptions:

i) Classification and measurement of financial assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS

ii) Deemed cost for property, plant and equipment and intangible assets

The company has elected to continue with the carrying value of all of its plant and equipment, capital work-in-progress and intangible assets recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

iii) Share based payments:

Ind AS 102 Share based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1st April, 2018.

iv) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP. Accordingly, impairment of financial assets is based on expected credit loss model which under previous GAAP did not require estimation.

Reconciliation statement of profit and loss reported under previous GAAP to Ind AS

Particulars		Year ended March 31, 2019		
	Notes	Previous GAAP	Adjustments	Ind AS
Revenue from Operations				
Interest Income	1	920 27	55 38	975 65
Service fee and commission Income	1	3,432 95	(867 15)	2,565.80
Net gain on fair value changes		11.49	-	11 49
Total Revenue from Operations		**4,364.71**	**(811.76)**	**3,552.94**
Other Income	2	-	9 55	9.55
Total Income		**4,364.71**	**(802.21)**	**3,562.49**
Expenses				
Finance costs	3	404.51	16.97	421.48
Impairment on financial instruments	5	216.84	(4.08)	212.76
Employee benefit expense		1,894.13	24 21	1,918.34
Depreciation and amortisation expense		217.49	-	217.49
Other expenses		1,396.00	-	1,396 00
Total expenses		**4,128.97**	**37.09**	**4,166.07**
Profit / (Loss) before exceptional items and Tax		**235.74**	**(839.31)**	**(603.58)**
Profit / (Loss) before tax		**235.74**	**(839.31)**	**(603.58)**
Tax expense				
- Current tax		147 63	-	147.62
- Deferred tax	6	(82.04)	(219.14)	(301.18)
Total tax expense		**65.59**	**(219.14)**	**(153.56)**
Net Profit / (Loss) After Tax		**170.15**	**(620.17)**	**(450.02)**
Other comprehensive Income (net of tax)	4	-	23.52	23.52
Total Comprehensive Income under Ind AS		**170.15**	**(596.65)**	**(426.50)**

1. Under previous GAAP, loans were carried at cost whereas under Ind AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method

2. Under previous GAAP, the rental deposits were carried at cost, as per Ind AS these deposits are carried at amortised cost. Under amortised cost method, the interest income on rental deposits and the corresponding additional rental cost is recognised on a gross basis.

3. Under previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method

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4 Under the previous GAAP, remeasurements i.e actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year Under Ind AS, these remeasurements are recognized in other comprehensive income instead of profit or loss. Also under previous GAAP, the ESOP accounting was carried out under Intrinsic value method. However the same is accounted under Market value basis under Ind AS

5. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, needs to be calculated using the expected credit loss model.

6. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, It also includes impact of deferred tax arising on account of transition to Ind AS.

Note 43. (contd.) Reconciliation of equity as reported under previous GAAP and Ind AS

Particulars	Closing Balance Sheet as at March 31, 2019		
	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial assets			
Cash and cash equivalents	4,180.15	-	4,180.15
Trade receivables	457.24	0.00	457.24
Loans	46,040.86	(645.80)	45,395.06
Investments	7,334.85	(154.90)	7,179.95
Other financial assets	455.36	(0.28)	455.08
Total Financial Assets	**58,468.47**	**(800.98)**	**57,667.48**
Non-Financial assets			
Current Tax Assets (Net)	308.40	-	308.40
Deferred tax assets	98.22	211.96	310.18
Property, plant and equipment	736.58	-	736.58
Other intangible assets	25.75	-	25.75
Intangible Assets Under Development	144.90	-	144.90
Other non-financial assets	136.36	-	136.36
Total Non-Financial Assets	**1,450.21**	**211.96**	**1,662.17**
Total Assets	**59,918.68**	**(589.02)**	**59,329.65**
EQUITY AND LIABILITIES			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments			
Payables			
(A) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	551.64	-	551.64
Debt Securities	19,128.12	(0.34)	19,127.78
Borrowings (Other than Debt Securities)	15,625.68	(6.79)	15,618.89
Deposits			-
Subordinated Liabilities			-
Other financial liabilities	1.27	-	1.27
Total Financial Liabilities	**35,306.71**	**(7.13)**	**35,299.58**
Non-Financial Liabilities			
Current tax liabilities (Net)	-		-
Provisions	133.59	2.96	136.54
Other non-financial liabilities	182.62	-	182.62
Total Non-Financial Liabilities	**316.21**	**2.96**	**319.16**
Total liabilities	**35,622.92**	**(4.17)**	**35,618.74**
EQUITY			
Equity	5,830.50	-	5,830.50
Other equity	18,465.26	(584.85)	17,880.41
Total equity	**24,295.76**	**(584.85)**	**23,710.91**
Total equity and liabilities	**59,918.68**	**(589.02)**	**59,329.65**

Note- The above disclosure is not made for Opening Balance Sheet as at April 1, 2018 as there were no major Ind AS adjustments.

(ii) Reconciliation of equity as reported under previous GAAP and Ind AS as at March 31, 2019 and April 1, 2018

Particulars	As at March 31, 2019	As at April 1, 2018
Total Equity as reported under the previous GAAP (A)	**24,295.76**	**862.63**
Add / (Less) Ind AS Adjustments:		
Expected credit Loss	4.08	-
Effective interest rate	(818.89)	-
Net (loss) / gain on financial instrument designated at FVOCI for the year	36.62	-
Other Adjustments	(18.62)	(0.35)
Deferred tax impact on above	211.96	-
Total effect of transition to Ind AS (B)	**(584.85)**	**(0.35)**
Equity as per Ind AS (A)+(B)	**23,710.91**	**862.28**

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Disclosures as per the Reserve Bank of India

Note 44. Schedule to the Balance Sheet under Annex IV of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016

Particulars		Amount Outstanding	Amount Overdue
Liabilities Side			
44.1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :			
a. Debentures	Secured	30,446.55	-
	Unsecured	-	-
b. Deferred Credits		-	-
c Term loans (including overdraft and cash credits)		47,218.16	-
d. Intercorporate loans and borrowings		-	-
e. Commercial paper		-	-
f. Public deposits		-	-
g. Other loans		-	-
44.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
a. in the form of unsecured debentures		-	-
b. in the form of partly secured debentures i.e. debentures wherein there is a shortfall in the value of security		-	-
c. other public deposits		-	-

Asset Side	Amount Outstanding
44.3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a. Secured	82,222.33
b. Unsecured	946.27
44.4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
a. Lease assets including lease rentals under sundry debtors	
i) Finance lease	-
ii) Operating lease	-
b. Stock on hire including hire charges under sundry debtors	
i) Assets on hire	-
ii) Repossessed Assets	-
c. Other loans counting towards asset financing activities	
i) Loans where assets have been repossessed	-
ii) Loans other than (a) above	-
44.5. Break up of investments	
Current Investments	
a. Quoted	
i) - Equity shares	-
- Preference shares	-
ii) Debentures and bonds	-
iii) Units of mutual funds	-
iv) Government securities	-
v) others	-
b. Unquoted	
i) - Equity shares	-
- Preference shares	-
ii) Debentures and bonds	-
iii) Units of mutual funds	-
iv) Government securities	-
v) others (Alternative Investment Fund)	100.00

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Asset Side	Amount Outstanding
Long term investments	
a. Quoted	
i) - Equity shares	-
- Preference shares	-
ii) Debentures and bonds	-
iii) Units of mutual funds	-
iv) Government securities	-
v) others	-
b. Unquoted	
i) - Equity shares	1.00
- Preference shares	-
ii) Debentures and bonds	8,225.91
iii) Units of mutual funds	-
iv) Government securities	-
v) others	
- Pass through securities	1,760.14
	-

44.6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount net of provisions		
	Secured	Unsecured	Total
Related parties			
a. Subsidiaries	-	897.39	897.39
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
Other than related parties	81,271.38	46.27	81,317.65

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

Category	Market Value	Book Value (net of provisions)
Related parties		
a. Subsidiaries	-	1.00
b. Companies in the same group	-	-
c. Other related parties	-	-
Other than related parties	-	10,086.05

44.8. Other information

Particulars	Amount
a. Gross Non Performing Assets	
- Related parties	-
- Other than related parties	619.96
b. Net Non Performing Assets	
- Related parties	-
- Other than related parties	123.99
c. Assets acquired in satisfaction of debt	-

Note 44a. Disclosures required in terms of Annexure XIV of the Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016

44a.1. Capital

Particulars	Current Year	Previous Year
CRAR %	64.48%	42.58%
CRAR - Tier I Capital %	64.13%	42.24%
CRAR - Tier II Capital %	0.35%	0.33%
Amount of subordinated debt raised as Tier II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

(All amounts are in Rupees lakhs, unless stated otherwise)

44a.2. Investments

Particulars	Current Year	Previous Year
a. Value of investments		
i) Gross value of investments		
- In India	10,087.05	7,179.95
- Outside India	-	-
ii) Provision for depreciation		
- In India	-	-
- Outside India	-	-
iii) Net value of investments		
- In India	10,087.05	7,179.95
- Outside India	-	-

44a.3. Derivatives

The Company has no exposure in relation to these items in the current year and the previous year

44a.4. Disclosures relating to Securitisation

Particulars	Amount
a. No of SPVs sponsored by the applicable NBFC for securitisation transactions	1
b. Total amount of securitised assets as per books of the SPVs sponsored	1,970.22
c. Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	279.22
i) Off balance sheet exposures	
- First loss	-
- Others	-
ii) On balance sheet exposures	
- First loss	279.01
- Others	59.11
d. Amount of exposures to securitisation transactions other than MRR	
There Company has not entered into any such transactions during the current year.	

44a.4 (I). Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

There are no such transactions of this nature in the current and previous year

44a.5. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

	As at March 31, 2020			
Particulars	Borrowing from Banks and others (Refer Note iii)	Debt Securities	Advances	Investments
1 to 7 days	187.59	11.52	10.62	-
8 to 14 days	8,077.71	-	5.85	-
Over 14 days to one month	1,334.25	536.41	3,681.65	180.67
Over one month to 2 months	2,266.82	-47.55	3,882.80	126.89
Over 2 months to 3 months	1,907.45	4,928.68	3,480.98	261.39
Over 3 Months up to 6 months	6,282.73	5,849.10	13,430.95	383.71
Over 6 Months up to 1 year	12,370.23	11,626.53	18,999.15	1,226.21
Over 1 year up to 3 years	14,791.40	7,541.85	35,477.36	751.07
Over 3 years up to 5 years	-	-	2,226.64	3,456.24
Over 5 years	-	-	1,019.04	3,700.87
Total	**47,218.16**	**30,446.55**	**82,215.04**	**10,087.04**

Note :

i) Information on the maturity pattern is based on the reasonable assumptions made by the management before considering impact of RBI Circular dated 27 March, 2020.

ii) Figures of Previous years are given in brackets

iii) Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.

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CHARTERED ACCOUNTANTS

VIVRITI CAPITAL PRIVATE LIMITED
CHENNAI
600 035

(All amounts are in Rupees lakhs, unless stated otherwise)

44a.6. Details of Assignment transactions undertaken by applicable NBFCs
There are no such transactions of this nature in the current and previous year

44a.7. Details of non-performing financial assets purchased / sold
There are no such transactions of this nature in the current and previous year

44a.8. Exposures
a. Exposure to real estate sector

Particulars	Current Year	Previous Year
a. Direct Exposure		
i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
- Residential	-	-
- Commercial Real Estate	-	-
b. Indirect Exposure		
Fund and non fund based exposure to Housing Finance Companies	4,899.09	1,999.29
Total exposure to real estate sector		

b. Exposure to Capital Market
The Company does not have any capital market or derivative transactions exposure as at March 31, 2020.

44a.9. Details of financing of parent company products
There are no such transactions of this nature in the current and previous year

44a.10. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC
There are no such transactions of this nature in the current and previous year

44a.11. Unsecured Advances

Particulars	Outstanding as at March 31, 2020
Vivriti Asset Management Private Limited (Subsidiary of the Company)	900.00

44a.12. Registration obtained from other financial sector regulators
There are no other registrations that has been obtained from financial sector regulators other than RBI

44a.13. Disclosure of Penalties imposed by RBI and other regulators
There were no penalties imposed by RBI and other regulators in the current and previous year

44a.14. Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Rating Agency	Current Year	Previous Year
Bank Term Loans	ICRA	A- (Stable)	A- (Stable)
Non Convertible Debentures	ICRA	A- (Stable)	A- (Stable)

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(All amounts are in Rupees lakhs, unless stated otherwise)

44a.15. Provisions and contingencies

Particulars	Current Year	Previous Year
Provisions for depreciation on Investment	-	-
Provision towards NPA	495.97	-
Provision made towards Income tax	679.99	147.62
Other Provision and Contingencies	0.01	62.68
Provision for Standard Assets	395.13	183.39

Note- These are charge to the Statement of Profit and Loss.

44a.16. Draw Down from Reserves

There are no such transactions of this nature in the current and previous year

44a.17. Concentration of Advances

Particulars	Amount
Total Advances to twenty largest borrowers	37,003.51
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	45%

44a.18. Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrowers / customers	43,865.52
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	44%

44a.19. Concentration of NPAs

Total Exposure to top four NPA accounts (Gross exposure) 619.96

44a.20. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	3.87%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other loans	-

44a.21 (I) Movement of NPAs

Particulars	Current Year	Previous Year
a. Net NPAs to Net Advances	0.15%	-
b. Movement of NPAs (Gross)		
- Opening balance	-	-
- Additions during the year	619.96	-
- Reductions during the year	-	-
- Closing balance	619.96	-
c. Movement of Net NPAs		
- Opening balance	-	-
- Additions during the year	123.99	-
- Reductions during the year	-	-
- Closing balance	123.99	-
d. Movement of provisions for NPAs (excluding provisions on standard assets)		
- Opening balance	-	-
- Additions during the year	495.97	-
- Reductions during the year	-	-
- Closing balance	495.97	-

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VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

Vivriti Capital Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts are in Rupees lakhs, unless stated otherwise)

44a. 21 (II) Provisioning Details as on 31st March 2020 as per RBI Circular dated March 13, 2020

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*	93,255.65	486.97	92,768.68	373.02	113.95
	Stage 2*	-				-
Subtotal		93,255.65	486.97	92,768.68	373.02	113.95
Non-Performing Assets (NPA)						
Substandard	Stage 3	619.96	495.97	123.99	62.00	433.97
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		619.96	495.97	123.99	62.00	433.97
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	7,807.02	121.01	7,686.01	31.23	89.78
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		7,807.02	121.01	7,686.01	31.23	89.78
Total	Stage 1	1,01,062.67	607.98	1,00,454.69	404.25	203.73
	Stage 2	-	-	-	-	-
	Stage 3	619.96	495.97	123.99	62.00	433.97
	Total	**1,01,682.63**	**1,103.95**	**1,00,578.68**	**466.25**	**637.70**

Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

Particulars	Amount
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	2,082.31
Respective amount where asset classification benefits is extended as at March 31,2020	-
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular*	208.23
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-

* INR 104.11 Lakhs provisions has been made in the books.

44a.22. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no such transactions of this nature in the current and previous year

44a.23. Off-balance Sheet SPVs sponsored

There are no such transactions of this nature in the current and previous year

VIVRITI CAPITAL PRIVATE LIMITED CHENNAI 600 035

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(All amounts are in Rupees lakhs, unless stated otherwise)

44a.24. Disclosure of Customer complaints

Particulars	Current Year	Previous Year
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	95	-
No. of complaints redressed during the year	95	-
No. of complaints pending at the end of the year	-	-

Note 45. Comparative figures

Previous period figures have been regrouped and reclassified wherever necessary to confirm current year's presentation.

For and on behalf of the Board of Directors of
Vivriti Capital Private Limited

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar
Managing Director
DIN 06848801

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary

CAPITAL PRIVATE LIMITED VIVRITI ★ CHENNAI 600 035

Place: Chennai
Date : April 28, 2020

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS

VIVRITI CAPITAL PRIVATE LIMITED

BOARD’S REPORT FY 19-20

Corporate Information:

Board of Directors	Mr. Gaurav Kumar Mr. John Tyler Day Mr. Kenneth Vander Weele Ms. Namrata Kaul Mr. Sridhar Srinivasan Mr. Vineet Sukumar
Chief Financial Officer	Mr. Shaik Mohammed Irfan Basha
Company Secretary	Ms. Amritha Paitenkar
Statutory Auditors	M/s. Deloitte Haskins & Sells LLP
Registered Office & Corporate Office	Regd and Head office: 12th floor, A-Wing, Prestige Polygon, No. 471, Anna Salai, Nandanam, Chennai – 600 035 Mumbai office: Vibgyor Towers, Unit 303 & 305, Plot No. C- 62, Block G, Bandra Kurla Complex, Mumbai – 400 051
Corporate Identification Number	U65929TN2017PTC117196

BOARD'S REPORT FY 19-20

TO THE MEMBERS OF VIVRITI CAPITAL PRIVATE LIMITED:

The Board takes pleasure in presenting their Third Annual Report together with the Audited Financial Statements both on a Standalone and Consolidated basis for the Financial Year ended 31st March 2020.

BACKGROUND:

The Company was incorporated on 22nd of June 2017 as a private limited company and obtained the license to operate as a Non-Banking Financial Company as Type II NBFC-ND from the Reserve Bank of India on the 5th of January 2018. The Company started its operations as an NBFC on April 2019 and obtained the status of NBFC ND SI within a year of its operation i.e. on 31st March 2019.

FINANCIAL RESULTS:

The highlights of the Financial Statements of the Company for the financial years 2018-19 and 2019-20 are as under:

(in INR LAKHS)

Particulars	Standalone		Consolidated	
	Current Financial Year (2019-20)	Previous Financial Year (2018-19)	Current Financial Year (2019-20)	Previous Financial Year (2018-19)
Revenue from Operations	14,774.18	3,552.94	14,843.04	3,552.94
Other Income	41.58	9.55	36.92	9.55
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	9,173.10	248.15	9,085.42	248.15
Less: Depreciation/ Amortisation/ Impairment	1,557.04	430.25	1,557.04	430.25
Profit /loss before Finance Costs, Exceptional items, and Tax Expense	7,616.06	(182.10	7,528.39	(182.10
Less: Finance Costs	6,227.75	421.48	6,227.75	421.48

Profit /loss before Exceptional items and Tax Expense	1,388.31	(603.58)	1,300.64	(603.58)
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	1,388.31	(603.58)	1,300.64	(603.58)
Less: Tax Expense (Current & Deferred)	359.22	(153.56)	337.16	(153.56)
Profit /loss for the year (1)	1,029.09	(450.02)	963.48	(450.02)
Total Comprehensive Income/loss (2)	(7.38)	23.52	(7.38)	23.52
Total (1+2)	1,021.71	(426.50)	956.10	(426.50)
Balance of profit /loss for earlier years	(450.43)	10.10	(450.43)	10.10
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	(205.82)	(34.03)	(205.82)	(34.03)
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	365.46	(450.43)	299.85	(450.43)

A statement containing salient features of the financial statement of Vivriti Asset Management Private Limited, a Wholly Owned Subsidiary Company of the Company in form AOC-1 in accordance with the Companies Act, 2013 and rules and regulations thereunder, is annexed as Annexure I.

OPERATING RESULTS AND PROFITS:

The Company has engaged and continued to be extensively operative in carrying out its business throughout the Financial year 2019-20 in different sub verticals namely Financial Services, Enterprise Finance and Co-lending operations.

During the year under review, the Company has successfully grown its Loan Assets under Management from INR 52,757.20 Lakhs to INR 93,255.65 Lakhs, the Net Worth increased from INR 23,710.91 lakhs to INR 66,346.04 lakhs backed by infusion of additional capital from Creation Investments India III, LLC and fresh capital infusion from Lightstone Fund S.A, the Interest Income increased from INR 975.65 lakhs to INR 11,353.83 lakhs and the Customer Base has increased from 129 customers to 242 customers.

Revenue from operations as on 31st of March 2019 and 31st March 2020 was INR 14,774.18 lakhs (31 Mar 2020) and INR 3,552.94 lakhs (31 March 2019) with Net Profit of INR 1,029.09 lakhs (31 March 2020) and INR (450.02) Lakhs (31 March 2019) and earnings per equity share of INR 7.36 (31 March 2020) and INR (3.63) (31 March 2019) , respectively.

In a highly competitive market, offering multifarious services, Vivriti stood out as a stellar performer in its short business vintage. FY19-20 was a remarkable year both in terms of achievements and challenges, with a parallel business growth at unprecedented levels, rendered by three key verticals namely, Financial Services, Enterprise Finance and Co-lending.

FY2020 was a year of stellar performance considering the accelerated growth for Vivriti - a year of many firsts and new peaks. The year saw the coming together and firming up of all three key verticals of the Vivriti Group which puts up in good shape to expand and build on even amid the on-going challenging environment.

Product Innovation and Market Leadership: CredAvenue™ was at the forefront of many marquee deals including many first of its kind, largest in the industry deals-

- AAA rated time-tranched securitisation
- Collateralised Loan Obligation (CLO)
- Masala Bonds
- ECBs
- Largest Covered Bond Issuance

FUTURE OUTLOOK

The Company completed the financial year with INR 12,107 crores of volumes, well diversified across asset classes, investor categories and products. With this, a strong foundation has been set for the year coming up.

In FY 2021, the following factors auger well for the Company:

CredAvenue™ Development: FY20 was a milestone year for CredAvenue™ in terms of user adoption and launch of several new modules for internal and external users. The focus on FY21 will be to build further on user feedback and requirements while at the same time coming up with innovative solutions in line with our mission of making this the one stop shop for all debt requirements.

Credit Engine: The credit engine is a dynamic credit underwriting and monitoring platform that makes the issuer-investor engagement seamless. Over time, the adoption of the credit module has built up amongst investors for sourcing, evaluation, and monitoring. In FY21, several releases are planned to strengthen the value proposition further, including Client Risk Sandbox, Auto Commentary, covenant tracking and KPI dashboards, scenario analysis and stress tests, scoring etc.

Decision Making Tools: A key emphasis across modules will be to develop more decision-making tools that aid the transition to a user-led platform.

Illustratively:

For clients: Predictive modelling-based recommendation on amount of fund raise, most likely investor type and products for fund raise, structure suggestions

For investors: Matchmaking models on client and transaction suitability, risk triggers, matchmaking score based on investor preference/ historic data/ similar deals in the past, investor customized pre and post transaction dashboards

Transaction Platform: Multiple new product releases are planned in FY21 across ECB, CABSEC, PLI, Secondary Sell-Down modules and others. The team has already started deploying the loss estimation and rating prediction models. This would be a key enabler in operationalizing a complete self-structuring transaction module for securitization products. For each product, it will be ensured that the end to end process from initiation to maturity including the post-settlement activities across counterparties is automated.

Deep User Integration: A key focus for FY21 will be on enabling deeper platform integration for all clients, investors and counterparties. While CredAvenue™ adoption has significantly improved in FY20, it is now important for us to ensure that users route the entire process through the platform, and we offer customized solutions. The objective here will be two-fold which is first to capture greater wallet share and user stickiness and second make CredAvenue™ their platform of choice for all debt deals and not just for syndicated debt transactions. The team will roll out and complete key projects such as – CAM auto generation, customized reporting and dashboards, investor specific agreement templatization. This eventually is expected to open options for system integrations via API which would enable real time data flow. Integration would be a key driver for our engagement with offshore investors, DFIs etc. where the platform can serve as their single window for India based investments and portfolio.

Product Innovation: In FY20, our innovative structured finance products helped us close out key marquee deals and strengthen credentials. This clubbed with a robust transaction module development on CredAvenue™ gives us a unique head start to build market share in the structured finance space not just in the arranger led segment but in the significantly larger pie of direct deals.

Co-Lending platform adoption: The Co-Lending module was developed and launched as a stand-alone module in CredAvenue™. The uptake has been slower than expected on account of issues such as gaps in post-disbursement support/infra, real time price discovery enablement, complete workflow capture. The team has factored in the feedback received from users and the FY21 plan is focused on plugging these gaps to increase adoption. Originator and Investor integration, standardized APIs, workflow and document solution changes and basic wallet features will be key priorities.

Non-Banking Financial Company: The balance sheet lending approach would continue to remain a critical focus area as it has helped us demonstrate incentive alignment which is key differentiating factor for our model. Equally significant is the role it plays in helping build investor confidence in new/emerging entities where perceived risk is higher than the real risk. With the impact of COVID-

19 panning out in the course of this year, our on-book lending will help us expand and closely monitor our client franchise. A robust risk management and monitoring system has helped us maintain portfolio quality as we continue taking a cautious approach towards incremental lending.

Enterprise Finance Solutions: Our enterprise finance team made important strides in FY20 in terms of active pitching to lenders and closure of first set of syndication deals. Given the fact that the structured finance market for the size and segment we are targeting is at an extremely nascent stage, the team will be working on helping evolve the market at large. This also entails product innovation in customizing regular structure finance products suited to this segment. We are already seeing a transition of our FI investor base into this space through us and we hope to further leverage this network base. In FY21, the focus will also be on expanding into new investor base such as offshore funds, DFIs etc.

Key Milestones of FY 2020:

CredAvenue™ Build-Out and Adoption: In FY20, we launched the brand "CredAvenue™", which was registered as a Trademark during the year. Full-fledged development of both the Credit and Transaction module along with a massive thrust on user engagement initiatives helped ensure that adoption rates improved significantly across the board. Emphasis on incorporating more interactive, real time dashboards, analytical solution, risk management solutions, self-sign up modules facilitated deeper user engagement. The launch of the Co-Lending module with partner integration modules was completed and is ready for further scale up. Importantly, our team successfully secured ISO 27001 Certification for CredAvenue™.

Product Innovation and Market Leadership: CredAvenue™ was at the forefront of many marquee deals including many first of its kind, largest in the industry deals-

- First AAA rated time-tranched securitisation transaction facilitated through CredAvenue™
- First Collateralized Loan Obligation (CLO) with A(SO) rating was concluded
- First Masala Bond ECB transaction on the platform
- First Covered Bond Issuance facilitated on CredAvenue™

New Partnerships: In FY20, saw a significant jump in our user network base with 40 new investors and 90 new clients added. In addition, our empaneled base of trustees, rating agencies, law firms and auditors also saw a major uptick.

Employee Engagement: In FY20 we nearly doubled our staff strength from 95 to 176 in addition to further defining our organization structure in line with the company's vision. Training Programs, Induction Programs, New HRMS, off-sites and continued feedback with the senior management has helped ensure that the team is full charged up, equipped and on board to take on the Vivriti mission.

Industry Representation: In FY20, our team presented CredAvenue™ in international conferences. The senior management spoke on industry forums and was featured in various media platforms. In addition, our knowledge management sessions, webinars and industry reports have been a huge success.

With this background, the Company seeks to expand its client franchise, investor base and business volumes significantly in FY 2021. Further, the Company aims to raise a significant amount of equity to build a strong balance sheet, obtain its credit rating, diversify its liability profile and add more value to its clients. All in all, the Company has set ambitious targets for itself for FY 2021.

The Company has been able to build a strong team with most key positions filled as on date. With favorable macroeconomic factors and a strong team, the Company is a good position to realize its business targets for the coming financial year.

DIVIDEND

The Board the Directors of the Company with a view to conserve the profits earned for future operations and growth of the company have not declared dividend for the current Financial Year.

TRANSFER TO RESERVES

As required by the Reserve Bank of India, the Company has made a transfer of INR. 205.82 lakhs to Statutory reserves constituting 20 % of the profits made during the period under review.

DEPOSIT

The Company is registered as NBFC-ND-SI and does not accept any deposits. Hence, has not accepted any deposits from the public during the period under review.

CREDIT RATING

The Company has obtained credit rating from two Credit Rating Agencies namely, ICRA Limited and Brickworks Ratings India Pvt. Ltd. The current credit rating of the company is as follows:

Credit Agency	Rating Instrument	Ratings	Rated. Amount (INR) Crores
ICRA	Long Term – Fund-based TL Long term – Unallocated Long term – Fund-based CC	[ICRA]A- (Stable)	600
	NCD – Long term	[ICRA]A- (Stable)	512
	MLD– Long term	PP MLD[ICRA]A- (stable)	38
Brickwork	Fund based term loans – Long term	BWR A Stable ‘Assigned’	100

RESOURCE MOBILIZATION:

Non-Convertible Debentures:

In FY20 the Company amidst the liquidity crisis in the NBFC sector and volatile market has managed to raise an aggregate of INR 107.35 Crores. In FY20, the company also issued its first Market Linked Debentures to a wealth management company.

Bank Finance and Non-Banking:

The company raised its first borrowing from Public Sector bank in FY20. The company was sanctioned a borrowing of INR 100 Crores from State Bank of India, the largest Public Sector Bank of the Country.

Additionally, the company cumulatively raised a borrowings INR 177.5 Crores from Banks in FY20. The borrowings were raised from multiple bank lenders, including Kotak Bank, RBL Bank, and IndusInd Bank.

In FY20, the company also raise borrowing from multiple large NBFCs and DFI, such as NabSamruddhi Finance, Tata Capital, Sundaram Finance, Hinduja Leyland Finance, to name a few. Cumulatively, these set of lenders sanctioned INR 210 Crores to the company.

INTERNAL AUDIT:

The Company has appointed M/s PricewaterhouseCoopers Private Limited as external Internal Auditor and they report to the Audit Committee of the Board of Directors of the Company. The Internal Auditor conducts comprehensive audits of core business processes, its supporting functional areas and operations of the Company to examine the adequacy of and compliance with policies, plans and statutory requirements. Any significant observations from the audit are reported to the Audit Committee and the Board on quarterly basis. Required follow-up actions are taken by the management to review and monitor the implementation of Internal auditors' recommendation.

INTERNAL FINANCIAL CONTROL:

Internal control systems at Vivriti Capital Private Limited are adequate and commensurate with its size and the nature of its operations. The Company's system of internal controls is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

To ensure that assets are safeguarded against losses that may arise due to unauthorized use or disposition, company has in place adequate systems to ensure that assets and transactions are authorised, recorded and reported.

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational which include its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

Change in Directors and KMP

a) Details of Directors or Key Managerial personal appointed or resigned or details of change in designation during the current Financial Year:

S.No	Name of the Director	Change in Designation	Date of Appointment	Date of Cessation
1	Mr. Gaurav Kumar	Managing Director from Whole-time Director	25.05.2019	-
2	Mr. John Tyler Day	Nominee Director from Non- executive Director	25.05.2019	-
3	Mr. Kenneth Dan Vander Weele	Nominee Director from Non- executive Director	25.05.2019	-
4	Mr. Vineet Sukumar	Managing Director from Whole-time Director	25.05.2019	-
5	Mr. Shaik Mohammed Irfan Basha	Chief Financial Officer	1.10.2019	-

b) Annual declaration by all Director(s)– Directors submitted their annual declarations to the Board of Directors of the Company as per the relevant provisions of the Companies Act, 2013.

MEETINGS

I. Board meetings

The Board of Directors met 10 times during FY 19-20 on the following dates:

a. 19-04-2019, 25-05-2019, 26-06-2019, 07-08-2019, 10-08-2019 & 11-08-2019, 01-10-2019, 06-11-2019, 15-02-2020, 05-03-2020 & 17-03-2020.

Name of the Director	No of Meetings eligible to attend	No of Meetings attended
Mr. Gaurav Kumar	10	9
Mr. Vineet Sukumar	10	10
Mr. Sridhar Srinivasan	10	6
Ms. Namrata Kaul	10	8
Mr. Kenneth Dan Vander Weele	10	9
Mr. John Tyler Day	10	9

II. Committee Meetings

The Directors attended the following Committee meetings held during the FY 19-20:

Audit Committee:

The Audit Committee met 4 times during the FY 19-20:

Name of Director Member	19-04-2019	10-08-2019	06-11-2019	14-02-2020	Total
Mr. Vineet Sukumar	Present	Present	Present	Present	4
Mr. Sridhar Srinivasan	Present	Absent	Present	Present	3
Ms. Namrata Kaul	Absent	Present	Present	Present	3

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met 5 times during the FY 19-20:

Name of Director Member	25-05-2019	10-08-2019	01-10-2019	06-11-2019	14-02-2020	Total
Mr. Gaurav Kumar	Present	Present	Present	Present	Present	5
Mr. Sridhar Srinivasan	Present	Absent	Present	Present	Present	4
Ms. Namrata Kaul	Present	Present	Present	Present	Present	5
Mr. Kenneth Dan Vander Weele	Present	Present	-Absent	Present	Present	4

Risk Committee:

The Risk Committee met 3 times during the FY 19-20:

Name of Director Member	10-08-2019	06-11-2019	14-02-2020	Total
Mr. Gaurav Kumar	Present	Present	Present	3
Mr. Vineet Sukumar	Present	Present	Present	3
Mr. Sridhar Srinivasan	Absent	Present	Present	2
Ms. Namrata Kaul	Present	Present	Present	3
Mr. John Tyler Day	Present	Absent	Present	2

IT Strategy Committee:

The IT Strategy Committee met twice during the FY 19-20:

Name of Director Member	06-11-2019	14-02-2020	Total
Mr. Gaurav Kumar	Present	Present	2
Mr. Vineet Sukumar	Present	Present	2
Mr. Sridhar Srinivasan	Present	Present	2
Mr. John Tyler Day	Absent	Present	1

ANNUAL BOARD EVALUATION AND INDEPENDENT DIRECTORS' MEETING

A formal annual evaluation of the Board of the Company was carried out by the Independent Directors, in their first meeting for the FY 2019-20 held on 6th November 2019. The evaluation was broadly carried out around effectiveness of Board and functioning, meetings and procedures, business strategy and risk management, Board communication and Committees. The feedback provided by the Independent Directors was discussed in detail in the meeting of Nomination and Remuneration Committee held on 14th February 2020 and was noted by the Board of Directors in its meeting held on 15th February 2020.

PARTICULARS OF EMPLOYEES/ DIRECTORS

A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

(a) a. Ratio of remuneration of each director to the median employee's remuneration for the financial year:

S No	Name of Directors (Executive)	Director's Remuneration (IN INR)	Employees' Median Remuneration (In INR)	Ratio
1.	Mr. Vineet Sukumar	1,37,50,000	16,45,000	8:1
2.	Mr. Gaurav Kumar	1,37,50,000	16,45,000	8:1

(b) Percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year vis-à-vis last financial year:

Name of director/ Key Managerial Personnel	% increase in remuneration vis-à-vis last financial year
Mr Vineet Sukumar, Managing Director	0%
Mr Gaurav Kumar, Managing Director	0%
Mr Shaik Mohammed Irfan Basha, Chief Financial Officer	0%
Ms P S Amritha, Company Secretary	0%

(c) the percentage increase in the median remuneration of employees in the financial year;
FY 2020 – average 10%
FY 2019 – average 10%

(d) the number of permanent employees on the rolls of company; 175

(e) 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;
The average increase in salaries of employees based on performance appraisal during the last year. Ratio of median percentage increase of Managerial personnel and employees is 1:1. The same is applicable for both financial years.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms that remuneration of directors and employees of the company is in accordance with the remuneration policy of the company;

The statement containing such particulars of employees as per the provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Pursuant to the provisions of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all members of the Company, excluding the aforesaid information and the same is open for inspection at the registered office of the Company during working hours up to the date of Annual General Meeting and if any member is interested in obtaining such information, may write to the Company Secretary at the registered office of the Company in this regard.

B. Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the financial year ended 31st March, 2020.

Particulars	Mr Vineet Sukumar	Mr Gaurav Kumar
(i) designation of the employee;	Managing Director	Managing Director
(ii) remuneration received;	1,37,50,000	1,37,50,000
(iii) nature of employment, whether contractual or otherwise;	Full time	Full time
(iv) qualifications and experience of the employee;	15 + years experience B. Tech - IIT, Karagpur MBA – Finace IIM,Bangalore	12+ years experience BA – Delhi University MBA Finance – IRMA, Anand
(v) date of commencement of employment;	30-08-2017	22-06-2017

(vi) the age of such employee;	40 Years	37 Years
(vii) the last employment held by such employee before joining the company;	IFMR Capital - CEO	IFMR - CBO
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	31.33	31.33
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	NA	NA

FOREIGN EXCHANGE EARNINGS/OUTGO

During the year under review, there was no Foreign Exchange earnings and Outgo from the operations of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has no activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) Rules, 2014 does not arise. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources.

Technology Absorption

Sr. No.	Particulars	
	Efforts made towards technology absorption	NA
	Benefits derived like product improvement, cost reduction, product development or import substitution	NA

	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial year): a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	During the year under review, the company has not imported any technology.
	Expenditure incurred on Research and Development.	During the year under review, the Company has not spent towards Research & Development

Investments made in Technology and milestones achieved:

FY2020 has been a milestone year in the journey of CredAvenue™ as it transformed into full - fledged credit and transaction platform with the launch of several new modules and the seeding of the building blocks for the future versions. The adoption, usage and feedback from internal and external users has been extremely positive and we would continue to build on this in FY2021.

Key highlights:

Credit Module Build-Out:

- Enabling reverse enquiry and credit discovery through the platform, launch of client profile and snapshot, enterprise finance report, interactive dashboards, auto commenting modules and other developments.

Transaction Platform Enhancements:

- Complete automation of term loans, launch of other products including syndication, working capital finance and an upgraded version of securitization. Additional dashboards and reports were enabled. The collaborative legal documentation module went live.

Risk Management and Analytical Solutions:

- Several models on transaction performance, reporting, assessment of risk / rating and dashboards went live during the year

Deeper User Engagement:

- Sign up pages for participants, specific dashboards for each participant, specific modules for trustees, rating agencies and investors were launched and disseminated

Launch of Co-Lending Platform:

- Focus on integration, pre and post settlement workflows and multi investor construct

CORPORATE SOCIAL RESPONSIBILITY (CSR).

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is applicable to the Company in accordance with Section 135 of Companies Act, 2013 and applicable rules from FY 2020-21 onwards. In light of the foreseeable applicability, the Company has constituted a CSR Committee and adopted a CSR Policy in its meeting held on 6th November 2020. The composition of the Committee is as below:

S.no	Members	Designation
1	Gaurav Kumar	Managing Director
2	Vineet Sukumar	Managing Director
3	Namrata Kaul	Independent Director
4	Sridhar Srinivasan	Independent Director

There were no meetings of the Committee during FY 2019-20.

The Company has adopted CSR Policy in the Board meeting held on 6th November 2019 as a good governance initiative, and in observance of the prospective applicability of the provisions of CSR from FY 2020-21 onwards. The Policy incorporates the aspects related to identification of list of activities/ projects/ programs for the purpose of CSR spending, implementation and monitoring activities. The detailed Policy is available on the Company's website (https://www.vivriticapital.com/policies.html).

ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act,2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the complete annual return for the year 2019 – 20 will be uploaded in the website of the Company: https://www.vivriticapital.com/home.html

An extract of annual return in MGT-9 forms part of this report. Please refer Annexure II.

CAPITAL ADEQUACY RATIO

The Company had a Capital to Risk Adjusted Assets ratio of 64.07% against the statutory requirement of 15% due to higher capital base and lower leverage. The above ratio includes Tier 2 capital of 0.35% towards provision made on stage 1 assets and optionally convertible redeemable preference shares.

IND ACCOUNTING STANDARDS

The financial statements (Standalone and consolidated) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules 2016. The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly these financial statements have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed under Section 133 of the Act.

RBI GUIDELINES:

Reserve Bank of India (RBI) granted the Certificate of Registration to the Company in January 2018 vide Registration No. N-07.00836, to commerce the business of non-banking financial institution without accepting deposits. During March 2019, the company has crossed the threshold of INR.500 crores in total assets size and become a Non-Deposit Taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI). The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

LISTING:

The Company has issued Listed NCDs of INR 3,16,35,00,000 during the year ended 31st March 2020. These Securities are listed with BSE Limited and the Company complies with all relevant SEBI Regulations in this connection.

DECLARATION FROM INDEPENDENT DIRECTORS:

The Independent Directors of the Company Mr. Sridhar Srinivasan and Ms. Namrata Kaul, have given the necessary declaration under Section 149, Section 164 and Section 184 of the Companies Act, 2013. These declarations have been placed before the Board and is duly taken on record.

SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT:

The Board had appointed M/s BP & Associates, Company Secretaries, Chennai to conduct Secretarial Audit for the Financial Year 2019-20

The Secretarial Audit Report in form MR-3 is annexed to this report as Annexure III is self-explanatory it's contains observation, but no qualification, reservations, adverse remarks and disclaimers.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business of the Company during the FY 19-20.

RISK MANAGEMENT

The Company recognizes the importance of risk management and has invested in appropriate processes, people and management structure. The risk framework defines four points of reference to measure, monitor and manage risk. "Gates" through which each entity and transaction must cross to be considered eligible. The Risk team has developed cutting edge credit analysis and tight, backend-controlled processes to assess risk earlier than market. The continuous flow of data through our marketplace debt syndication franchise aids in dynamically monitoring all clients. The Company possesses a strong technology and data science backbone to identify early warning signals. As an institutional lender, the Company is conscious that it is exposed to credit risk and has ensured that the Risk team is empowered and at the frontline to work closely with the business team.

The Company further periodically, keeps the Risk Committee and Board informed of the significant risks associated with the business of the company and the various risk identification and mitigation processes developed and put in place by the management.

REGULATORY COMPLIANCES AND MATERIAL ORDERS:

The company was compliant with all the regulatory compliances as per the Companies Act,2013, RBI Directions and guidelines, various tax statutes and other regulatory bodies.

There are no material orders passed by Regulators or Courts affecting the ongoing concern status and future operations of the Company.

The Company also had its first successful Annual RBI Inspection during the period of review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no such occurrences of material changes and commitments during the year, affecting the financial position of the company.

VIGIL MECHANISM/ WHISTLE BLOWER:

The Company has formulated a Vigil Mechanism by adoption of a Whistle Blower Policy, in accordance with provisions of section 177 of the Companies Act, 2013, allowing a platform for the Directors and employees to report genuine concerns or grievances in relation to any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The reporting mechanism is incorporated in detail in the Whistle Blower Policy of the Company, which is also available on Company's website (https://www.vivriticapital.com/policies.html).

NOMINATION AND REMUNERATION POLICY

The Company has also adopted a Nomination and Remuneration Policy in accordance with the provisions of section 178 of the Companies Act, 2013, constituting the terms of appointment and remuneration, including the appointment criteria, of Directors, Key Managerial Personnel (KMP), senior management personnel and other employees of the Company. The detailed Policy covering these aspects is available on Company's website (https://www.vivriticapital.com/policies.html).

The terms of appointment and remuneration of Board members and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters is annexed as part of the Nomination and Remuneration Policy of the Company as Annexure IV.

EMPLOYEE STOCK OPTIONS:

The Company wishes to bring about employee participation in the growth and prospects of the company has issued Employee Stock Option Plan (ESOP/ Plan) right from the initial year of incorporation that would encourage a long term and committed involvement of the employees in the ownership and future of the company.

Employees are covered by the Plan implemented from time to time and are granted an option to purchase shares of the Company subject to certain vesting conditions. The plan will be administered by the 'Nomination and Remuneration Committee' constituted by the Board of Directors of the Company.

The information pertaining to ESOP in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is provided below;

Particulars	**ESOP 2018**	**ESOP 2019**	**ESOP 2019 II**
Quantum of Pool	1922500	467000	800000
Options granted	1932500	467500	829500
Options vested (Live)	32500	0	0
Options exercised	116250	0	0
The total number of shares arising as a result of exercise of options		-	-
Options lapsed	0	0	0
The exercise price	10	47.48	71.67
Variation in terms of options		-	-
money realised by exercise of options	INR 1162500	-	-
Total number of options in force		-	-
employee wise details of options granted to:-	58	26	30

(i) key managerial personnel	3	0-	2
(ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year.	NIL	NIL	NIL
(iii) identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL	NIL	NIL

Employee Engagement: In Fy 20 we nearly doubled our staff strength from 95 to 176 in addition to further defining our organization structure in line with the company's vision. Training Programs, Induction Programs, New HRMS, off-sites and continued feedback with the senior management has helped ensure that the team is full charged up, equipped and on board to take on the Vivriti mission.

INFORMATION AS REQUIRED UNDER RULE 16 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014:

The same is not applicable since no employee has exercised any share during the period under review.

PARTICULARS OF ASSOCIATE, HOLDING, SUBSIDIARY AND JOINT VENTURE COMPANIES AND ITS PERFOMANCE AND FINANCIAL POSITIONS AND STATEMENTS

The Company has one Wholly-Owned Subsidiary Company and no Associate, Holding, and/ Joint Venture Companies.

Vivriti Asset Management Private Limited, a Wholly-Owned Subsidiary of Vivriti Capital Private Limited (hereinafter referred to as "Subsidiary"), was incorporated on 21st February 2019 with the object to carry on the Business of Alternative Investment Funds (AIF). The Subsidiary has commenced its operations and has set up two funds.

Highlights of performance of Vivriti Asset Management Private Limited ("VAM")

The Company is acting as a sponsor & manager of a Category II Alternative Investment Fund ("Cat II AIF") registered with Securities and Exchange Board of India ("SEBI"). The Company has sponsored and registered a trust - Vivriti Vihaan Trust - with SEBI as a Cat II AIF and launched the following scheme, Vivriti Samarth Bond Fund ("Fund"), registered as a Category II Alternative Investment Fund. CRISIL assigned AA+ (SO) Equivalent with respect to the capital protection available to Class A Unitholders of the Fund.

The Fund seeks superior risk-adjusted return from investing in debt instruments/securities issued by companies in the financial services sector, including NBFCs and Housing Finance Companies, providing credit to enterprises and individuals in India.

The Fund has declared its Initial closing in March 2020.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

The Particulars of loan, investments and guarantee for the financial have been provided in notes to the Financial Statements of the Company.

SHARE CAPITAL:

Below is the snapshot of significant share capital movement during the period under review;

Date of Allotment	Name of the Shareholder	Type of Share and mode of allotment	No. of shares
24-05-2019	Creation Investments India III, LLC	CCPS Series A2 Tranche II (Allotment) through Private Placement	1,04,64,541
16-11-2019	Ms. Sudha Rangarajan, Trustee of Vivriti Capital Employee Welfare Trust	ESOP issuance as per Sec 62(1)(b)	8,00,000
17-03-2020	Mr. Gaurav Kumar	Optionally Convertible Preference Shares – Series A through Private placement rights issue	4,05,701
17-03-2020	Mr. Vineet Sukumar	Optionally Convertible Preference Shares – Series A through Private placement	4,05,701
17-03-2020	Lighstone Fund S.A.	CCPS Series B through Private placement	2,01,54,225
17-03-2020	Lighstone Fund S.A.	Equity Shares through Private placement	100

The Company's authorised share capital has been increased as follows;

i. From INR 67,88,34,940/- to INR 79,34,80,350/- on 22nd April 2019.

ii. From INR 79,34,80,350/- to INR INR 99,34,80,350/- on 5th March 2020.

The Company's share capital was reclassified on 17th March 2020 and constitutes of Equity shares, Compulsorily Convertible Preference shares and Optionally Convertible Redeemable Preference shares respectively.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

The Company is a private limited company hence does not attract section 188 of the Companies Act, 2013. However, the Company declares that it has entered into any related party transactions with its Wholly-Owned Subsidiary Company during FY 19-20.

All the transactions entered with and loans provided to Wholly-Owned Subsidiary Company have been basis Arm's length price.

No Material Related Party transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

A list of all board approved transactions with the Wholly-Owned Subsidiary Company is enclosed as Annexure V.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Board has constituted an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. The policy not only extends to its employees but anyone who works in any of the Vivriti including all contractual staff, temporary staff and trainees.

Employees and contractual staff undergo training and regular refresher training to ensure we foster a positive workplace free from harassment of any nature.

The following is a summary of sexual harassment complaints received and disposed of during the year:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	1
Number of complaints disposed off during the year	1
Number of cases pending at the end of the year	0

AUDITORS

M/s. Deloitte Haskins & Sells, having Firm Registration No. 117366W/W-100018, Chartered Accountants, Mumbai, was appointed as Statutory Auditors of the Company from the conclusion of the Company's first AGM held on 30th April 2018 and to hold office up to the conclusion of the Sixth AGM.

REPLY TO THE QUALIFICATION IN THE AUDITOR'S REPORT

There are no qualifications in the Auditor's report.

COST AUDIT

Cost Audit is not applicable as per Sec 148 of the Companies Act 2013, read with Companies (Cost Records and Audit) Rules.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS- 1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

MANAGEMENT DISCUSSION AND ANALYISIS REPORT:

The Management Discussion and Analysis for the year under review is annexed here as Annexure – VI.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

(d) The directors had prepared the annual accounts on a going concern basis; and

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

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

ACKNOWLEDGEMENT

The Company and its Directors wish to extend their sincere thanks to the Members of the Company, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

On Behalf of the Board/-

For **Vivriti Capital Private Limited**

For Vivriti Capital Private Limited	For Vivriti Capital Private Limited
Managing Director	Managing Director
Name: Vineet Sukumar	Name: Gaurav Kumar
Managing Director	Managing Director
DIN: 06848801	DIN:07767248
Address: 4, KG Valmiki Apts,	Address: 19, B-103, Manasarovar Apt
3rd Seaward Road, Valmiki Nagar,	3rd Seaward road, Valmiki Nagar,
Thiruvamiyur, Chennai – 600041	Thiruvamiyur, Chennai - 600041

Place: Chennai

Date: 22 -May- 2020

Vivriti Capital Private Limited
Chennai
600 035

Annexure I

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

Sl. No.	Particulars	Details
1	Name of the Subsidiary	Vivriti Asset Management Private Limited
2	CIN	U65929TN2019PTC127644
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Period commencing from 21st February 2019 ending as at 31st March 2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
5	Share capital	INR 1,00,000
6	Reserves & Surplus	(65,60,589)
7	Total Assets	10,08,99,591
8	Total Liabilities	10,73,60,180
9	Investments	8,99,90,842[1]
10	Turnover	71,61,656
11	Profit before taxation	(87,67,090)
12	Tax expense	22,06,501
13	Profit after taxation	(65,60,589)
14	Proposed Dividend	-
15	Percentage of shareholding	100%

Note 1: *Investments in Alternative investment funds - Unquoted*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U65929TN2017PTC117196
ii	Registration Date	22-Jun-2017
iii	Name of the Company	M/s. VIVRITI CAPITAL PRIVATE LIMITED
iv	Category/Sub-category of the Company	Company Limited by Share | Indian Non-Government Company
v	Address of the Registered office & contact details	12th FLOOR, PRESTIGE POLYGON, NO. 471, ANNASALAI, NANDANAM CHENNAI TN 600035 IN Ph : 044 4007 4800 Email - gaurav@vivriticapital.com
vi	Whether listed company	Debt Listed Company
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/S INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED, CHENNAI 1st Floor, Kences Towers, 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017. Phone : 28140484 | Email Id - kences@integratedindia.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities, n.e.c.	64990	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	SUBSIDIARY COMPANY	% OF SHARES HELD	APPLICABLE SECTION
1	Vivriti Asset Management Private Limited 12th FLOOR, PRESTIGE POLYGON, NO. 471, ANNASALAI, NANDANAM CHENNAI TN 600035 IN	U65929TN2019PTC127644	Wholly - owned Subsidiary	100%	2(87)

IV (i)	SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)									
Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% change during the year**	
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Increase**	**Decrease**
A. Promoters										
(1) Indian										
a) Individual/HUF	98,00,000		98,00,000	71.59%	98,00,000		98,00,000	67.63%	-	-3.95%
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other - ESOP Trust	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	98,00,000	-	98,00,000	71.59%	98,00,000	-	98,00,000	67.63%	-	-3.95%
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	98,00,000	-	98,00,000	71.59%	98,00,000	0	98,00,000	67.63%	0.00%	-3.95%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions										
a) Bodies corporates										-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	100	-	100	0.00%	100	100	200	0.00%	0.00%	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	5,00,000	10,00,000	15,00,000	10.96%	10,00,000	5,00,000	15,00,000	10.35%	-	-0.61%
c) Others - ESOP Trust	-	23,89,500	23,89,500	17.45%	-	31,89,500	31,89,500	22.01%	4.56%	-
SUB TOTAL (B)(2):	5,00,100	33,89,500	38,89,600	28.41%	10,00,100	36,89,600	46,89,700	32.37%	3.95%	(0)
Total Public Shareholding (B)= (B)(1)+(B)(2)	**5,00,100**	**33,89,500**	**38,89,600**	**28.41%**	**10,00,100**	**36,89,600**	**46,89,700**	32.37%	**3.95%**	-0.61%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**103,00,100**	**33,89,500**	**136,89,600**	**100.00%**	**108,00,100**	**36,89,600**	**144,89,700**	100.00%	**3.95%**	**-4.56%**

IV. SHAREHOLDING PATTERN (Complusory Convertible Preference Shares Capital Break up as % to total Complusory Convertible Preference Shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	-	-	-	-	**-**	**-**	**-**	**-**	
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)						**-**	**-**	**-**	**-**	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):						**-**	**-**	**-**	**-**	

IV. SHAREHOLDING PATTERN (Complusory Convertible Preference Shares Capital Break up as % to total Complusory Convertible Preference Shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	**Increase**	**Decrease**
(2) Non Institutions										
a) Bodies corporates										
i) Indian	-	-	-	-	-	-	-	-	-	
ii) Overseas	421,21,438	48,83,494	470,04,932	100.00%	574,69,473	201,54,225	776,23,698	100.00%	100.00%	
b) Individuals	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	
SUB TOTAL (B)(2):	**421,21,438**	**48,83,494**	**470,04,932**	100.00%	**574,69,473**	**201,54,225**	**776,23,698**	**100.00%**	**100.00%**	
Total Public Shareholding (B)= (B)(1)+(B)(2)	**421,21,438**	**48,83,494**	**470,04,932**	100.00%	**574,69,473**	**201,54,225**	**776,23,698**	**100.00%**	**0.00%**	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	**421,21,438**	**48,83,494**	**470,04,932**	100.00%	**574,69,473**	**201,54,225**	**776,23,698**	**100.00%**	**0.00%**	

IV. SHAREHOLDING PATTERN (Optionally Convertible Redeeemable Preference Shares Capital Break up as % to total Optionally Convertible Redeeemable Preference Shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	8,11,402	-	8,11,402	100.00%	100.00%	
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	-	-	-	8,11,402	-	**8,11,402**	100.00%	**100.00%**	
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)					0	0	0			
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)					8,11,402	-	8,11,402	100.00%	**100.00%**	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):						**-**	**-**	-	-	

IV. SHAREHOLDING PATTERN (Optionally Convertible Redeeemable Preference Shares Capital Break up as % to total Optionally Convertible Redeeemable Preference Shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Increase	Decrease
(2) Non Institutions										
a) Bodies corporates										
i) Indian	-	-	-	-	-	-	-	-	-	
ii) Overseas							-			
b) Individuals	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	
SUB TOTAL (B)(2):	**-**	**-**	**-**		**-**	**-**	**-**			
Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	**-**		**-**	**-**	**-**			
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	**-**	**-**	**-**		**8,11,402**	**-**	**8,11,402**	**100.00%**	**100.00%**	**-**

(ii) SHARE HOLDING OF PROMOTERS - EQUITY

Sl No.	Shareholders Name	Shareholding at the begginning of the year		Shareholding at the end of the year		% change in share holding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Mr. Gaurav Kumar	4900000	35.79%	4900000	33.82%	-1.98%
2	Mr. Vineet Sukumar	4900000	35.79%	4900000	33.82%	-1.98%
	Total	**98,00,000**	**71.59%**	**9800000**	**67.63%**	**-3.95%**

SHARE HOLDING OF PROMOTERS - COMPULSORY CONVERTIBLE PREFERENCE SHARES - NO HOLDINGS

SHARE HOLDING OF PROMOTERS - OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Sl No.	Shareholders Name	Shareholding at the begginning of the year		Shareholding at the end of the year		% change in share holding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Mr. Gaurav Kumar	-	-	4,05,701	50.00%	50.00%
2	Mr. Vineet Sukumar	-	-	4,05,701	50.00%	50.00%
	Total	**-**	-	**8,11,402**	**100.00%**	**100.00%**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Particulars	Share holding at the beginning of the Year		Share holding at the end of the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Gaurav Kumar				
	At the beginning of the year	49,00,000	35.79%	49,00,000	35.79%
	No further allotment was made during the financial year				
	At the end of the year	49,00,000	33.82%	49,00,000	33.82%
2	Mr. Vineet Kumar				
	At the beginning of the year	49,00,000	35.79%	49,00,000	35.79%
	No further allotment was made during the financial year				
	At the end of the year	49,00,000	35.79%	49,00,000	35.79%

SHARE HOLDING OF PROMOTERS - COMPULSORY CONVERTIBLE PREFERENCE SHARES - NO HOLDING

SHARE HOLDING OF PROMOTERS - OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Sl. No.	Particulars	Share holding at the beginning of the		Share holding at the end of the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Gaurav Kumar				
	At the beginning of the year	-	-		-
	Increase | Date:17/03/2020 | Allotment	-		4,05,701	50.00%
	At the end of the year			4,05,701	50.00%
2	Mr. Vineet Kumar				
	At the beginning of the year	-	-	-	
	Increase | Date:17/03/2020 | Allotment			4,05,701	50.00%
	At the end of the year			4,05,701	50.00%

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

A EQUITY SHARES

Sl. No	Top Ten shareholders	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	VIVRITI CAPITAL EMPLOYEE WELFARE TRUST	Trust	23,89,500	17.45%	23,89,500	22.01%
	Increase | Allotment | 16-11-2019				8,00,000	
2	Shaik Mohammed Irfan Basha	Individual	5,00,000	3.65%	5,00,000	3.45%
3	Aniket Deshpande	Individual	5,00,000	3.65%	5,00,000	3.45%
4	Soumendra Nath Ghosh	Individual	5,00,000	3.65%	5,00,000	3.45%
5	Creation Investments India III, LLC	Body Corporate	100	0.00%	100	0.001%
6	Lightstone Fund S.A	Body Corporate				
	Increase | Allotment | 17-03-2020		-	-	100	0.001%

B CCPS

Sl. No	Top Ten shareholders	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Creation Investments India III, LLC	Body Corporate	470,04,932	100.000%	470,04,932	74.04%
	Increase | Allotment | 24-05-2019				104,64,541	
2	Lightstone Fund S.A	Body Corporate	-	-		
	Increase | Allotment | 17-03-2020		-	-	201,54,225	25.96%

C OCRPS

Sl. No	Top Ten shareholders	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Gaurav Kumar	Individual	-	-		
	Increase | Allotment | 17-03-2020		-	-	4,05,701	50.000%
2	Mr. Vineet Sukumar	Individual	-	-		
	Increase | Allotment | 17-03-2020		-	-	4,05,701	50.000%

(v) Shareholding of Directors & KMP (Equity Shares)

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during of the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Gaurav Kumar				
	At the beginning of the year	49,00,000	35.79%	49,00,000	35.79%
	No changes during the year				
	At the end of the year	49,00,000	33.82%	49,00,000	33.82%
2	Mr. Vineet Kumar				
	At the beginning of the year	49,00,000	35.79%	49,00,000	35.79%
	No changes during the year				
	At the end of the year	49,00,000	33.82%	49,00,000	33.82%

No CCPS Holding by Directors and KMP

Shareholding of Directors & KMP (OCRPS)

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during of the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Gaurav Kumar				
	At the beginning of the year	-	-	-	
	Increase | Date: 17/03/2020 | Allotment			4,05,701	
	At the end of the year			4,05,701	50.00%
2	Mr. Vineet Kumar				
	At the beginning of the year	-	-		
	Increase | Date: 17/03/2020 | Allotment			4,05,701	
	At the end of the year			4,05,701	50.00%

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year	-		-	
i) Principal Amount	30588,66,242	-	-	30588,66,242
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	30588,66,242	-	-	30588,66,242
Change in Indebtedness during the financial year				
Additions (Note 1)	65526,07,792			65526,07,792
Reduction	(19557,32,567)			(19557,32,567)
Net Change	45968,75,225	-		45968,75,225
Indebtedness at the end of the financial year				
i) Principal Amount	76557,41,467	-		76557,41,467
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	322,09,920			322,09,920
Total (i+ii+iii)	76879,51,387	-	-	76879,51,387

Note 1: Secured Debentures + Loans from banks + Loans from FI

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. ıg Director, Whole time director, Executive Director and/or Manager: 2

Sl.No	**Particulars of Remuneration**	**Mr. Gaurav Kumar Managing Director Amount (A)**	**Mr. Vineet Sukumar Managing Director Amount (B)**	**Total Amount (A+B=C)**
1	**Gross salary**			-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	137,50,000	137,50,000	275,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others (specify)			
5	Others, please specify			
	Total (A)	137,50,000	137,50,000	275,00,000.00

B. Remuneration to other directors: 2

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Sridhar Srinivasan	Namrata Kaul	-	
	(a) Fee for attending board committee meetings	7,00,000	5,00,000	-	12,00,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	7,00,000	5,00,000		12,00,000
2	Other Non Executive Directors				
	(a) Fee for attending	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	7,00,000	5,00,000	-	12,00,000
	Total Managerial Remuneration	-	-	-	-
	Overall Cieling as per the Act.	-	-	-	-

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD** 1

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	**Gross Salary**	**CEO**	**Amritha Paitenkar Company Secretary**	**CFO**	**Total**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	12,00,000	-	-	12,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	20,000	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	**-**	**12,00,000**	**-**	**-**	**12,00,000**

***Part of the Year**

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES   NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
B. DIRECTORS					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-

For Vivriti Capital Private Limited

Vineet Sukumar

Managing Director

Vineet Sukumar
Managing Director
DIN: 06848801
Address: 4, KG Valmiki Apartments,
3rd Seaward Road Valmiki Nagar
Thiruvanmyur, Chennai-600041

For Vivriti Capital Private Limited

On Behalf of the Board
For Vivriti Capital Private Limited

Gaurav

Managing Director

Gaurav Kumar
Managing Director
DIN: 07767248
Address: 19, B-103 Manasasrovar Appartments
3rd Seaward Road Valmiki Nagar
Thiruvanmyur, Chennai-600041

Vivriti Capital Private Limited
Chennai 600 035

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the Financial Year ended 31st March 2020

To,
The Members,
Vivriti Capital Private Limited
12th Floor, Prestige Polygon, No. 471, Annasalai,
Nandanam, Chennai 600035, Tamilnadu, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vivriti Capital 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 Vivriti Capital Private Limited'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 and as per the explanations given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed here under 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 made available to us and maintained by Vivriti Capital Private Limited's for the financial year ended on 31st March, 2020 according to the applicable provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
vi. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

viii. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.

ix. The following laws, regulations, directions, orders applicable specifically to the Company:

a. Reserve Bank of India Act, 1934.
b. Master Direction - Non-Banking Financial Company - Non-Deposit Accepting or Holding) Directions, 2016.
c. Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015
d. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.
e. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
f. Guidelines to Fair Practice Code.
g. Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;
h. 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) - 'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules notified there under.
i. Raising money thourgh Private Placement of NCDs by NBFCs RBI Guidelines.
j. Master Direction - Information Technology Framework for the NBFC Sector.
k. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
l. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016.
m. Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

x. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xi. Other laws applicable to the Company as per the representations made by the Management.

With respect to Fiscal laws such as Income Tax and Service Tax Rules, Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

i. Secretarial Standard 1 and 2 issued by The Institute of Company Secretaries of India have been generally complied with.
ii. Listing Agreement for debt securities entered into with BSE Limited.

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

(a) There were Two returns filed with Ministry of Corporate Affairs (Registrar of Companies) beyond the due date (*One day delay each*) during the year 2019-2020.

(b) Execution of Debenture Trust Deed beyond due date from the Date of Allotment.

(c) There were instances where Company has given late intimation(s) to the Stock Exchange and made delay in Compliances pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

We further report that

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

Certain meetings have been convened and held at short notice, notice has been given to all directors with an agenda and detailed notes on the agenda were sent/tabled at the meeting and a system exists for seeking further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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, the following significant events have taken place:

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BP & ASSOCIATES
Company Secretaries

1.	Appointment of Managing Director: Appointment of Mr. Vineet Sukumar (DIN : 06848801) and Mr. Gaurav Kumar (DIN : 07767248) as Managing Directors with effect from 25th May, 2019.
2.	Appointment of Key Managerial Personnel: Appointment of Mr. S Irfan Mohammed as Chief Financial Officer of the Company with effect from 01st October, 2019.
3.	Investment Made and Loan Given to Vivriti Asset Management Private Limited Wholly Owned Subsidary: The Company invested in its Wholly Owned Subsidary to the tune of INR 1 Lac and had decided to get loan not Exceeding INR 25 Crores.
4.	Approval of Vivriti ESOP 2019 II (Scheme) and Loan to Vivriti ESOP Trust: The Company Approved Vivriti Employee Stock Option Plan 2019 II and Extended unsecured Interest free loan of INR 5.73 Crores to Vivriti ESOP Trust.
5.	Issue and Allotment of Equity and Preference Share: ➢ Issued and allotted 1,04,64,541 Series A2 [Tranche II] Fully paid up Compulsorily Convertible Cumulative Preference Shares of Face Value of INR.10 (Rupees Ten only) each ("CCPS") at a price of INR 71.67 each. ➢ Issued and allotted 800,000 Fully Paid up Equity Shares of Face Value of INR 10 (Rupees Ten Only) each at a price of INR 71.67 each to Vivriti ESOP Trust. ➢ Issued and allotted 100 Equity Shares and 2,01,54,225 Series B Fully Paid Up Compulsorily Convertible Cumulative Preference Shares of Face Value of INR.10 (Rupees Ten only) each ("CCPS") at a price of INR 173.66 each. ➢ Issued and allotted 8,11,402 Partly Paid Up Series A Optional Convertible Redeemable Preference Shares of Face Value of INR 60/- (Rupees Sixty Only) each ("OCRPS") at a price of INR 173.66 each. ➢ Increased its authorized capital to Rs. 99,34,80,350/- and reclassified the share capital of the Company and amended the Memorandum of Association to reflect these changes.

CHENNAI * BP & ASSOCIATES *

6.	Issue and Allotment of Non Convertible Debenture: ➢ Obtained consent of the members to Issue Non-Convertible Debentures from time to time up to a maximum amount of INR. 1500/- Crores and also to borrow and creation of security for such borrowings made from time to time upto an extent of Rs. 3000/- Crores. ➢ Issued and Allotted 1,227 Secured, Senior, Rated, Listed, Taxable, Redeemable, dematerialized Non-Convertible Debentures at Face Value of INR 10,00,000/- ➢ The Company listed all its Non-Convertible Debentures with Bombay Stock Exchange.

For BP & Associates
Company Secretaries

Date: 22nd May 2020
Place: Chennai

C Prabhakar
Partner
CP No: 11033 | M No: 30433
UDIN:A030433B000251302

BP & ASSOCIATES
Company Secretaries

'ANNEXURE A'

To
The Members,
Vivriti Capital Private Limited
12th Floor, Prestige Polygon, No. 471, Annasalai,
Nandanam, Chennai 600035,Taminadu, India.

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

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a 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 Account of the company.

4. Wherever 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 the management. Our examination was limited to the verification of procedures on a 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.

For BP & Associates
Company Secretaries

Date: 22nd May 2020
Place: Chennai

C Prabhakar
Partner
CP No: 11033 | M No: 30433
UDIN:A030433B000251302

BP & ASSOCIATES * CHENNAI *

044-42047894
: secretarial@bpcorpadvisors.com
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Akshaya Flats, 12th Avenue,
Ashok Nagar, Chennai-83.

VIVRITI CAPITAL

Nomination and Remuneration Policy

Version	Approval Date	Prepared By
V1	10th August 2019	Legal & Compliance

1.PREFACE

Pursuant to the provisions of Section 178 of Companies Act, 2013 (the "Act"), Vivriti Capital Private Limited (the "Company") is required to constitute the Nomination and Remuneration Committee (the "Committee").

The Committee determines and recommends to the Board of Directors of the Company (the "Board") the compensation payable to the Directors. Remuneration for the Executive Directors consists of a fixed component and a variable component linked to the long-term version, medium term goals and annual business plans.

Section 178 of the Act provides that the Committee shall recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, further the Committee shall also formulate the criteria for determining qualifications, positive attributes and independence of a director.

The Committee and the Policy is formulated in compliance with Section 178 of the Act read along with the applicable rules thereto.

The Board has approved this policy in its meeting held on 10th August 2019.

2. OBJECTIVE

a. To lay down the criteria for identifying the persons who are qualified to become directors and such persons who may be appointed as the Senior Managerial Personnel of the Company.

b. To determine the qualifications, positive attributes and independence of the Board and to ensure Board Diversity.

c. To recommend the Board for determining the remuneration of the Directors, Key Managerial Personnel and other employees.

d. To set the criteria for evaluation of the performance of the Board and other employees of the Company.

3. DEFINITIONS

Unless otherwise stated, capitalised terms used in this Policy have the meanings ascribed to them hereunder.

"Key Managerial Personnel" (as defined in Section2(51) of the Act) in relation to the Company, means:

a. Chief Executive Officer or the Managing Director or the Manager

b. Company Secretary

c. Whole Time Director

d. Chief Financial Officer and

e. Such other officer as may be prescribed by the Government.

The expression “senior management” means personnel of the Company who are members of its core management team other than the Board. This would include all members of management one level below the executive directors, including all the functional heads.

4. SCOPE

This Policy shall be applicable to:

a. Board

b. Key Managerial Personnel as defined under Section 2(51) of the Act

c. Senior Managerial Personnel shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise of all members of management one level below the Executive Directors, including all functional heads.

d. Other employees of the Company

5. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Act, as amended from time to time.

6. GUIDING PRINCIPLES

The Policy ensures that

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c. Aligning key executive and board remuneration with the long-term interests of the company and its shareholders;

d. Minimize complexity and ensure transparency;

e. Link to long term strategy as well as annual business performance of the Company;

f. Promoters a culture of meritocracy and is linked to key performance and business drivers; and

g. Reflective of line expertise, market competitiveness to attract the best talent.

7. ROLE OF THE COMMITTEE

The role of the Committee, inter alia, will be the following:

a. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.

b. To carry out evaluation of every director’s performance.

c. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

d. To formulate the criteria for evaluation of Independent Directors and the Board.

e. To recommend/review remuneration of the Whole-time Director(s) based on their performance and defined assessment criteria.

f. To carry out any other function as is mandated by the Board from time to time and/or enforced by a statutory notification, amendment or modification, as may be applicable.

g. To perform such other functions as may be necessary or appropriate for the performance of its duties.

8. MEMBERSHIP

a. The Committee shall comprise of at least three or more non-executive directors out of which not less than one-half shall be independent Directors.

b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and applicable statutory requirement.

c. Membership of the Committee shall be disclosed in the Annual Report.

d. Term of the Committee shall be continued unless terminated by the Board.

9. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

10. APPOINTMENT CRIERTIA FOR THE BOARD AND OTHER EMPLOYEES

A. FOR THE BOARD

1.1 APPOINTMENT CRITERIA

1.1.1 MANAGING DIRECTOR/WHOLE-TIME DIRECTOR

a. The Managing Director/Whole-Time Director shall be appointed as per the applicable provisions of the Act and rules made there under.

b. The person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to qualifications, skills, industry experience, fit & proper, background and other attributes required for the said position.

c. The Managing Director/Whole-Time Director shall have all the powers and authorities as prescribed by the Board of Directors and as provided in the Articles of Association and applicable provisions of the Act. The Managing Director/Whole-Time Director will be overall in-charge of the business, administration and other affairs of the Company subject to the superintendence, control and directions of the Board of Directors and he shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

1.1.2 NON-EXECUTIVE DIRECTOR

a. The Non-Executive Director shall be appointed as per the applicable provisions of the Act and rules made there under.

b. The person to be appointed shall be assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets etc. The person considered to be appointed as a Non-Executive Director should possess relevant expertise which will help the person to act objectively and constructively.

1.2 NOMINATION PROCESS

a. The Nomination & Remuneration Committee shall be responsible to review the structure, composition and diversity of the Board and make recommendations to the Board on any proposed changes/ new appointments to complement the Company's objectives and strategies.

b. The Committee shall ensure that the Board has appropriate skills, professional knowledge, characteristics and experience in diverse fields like finance, banking, insurance, economics, corporate laws, administration, etc. required as a whole and by its executive directors, non-executive directors and independent directors in their individual capacity.

c. The Committee may on annual basis review the appropriate skills, knowledge and experience required for the Board as a whole and its individual Directors.

d. The Committee shall while identifying and selecting suitable candidates for fresh appointment/ re-appointment/ filling up casual vacancy shall inter-alia consider the following criteria:

d.1. consider educational and professional background and personal achievements;

d.2 consider individuals who are appropriately qualified, based on their talents, experience, functional expertise and personal skills, character and qualities;

d.3. consider criteria that promotes diversity, including gender, age and relevant background;

d.4. engage qualified independent external advisors, if required, to assist the Committee in conducting its search for candidates that meet the criteria as laid down herein regarding the skills, experience and diversity.

e. The proposed appointee shall also fulfil the following requirements:

e.1 Shall possess a Director Identification Number;

e.2 Shall not be disqualified under the Act;

e.3 Shall give his written consent to act as a Director;

e.4 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

e.5 Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

e.6 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding, Committee membership/chairmanship at the first meeting of the Board in every financial year.

e.7 Such other requirements as may be prescribed, from time to time under the Act and other relevant laws.

f. Upon receiving the consent to act as a Director, the profile of the person proposed to be appointed as a Director, shall be placed before the Board for its consideration and approval.

g. As per the provisions of the Act, appointment of Directors by the Board shall be placed before the shareholders for their approval.

1.3 FIT AND PROPER CRITERIA

At the time of appointment/re-appointment of the Directors, the Company shall be required to follow the due diligence process as stated in the Company's Policy on Fit and Proper criteria for the Directors, approved by the Board in its meeting held on 19th April 2019.

1.4 TERM AND TENURE

Managing Director/ Whole-time Director the Company shall appoint or re-appoint any person as its Managing Director or Wholetime Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

B. FOR THE EMPLOYEES

1.5 Key Managerial Personnel (KMP) and Senior Management Personnel

a. Section 203 of the Act provides for appointment of whole-time Key Managerial Personnel such personnel shall be appointed by means of resolution of the Board containing the terms and conditions of such appointment.

b. The Key Managerial Personnel and Senior Management Personnel should comprise of individuals with appropriate mix of skills, experience and personal attributes. The said employees should be adept and understand the business and the environment in which the Company operates and perform towards the achievement of Company objectives and goals.

c. For the appointment of Key Managerial Personnel and Senior Management Personnel, the following criterias shall be considered:

c.1 assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the respective position,

c.2 the extent to which the appointee is likely to contribute to the overall effectiveness of the organization, work constructively with the existing team and enhance the efficiencies of the Company;

c.3 Personal specifications like degree holder in relevant disciplines; experience of management in a diverse organization; excellent interpersonal, communication and representational skills; demonstrable leadership skills, commitment to high standards of ethics, personal integrity and probity, commitment to the promotion of equal opportunities and skills must also be considered.

d. The appointments of one level below the Executive Director shall be within the ambit of the Committee and the Committee shall be duly informed on the appointments at the Senior Management Personnel level and above.

1.6 Other Employees

The Company shall recruit individuals with high level of integrity and having desired qualification, skill sets and experience relevant to the Company's requirements for the specific position for which such individual is interviewed.

11. REMUNERATION CRITERIA FOR THE BOARD AND THE EMPLOYEES

A) Remuneration paid to Executive Directors

a. The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.

b. At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the company. The elements of the remuneration and limits are pursuant to the clause 178, 197 and Section V of the Act.

Remuneration Policy Structure The remuneration structure for the Executive Directors would include the following components:

a) Basic Salary - Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market. - Are normally set in the home currency of the Executive Director and reviewed annually. - Will be subject to an annual increase as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors.

b) Commission - Executive Directors will be allowed remuneration, by way of commission which is in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities. - Subject to the condition that the amount of commission shall not exceed 1% of net profit of the company in a particular financial year in the manner referred in Section 197 & 198 of Companies Act 2013.The amount of commission shall be paid subject to recommendation of the Nomination and Remuneration committee and approval of the Board of Directors.

c) Perquisites and Allowances - A basket of Perquisites and Allowances would also form a part of the remuneration structure.

d) Contribution to Provident and Other funds in addition to the above, the remuneration would also include: -

d.1 Contribution to Provident and Superannuation Funds

d.2 Gratuity

e) Minimum Remuneration - If in any financial year during the tenure of the Executive Directors, the company has no profits or its profits are inadequate, they shall be entitled to, by way of Basic Salary, Perquisites, allowances, not exceeding the ceiling limit of 2,00,000 per month, and in addition hereto, they shall also be eligible for perquisites not exceeding the limits specified under Part IV of Schedule V of the Companies Act, 2013 Remuneration payable to Non-Executive & Independent Directors or other such limits as prescribes by the Government from time to time as Minimum Remuneration, whichever is higher.

B) Remuneration payable to Non-Executive Directors

The Remuneration to the Non-Executive Directors would be as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors. It would be pursuant to the provisions of sections 197,198 of the Act. Remuneration payable to Non-Executive & Independent Directors.

C) Remuneration Philosophy for Key managerial personnel, senior management & staff

The compensation for the Key managerial personnel, senior management and staff at the Company would be guided by the external competitiveness and internal parity through annual benchmarking surveys. Internally, performance ratings of all the Company's employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine Variable and Merit Pay increases. Variable and Merit pay increases will be calculated using a combination of individual performance and organizational performance. Grade wise differentiation in the ratio of variable and fixed pay as well as in increment percentage must be made. Compensation can also be determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

Annexure V

List of Board approved transactions with Vivriti Asset Management Company, a Wholly-Owned Subsidiary Company

Name (s) of the related party & nature of relationship		Vivriti Asset Management Private Limited (VAM) – Wholly Owned Subsidiary Company		
Nature of contracts/ arrangements/ transaction	**Duration of the contracts/ arrangements/ transaction**	**Salient terms of the contracts or arrangements or transaction including the value, if any**	**Date of approval by the Board**	**Amount paid as advances, if any**
Interest income receivable on Loan provided to VAM	72 Months	2,75,410	15-02-2020	-
Rent and amenities – VCPL Rental income receivable from VAM	Amended Sub-lease agreement effective from 21st February 2020	4,66,278	15-02-2020	-
Reimbursement of expenses incurred for VAM	21st February 2019 to 31st July 2019	51,06,406	10-08-2019-11-08-2019	-
Loan provided to VAM	72 Months	9,00,00,000 with Interest rate at 16% payable on quarterly basis.	15-02-2020	-
Investment in VAM, (including beneficial ownership)	-	1,00,000	18-01-2019	

Annexure VI

Management Discussion and Analysis report

- Industry structure and developments.

In FY20 the NBFC sector was gradually emerging from the liquidity crunch created on account of IL&FS and DHFL crisis. Banks and Investors had varying degree of cautiousness in kind and quantum of credit exposures. There were stark preferences in terms of segments, rating and also a marked shift in the instruments. Vivriti through its platform was able to ensure that Issuers across sectors, rating categories and sizes continued to have access to debt financing through innovative product structuring. Keeping in mind the macro trends, the investors base for Vivriti's platform was also diversified.

Turning to the growth outlook, economic activity other than agriculture is likely to remain sluggish in Q1:2020-21 in view of the extended lockdown. The first quarter (April to June 2020) will suffer a staggering 25 percent contraction. About 10 percent of gross domestic product (GDP) in real terms could be permanently lost. So, going back to the growth rates seen before the pandemic is unlikely in the next three fiscals

Even though the lockdown restrictions have been mostly removed save for containment zones, economic activity even in Q2 may remain subdued due to social distancing measures and the temporary shortage of labour. Recovery in economic activity is expected to begin in Q3 and gain momentum in Q4 as supply lines are gradually restored to normalcy and demand gradually revives.

The INR 20.9 lakh crore economic relief package announced by the government to support the economy, the package has some short-term measures to cushion the economy but sets its sights majorly on reforms, most of which will have payoffs only over the medium-term.

For the year, there is still heightened uncertainty about the duration of the pandemic and how long social distancing measures are likely to remain in place and consequently, downside risks to domestic growth remain significant. On the other hand, upside impulses could be unleashed if the pandemic is contained, and social distancing measures are phased out faster

Opportunities and Threats.

FY20 was crucial for the NBFC sector in specific and FI sector in general as the first green shoots started to appear post the IL&FS crisis. Reliance on securitization and structured deals saw an uptick as Bank's continued to take a cautious approach towards lending. VCPL was able to leverage this opportunity through innovative product structures and enabling dynamic risk management solutions on CredAvenue. The platform was at the forefront of many marquee deals including many first of its kind, largest in the industry deals-

- First AAA rated time-tranched securitisation transaction facilitated through CredAvenue
- First Collateralised Loan Obligation (CLO) with A(SO) rating was concluded
- First Masala Bond ECB transaction on the platform
- First Covered Bond Issuance facilitated on CredAvenue

Towards the end of Q3, there were tailwinds observed in specific segments on account of macro-economic trends. Vivriti played a significant role in working with investors to take an entity specific view and base credit decisioning on underlying strength of the model as opposed to a blanket view. This approach helped ensure that fundamentally strong NBFCs across sectors continued to ensure investor confidence.

FY21 started with the COVID-19 outbreak which in turn has had far wide, unprecedented implications on the economy. Vivriti has a unique vantage point in helping out the industry in this crisis given the benefit of an online credit-execution platform. Our Risk and Credit Teams have been closely tracking the situation, evaluating the new operating models while in parallel we further diversify our investor base and product bouquet.

Segment–wise or product-wise performance.

Sector Wise Split:

Sector	Volumes (In Crs)	% of Volume
MFI	5671.28	45.11%
Gold	2091.67	16.64%
MSME	1328.03	10.56%
Commercial Vehicle	1007.93	8.02%
Two Wheeler	638.33	5.08%
Consumer Finance	520.52	4.14%
Housing	458.00	3.64%
Colending	402.42	3.20%
Enterprise Finance	310.50	2.47%
Agri Finance	78.91	0.63%

Diversified	65.50	0.52%

Product Wise Split:

Products	Volumes (In Crs)	% of Volume
Securtization+DA	8209.36	64.48%
Syndication	2272.20	17.85%
Term Loan	950.51	7.47%
Colending	402.42	3.16%
Guarantee	340	2.67%
ECB	288	2.26%
NCD	170	1.34%
Commercial Paper	100	0.79%

Outlook

CredAvenue Build Out: FY20 was a milestone year for CredAvenue in terms of user adoption and launch of several new modules for internal and external users. The focus on FY21 will be to build further on user feedback and requirements while at the same time coming up with innovative solutions in line with our mission of making this the one stop shop for all debt requirements.

Credit Engine: Our design philosophy for this module has always been to create a dynamic credit underwriting and monitoring platform that makes the issuer-investor engagement seamless. This premise has been validated and further exacerbated by the post COVID-19 scenario where our credit module is becoming the reliable base for investors across the exploration, evaluation, and monitoring phase. In FY21, we would focus on developing this further by launching/strengthening Client Risk Sandbox, Auto commentary sections, Auto legal and CIBIL checks for client-onboarding, covenant tracking and KPI dashboards, scenario analysis and stress tests, scoring mechanisms.

Decision Making Tools: A key emphasis across modules, will be to develop more decision-making tools which will aide the transition to a user led platform. User wise this will entail the following:

Clients: Predictive modelling-based recommendation on amount of fund raise, most likely investor type and products for fund raise, structure suggestions etc.

Investors: Matchmaking models on client and transaction suitability, risk triggers, matchmaking score based on investor preference/ historic data/ similar deals in the past, investor customized pre and post transaction dashboards.

Transaction Platform: Gaps in the current product offering on CredAvenue will be plugged early on in FY21 with launch of ECB, CABSEC, PLI, Secondary Sell-Down modules. The team has already started deploying the loan estimation and rating prediction models which will be fully closed out. This would be a key enabler in operationalizing a complete self-structuring transaction module for securitization products. For each product, it will be ensured that the end to end process from initiation to maturity including the post-settlement activities across counterparties is automated.

Deep User Integration: A key focus for FY21 will be on enabling deeper platform integration for all clients, investors and counter-parties. While CredAvenue adoption has significantly improved in FY20, it is now important for us to ensure that users route the entire process through the platform, and we offer customized solutions. The objective here will be two-fold which is first to capture greater wallet share and user stickiness and second make CredAvenue their platform of choice for all debt deals and not just for syndicated debt transactions. The team will roll out and complete key projects such as – CAM auto generation, customized reporting and dashboards, investor specific agreement templatization. This eventually would open up options for system integrations via API which would enable real time data flow. Integration would be a key driver for our engagement with offshore investors, DFIs etc where the platform can serve as their single window for India based investments and portfolio.

Product Innovation: In FY20, our innovative structured finance products helped us close out key marquee deals and strengthen credentials. This clubbed with a robust transaction module development on CredAvenue gives us a unique head start to build market share in the structured finance space not just in the arranger led segment but in the significantly larger pie of direct deals. Factoring in the evolving funding scenario, investor appetite and regulatory changes in the wake of the current pandemic, our product team will steer product innovation that will help.

Co-Lending platform adoption: The Co-Lending module was developed and launched as a stand-alone module in CredAvenue. The uptake has been slower than expected on account of issues such as gaps in post-disbursement support/infra, real time price discovery enablement, complete workflow capture. The team has factored in the feedback received from users and the FY21 plan focuses on plugging these gaps to increase adoption. Originator and Investor integration, standardized APIs, workflow and document solution changes and basic wallet features will be key priorities.

NBFC: The balance sheet lending approach would continue to remain a critical focus area as it has helped us demonstrate incentive alignment which is key differentiating factor for our model. Equally significant is the role it plays in helping build investor confidence in new/emerging entities where perceived risk is higher than the real risk. With the impact of COVID-19 panning out in the course of this year, our on-book lending will help us expand and closely monitor our client franchise. A robust risk management and monitoring system has helped us maintain portfolio quality as we continue taking a cautious approach towards acceleration.

Enterprise Finance Solutions: Our enterprise finance team made important strides in FY20 in terms of active pitching to lenders and closure of first set of syndication deals. Given the fact that the structured finance market for the size and segment we are targeting is at an extremely nascent stage, the team will be working on helping evolve the market at large. This also entails product innovation in customizing regular structure finance products suited to this segment. to We are already seeing a transition of our FI investor base into this space through us and we hope to further leverage this network base. In FY21, the focus will also be on expanding into new investor base such as offshore funds, DFIs.

- ## Risks and concerns.

The overarching entity analysis framework at Vivriti has four primary pillars - Credit risk, operational risk and regulatory risk are at each entity level, whereas portfolio risk management encompass the overall framework. Credit risk further includes governance risk, balance sheet risk, liquidity risk, business model, asset quality & portfolio risks, management risk etc. Detailed framework has been defined for each pillar, with adequate and independent checks & balances.

Post a significant dip in April, collection efficiencies across asset classes for majority of the companies saw improvement during May and continue to be on the improving trajectory for the first half of June. This has been supported by improving cash flows on the back of progressive unlocking and resumption of economic activity. Probability of a complete shutdown like we saw during Mar-Apr 2020 is remote at pan India level in our opinion, considering the impact the same has on the economy, specific geography action can continue to happen. This can be driven by spike in number of infections and hence impacting specific regions with varying degrees of lockdown. Actions in specific pockets will impact the underlying borrower's cash flow position, however resultant impact on the lenders would be limited as this would not be systemic in nature. High exposure towards impacted geographies could result in higher stress in asset quality.

Vivriti Capital has assessed the probable impact on its underlying borrowers using a combination of liquidity, portfolio quality, geographical spread and balance sheet strength. Impact of higher NPAs at each underlying borrower resulting in lower incomes and provisions as well as lower disbursement impact processing fee income also get factored in Vivriti's analysis.

The systemic interest rates in the economy has witnessed decline, however the cost of borrowings for lenders have seen an increase on account of risk aversion. Pass through of the same to borrowers would need balancing between ability to repay as well along with specific regulations applicable to sector on interest caps.

- ## Internal control systems and their adequacy.

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company's internal control system is commensurate with its size and nature of its operations.

Internal Financial Controls

The management has established and maintained Internal Financial Controls based on the Internal Controls over Financial Reporting criteria established by considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India. As part of the requirement, we have reviewed the design, implementation and operating effectiveness of the controls that addresses the orderly and effective conduct of the business, including adherence to the Company's policies , the safeguarding of the assets , the prevention and detection of the 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. During FY 2019-20, Management testing has been conducted on a sample basis for all key processes. The Statutory and Internal Audit team has also conducted a review of the Internal Financial Controls. There are no material Internal Financial Control related observations for FY 2019-20. Based on the above the Board believes that adequate internal financial control exists and are effective.

- Discussion on financial performance with respect to operational performance.

Please refer to **"Operating results and Profits"** section of the Board's report.

- Material developments in Human Resources / Industrial Relations front, including number of people employed.

In FY20 we nearly doubled our staff strength from 95 to 176 in addition to further defining our organization structure in line with the company's vision. Training Programs, Induction Programs, New HRMS, off-sites and continued feedback with the senior management has helped ensure that the team is full charged up, equipped and on board to take on the Vivriti mission.

- Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Please refer to **"Operating results and Profits"** section of the Board's report.