Director's Report for Financial Year 2020-2021

TO THE MEMBERS OF VIVRITI CAPITAL PRIVATE LIMITED:

The Board takes pleasure in presenting their Fourth Annual Report together with the Audited Financial Statements both on a Standalone and Consolidated basis for the Financial Year ended 31st March 2021.

FINANCIAL RESULTS:

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

(in INR LAKHS)

Particulars	Standalone		Consolidated	
	Current Financial Year (2020-21)	Previous Financial Year (2019-20)	Current Financial Year (2020-21)	Previous Financial Year (2019-20)
Revenue from Operations	21,938.19	14,774.18	24,412.04	14,843.04
Other Income	22,512.24	41.58	154.59	41.58
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	17,171.86	9,249.02	15,466.48	9,161.35
Less: Depreciation/ Amortisation/ Impairment, Finance Costs, Exceptional items	13105.34	7860.71	13346.1	7860.71
Profit /loss before Tax Expense	4,066.52	1,388.31	2,120.38	1,300.64
Less: Tax Expense (Current & Deferred)	1,066.01	359.22	678.10	337.16
Profit /loss for the year (1)	3,000.51	1,029.09	1,442.28	963.48

Revenue from operations for the year ended 31st of March 2021 and 31st March 2020 was INR 21,938.19 lakhs and INR 14,774.18 lakhs respectively, with Net Profit of INR 3,000.51 lakhs (31 March 2021) and INR 1,029.09 Lakhs (31 March 2020) and earnings per equity share of INR 19.46 (31 March 2021) and INR 7.36 (31 March 2020).

Vivriti Capital Private Limited Chennai 600 035

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. 600.10 lakhs to Statutory reserves constituting 20 % of the profits made during the period under 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.

CAPITAL STRUCTURE

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
10-06-2020	Vivriti ESOP Trust	Equity shares (Allotment) through Private Placement	11.51,310
19-09-2020	Creation Investments India III, LLC	CCPS Series B2 (Allotment) through Private Placement	57,96,936

The Company's authorised share capital has been increased from INR. 99,34,80,350/- to INR. 104,43,70,630 to on 14th September 2020.

Capital Adequacy

The Company had a Capital to Risk Adjusted Assets ratio of 40.50% against the statutory requirement of 15% due to higher capital base and lower leverage. The above ratio includes Tier 2 capital of 0.61% towards provision made on stage 1 assets and optionally convertible redeemable preference shares.

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 Rating Agency	Instrument	Ratings	Rated Amount (INR) Crores
ICRA	Long Term – Fund-based TL	[ICRA]A- (Stable)	481.50

Vivriti Capital Private Limited
Chennai
600 035

	Long term – Unallocated		618.50
	NCD – Long term	[ICRA]A- (Stable)	110
	MLD– Long term	PP-MLD[ICRA]A- (stable)	15.35
	NCD – Covered	ICRA AA+ (CE)	75
	MLD Covered	ICRA PP AA+ (CE)	100
Brickwork	Fund based term loans – Long term	BWR A Stable 'Assigned'	100
	NCD – Long term	[ICRA]A- (Stable)	90

RESOURCE MOBILIZATION:

Non-Convertible Debentures:

In FY21 the Company amidst the liquidity crisis in the NBFC sector and pandemic environment has managed to raise an aggregate of INR 360 Crores from multiple large Mutual funds, such as Nippon India Mutual fund, Axis Mutual Fund. In FY21, the company also issued its first Covered Non-Convertible Debentures and Covered Market Linked Debentures to a wealth management company. Also, non-convertible debentures issued up to INR 100 Crores are held by High Net-worth Individuals and Family offices.

There were no delays or defaults in payment of interest/principle of any of its debt securities.

The Company has created first and exclusive charge over identified assets to the extent of hundred per cent of the amount of non-convertible debentures outstanding as on 31st March 2021 in the books of the Company.

Bank Finance and Non-Banking:

The Company has overall 35 lenders currently and had raised a borrowings INR 676.5 Crores from Banks in FY21. The borrowings were raised from multiple bank lenders, including Kotak Bank, RBL Bank, Federal Bank, Catholic Syrian Bank, DCB Bank and IndusInd Bank.

The Company had raised significant amount of borrowing from Public Sector bank amounting to INR 225 Crores in FY21. The borrowings were from banks namely, Indian Bank, Bank of India, Bank of Baroda and Punjab National Bank.

During the FY21, the company also augmented the borrowing from multiple large NBFCs and DFI, such as SIDBI, NabSamruddhi Finance, Tata Capital, Sundaram Finance, Hinduja Leyland Finance, to name a few. Cumulatively, sanction value was amounting to INR 295.5 Crores to the company.

The Company has not defaulted in repayment of loans from banks and financial institutions.

Vivriti Capital Private Limited Chennai 600 035

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Detailed information on the CSR policy, its salient features and CSR initiatives taken during FY21 and composition of the Committee 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 was applicable rules during the FY 20-21 is enclose herewith as Annexure I.

The CSR policy of the Company has been hosted on the website of the Company and can be accessed at https://www.vivriticapital.com/policies.html

As per Section 135 of the Act, the Company was required to spend an amount of INR 10,94,434/- equivalent to 2% of the 'average net profits' of the last three (3) financial years. During the FY 2020-21, your Company has spent an amount of INR. 8,11,051/- on CSR activities as against prescribed CSR expenditure of INR 10,94,434. The unspent amount of INR 2,83,384/- will be transferred to a Fund specified in Schedule VII of the Act in accordance with the provisions specified therein. The Annual Report on CSR activities is annexed herewith as "**Annexure-I**".

Number of Board Meetings during the financial year 2020-21

The Board of Directors met 8 times during FY 20-21 on the following dates:

a. 28-04-2020, 22-05-2020, 15-08-2020, 18-09-2020, 19-09-2020, 07-11-2020, 12-11-2020 & 27-02-2021.

Directors and Key Managerial Personnel (KMP):

a. Appointment of Mr. Kartik Srivatsa as Nominee Director

On the recommendation of Nomination and Remuneration Committee and pursuance to the equity infusion by the Lightstone Fund S.A. (acting for and on behalf of Lightstone Global Fund), the investor Company, there was a requirement to consider and recommend the appointment of Mr. Kartik Srivatsa (acting as a representative of Lightstone Fund S.A.) as a Nominee Director on the Board of the Company. Mr. Kartik Srivatsa is the Managing Partner of LGT Lightstone Aspada. Pursuant to the provisions of Shareholder's Agreement dated 13th March 2020, the Board considered and approved to appoint Mr. Kartik Srivatsa as Director (non-executive) of the Company. His Director Identification Number is 03559152. The said appointment was further approved at the Annual General meeting of the Company duly held on 30th May 2020.

Prior, he was with Lightspeed Venture Partners, a global venture capital firm with over $2 billion under management, where he was a founding member of the India office. Earlier, Kartik was a management consultant with McKinsey and Company. Kartik received a BTech in Mechanical Engineering and MTech in Energy Technology both from the Indian Institute of Technology (IIT), Madras.

Kartik currently serves on the Boards of Capital Float, Waycool, SV Agri, Lithium, Aye Finance and EM3.

Vivriti Capital Private Limited
Chennai
600 035

b. Resignation of Mr. Sridhar Srinivasan

Mr. Sridhar Srinivasan was appointed as a Non-executive Independent Director of the Company with effect from 12th January 2019. He resigned from the Company with effect from 28th August 2020 due to personal reasons. In furtherance to this, he ceased to be a member of the Board of the Company as an Independent Director and effectively, from the following Committees of the Board:

a. Audit Committee
b. Risk Committee
c. Nomination & Remuneration Committee
d. IT Strategy Committee
e. Corporate Social Responsibility Committee.

Mr. Sridhar will continue to be associated with CredAvenue Private Limited, a Wholly Owned Subsidiary of the Company as an advisory Board member.

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 during the FY20-21. These declarations have been placed before the Board and is duly taken on record.

ANNUAL BOARD EVALUATION AND INDEPENDENT DIRECTORS' MEETING

A formal annual evaluation of the Board of the Company was carried out by Ms. Namrata Kaul, the Independent Director, during the FY21. 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 will be discussed in detail in the upcoming meeting of Nomination and Remuneration Committee and will be noted followed by the Board of Directors in its meeting.

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.

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).

During the year under review no complaints were received by the Company.

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

STATUTORY 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. However, pursuant to the circular issued by Reserve Bank of India ("RBI") Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, which states that "Entities will have to appoint the Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) for a continuous period of three years, subject to the firms satisfying the eligibility norms each year." Under these circumstances, M/s. Deloitte Haskins & Sells as they have completed continuous period of three years, had communicated their ineligibility to continue as statutory auditors of the Company in terms of the aforesaid RBI circular, for the year ending March 31,

Vivriti Capital Private Limited Chennai 600 035

2022. Accordingly, M/s. Deloitte Haskins & Sells will be stepping down as statutory auditors of the Company. This will result into casual vacancy of the auditors and shall be duly filled in accordance with the Act.

No frauds in terms of the provisions of section 143(12) of the Act have been reported by Statutory Auditors in their report for the year under review.

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 AUDIT AND SECRETARIAL AUDIT REPORT:

The Board had appointed M/s BP & Associates, Company Secretaries, Chennai to conduct Secretarial Audit for the Financial Year 2020-21.

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

INTERNAL AUDIT:

The Company has appointed M/s PricewaterhouseCoopers Private Limited as Independent 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.

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).

INSOLVENCY AND BANKRUPTCY CODE

(a) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year – Not Applicable.
(b) the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – Not Applicable.

Capital Chennai 600 035

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) and 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is provided in **Annexure III.**

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 2020-21 is available on the website of the Company at https://www.vivriticapital.com/notice.html.

PARTICULARS OF EMPLOYEES/ DIRECTORS

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure IV.**

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.

During the FY21, policy was revised and adopted at the Board meeting held on 15th August 2020 incorporating aspects in relation to Annual Evaluation of Board by Independent Directors. 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 V.**

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.

Vivriti Capital Private Limited
Chennai
600 035

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 Companies during FY 20-21.

All the transactions entered thereto, and loans provided to Wholly Owned Subsidiary Companies have been basis Arm's length price. All related party transactions are placed before the Audit Committee and the Board for their approval on quarterly basis. Transactions with related parties, as per the requirements of Ind-AS, are disclosed to the notes to accounts annexed to the financial statements.

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 Companies is enclosed as **Annexure VI**.

The disclosures with respect to related party as specified in Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming part of the financial statements at Note no. 34.

CORPORATE GOVERNANCE REPORT

The report on Corporate Governance for the Company is annexed as **Annexure VII** and forms an integral part of this Annual Report.

REGULATORY COMPLIANCES AND MATERIAL ORDERS:

The company was compliant with all the regulatory compliances as per the Companies Act,2013, RBI Directions and guidelines, SEBI Regulations and circulars and 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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of business of the Company during the FY 20-21.

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

The Company has two Wholly-Owned Subsidiary Companies and no Associate, Holding, and/ Joint Venture Companies. The information as required under the first provision to Sub-Section (3) of Section 129 is given in Form AOC- 1 in **Annexure VIII.**

1. Vivriti Asset Management Private Limited, a Wholly-Owned Subsidiary of Vivriti Capital Private Limited, was incorporated on 21st February 2019 with the object to carry on the

Chennai 600 035

Business of Alternative Investment Funds (AIF). The Subsidiary has commenced its operations and has set up two funds.

2. CredAvenue Private Limited, a Wholly Owned Subsidiary of Vivriti Capital Private Limited was incorporated on the 21st day of August, 2020 with the object to carry on the business of Fintech Company.

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

Vivriti Asset Management (VAM) was set up in the year 2019 to be a significant player in Indian performing credit markets. The Company manages Alternative Investment Funds ("AIFs") registered with Securities and Exchange Board of India ("SEBI"), which have seen participation by Indian and global investors. It registered a Category II master trust – Vivriti Vihaan Trust – with SEBI in the financial year 2020-21 and launched its first scheme Vivriti Samarth Bond Fund ("SBF"), which announced first close in March 2020.

In March 2021, the Company announced final close of SBF at commitment of INR 265 crore. The SBF as on March 31, 2021, manages assets of INR 157.50 crore.

In the financial year 2020-21, the Company launched 2 (two) more schemes under Vivriti Vihaan Trust, as follows:

Vivriti India Impact Bond Fund:

Vivriti India Impact Bond Fund ("VIIBF") invests in debt securities issued by last mile financial services providers that extend small ticket loans to low-income households and small enterprises. The VIIBF announced first close in December 2021 and as on March 31, 20201 manages assets of INR 130.75 crore.

Vivriti Short Term Bond Fund:

Vivriti Short Term Bond Fund ("VSTBF") invests in debt securities rated "A-" or better issued by operating companies with track record of scale, profitability and execution. VSTBF announced its first close in March 2021 and as on March 31, 2021 currently manages assets of INR 75 crore.

Highlights of performance of CredAvenue Private Limited ("CAPL")

CAPL provides a secured technology platform serving as transaction discovery marketplace between borrowers and lenders/investors, one stop retail portfolio management solution for banks as well as a co-origination/BC platform.

Online Marketplace: Platform to explore, evaluate, execute and monitor debt transactions where borrowers can access diverse range of lenders/Investors and a lender/investor can explore enterprises across a spectrum of sectors, scale, rating.

- Allows lenders access all deals and borrower related information critical for credit decision making using an exhaustive set of analytical tools, models, reporting solutions.
- Automated workflows allow seamless, efficient, fast execution of transactions. The platform addresses the entire lifecycle of a transaction and brings together the different spokes of a deal through a collaboration module.

CredAvenue has already facilitated over 1600+ transactions worth over Rs. 50,000+ Cr during the FY21, enabling price discovery, data insights & expands debt market participation. The platform

Vivriti Capital Private Limited Chennai 600 035

is currently being used by 650+ Borrowers/Issuers, 250+ Lenders/Investors, rating agencies, lawyers etc.

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

Chennai 600 035

FOREIGN EXCHANGE EARNINGS/OUTGO

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

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.

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with its corporate strategies, cyber security arrangements and other matters related to IT governance.

Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements.

LISTING:

The Company has issued Listed Non-convertible debentures of INR 295 Crores and unlisted NCDs of INR 50 Crores during the year ended 31st March 2021. The Securities are listed with BSE Limited, and the Company complies with all relevant SEBI Regulations in this connection.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Company and its controlled structured entities (collectively known as 'the Group'). The Group consolidates an entity when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and could affect those returns through its power over the investee. 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. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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.

Vivriti Capital Private Limited Chennai 600 035

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.

CAUTIONARY NOTE

Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental/related factors.

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 **Managing Director** **DIN: 06848801** **Address: 4, KG Valmiki Apts,** **3rd Seaward Road, Valmiki Nagar,** **Thiruvamiyur, Chennai – 600041**	**Name: Gaurav Kumar** **Managing Director** **DIN:07767248** **Address: 19, B-103, Manasarovar Apt** **3rd Seaward road, Valmiki Nagar,** **Thiruvamiyur, Chennai - 600041**

Place: Chennai

Date: 28th April 2021

Vivriti Capital Private Limited
Chennai
600 035

Annual Report on Corporate Social Responsibility (CSR) Activities – Annexure I

1. A brief outline of the Company's CSR policy:

The Company has in place a Board approved CSR Policy in line is line with Section 135 of the Companies Act, 2013, CSR Rules and Schedule VII of the Companies Act, 2013 (last updated in the Board meeting held on 7th November 2020). The policy incorporates the aspects related to CSR Committee, key focus areas for CSR expenditure, modality of undertaking CSR activities, monitoring and reporting mechanism.

2. Composition of CSR Committee

As a good governance practice foreseen applicability during the FY20-21, the Company had constituted a CSR Committee during the previous year. 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

The Committee met 3 times during FY 2020-21. The objectives of the Committee are as given below:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy ("the CSR Policy"), which shall indicate the activities to be undertaken by the Company as CSR activities in alignment with schedule VII of the Companies Act, 2013;
- Recommending the amount of expenditure to be incurred on the identified CSR activities;
- Implementing and monitoring the CSR policy from time to time;
- Always assist the Board and the Company in achieving its CSR objectives.

Capital Private Limited Chennai 600 035

Annual Report on Corporate Social Responsibility (CSR) Activities – Annexure I

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

   The detailed Policy is available on the Company's website (https://www.vivriticapital.com/policies.html).

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

   During the period under review, there is no identified CSR projects which require impact assessment.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
-	-	Nil	Nil

6. Average net profit of the Company as per Section 135(5) – INR 5,47,21,738/-
7. CSR Expenditure details:

i. Two percent of average net profit of the company as per section 135(5) – INR 10,94,434/-
ii. Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil
iii. Amount required to be set off for the financial year, if any – Nil
iv. Total CSR obligation for the financial year (i + ii -iii) – INR 10,94,434/-

Chennai 600 035

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
8,11,051	-	-	-	2,83,384	**Kindly refer note given below.*

*Note: The unspent amount of INR 2,83,384/- will be transferred on/before 30th September 2021 to a Fund in accordance with the provisions specified in Schedule VII of the Companies Act, 2013.

b. Details of CSR amount spent against ongoing projects for the financial year: Nil

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.

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

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project Duration	Amount allocated for the project (in Rs.).	Mode of Implementation – Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number.
1	Expenditure in relation to COVID-19 to PM CARES fund	Healthcare	No	NA	NA	-	1,79,672	Yes	NA	NA
2	Navgurukul	Education	No	Karnataka	Bangalore	-	6,00,000	No	NAVGURUKUL FOUNDATION FOR SOCIAL WELFARE	CSR00000409
3	SRS Sarvodaya Hostel for Girls (Vivriti Indoor Sports Championship)	Education	Yes	Tamil Nadu	Chennai	-	31,379	Yes	NA	NA
						Total	8,11,051			

Chennai 600 035

(d) Amount spent in Administrative Overheads - Nil
(e) Amount spent on Impact Assessment, if applicable – Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – INR. 8,11,051/-
(g) Excess amount for set off, if any – Nil

Sl. No.	Particulars	Amount (INR)
I.	Two percent of average net profit of the company as per section 135(5)	-
II.	Total amount spent for the Financial Year	-
III.	Excess amount spent for the financial year [(ii)-(i)]	-
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

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

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

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
	-	-	-	-	-	-	-	-
	Total							

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

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) – Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset. - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Nil

Capital Private Limited
Chennai
600 035

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

In light of the disruption caused by Covid-19 and its associated impact, the Company was unable to match the desired CSR Budget for FY21. Nevertheless, the Company has shown its allegiance to CSR and has made active efforts to ensure that the intent of undertaking such activities is met. In addition to the CSR spends, the Company was connected to the community as it organized several initiatives to raise funds to provide for the medical demands of the country, towards education and remote volunteering activities. The Company stays committed to its CSR responsibility and shall ensure that shortfall is spent in a manner prescribed by law and is duly reported.

Chennai 600 035

BP & ASSOCIATES
Company Secretaries

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
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, 2021 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, 2021 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 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. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.

   d. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

: 044-42047894
: secretarial@bpcorpadvisors.com
: www.bpcorpadvisors.com
New No. 74, (Old No.62), Third Floor,
Akshaya Flats, 12th Avenue,
Ashok Nagar, Chennai-83.

BP & ASSOCIATES * CHENNAI *

e. Guidelines to Fair Practice Code.

f. Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;

g. '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.

h. Raising money thourgh Private Placement of NCDs by NBFCs RBI Guidelines.

i. Master Direction - Information Technology Framework for the NBFC Sector, 2017.

j. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

k. Master Direction - Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016.

l. Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

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

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

vii. 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 Rnles, 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.

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

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

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

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

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vi. The Debt Listing Agreement entered into by the Company 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.,

We further report that

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

We further report that during the audit period, the following significant events have taken place:

1.	**Appointment of Nominee Director:** Appointment of Mr. Kartik Srivatsa (DIN : 03559152) Nominee Director with effect from 30th May, 2020.
2.	**Resignation of Independent Director:** Mr.Sridhar Srinivasan (DIN: 07240718) was resigned as Independent Director of the Company with effect from 28th August, 2020.
3.	**Alteration of Managing Directors Remuneration for F.Y 2020-2021** Board altered the remuneration paid to Managing Directors of Rs.68,75,000 P.A each to Mr. Vineet Sukumar and Mr. Gaurav Kumar with effect from 01st July, 2020.
4.	**Increase In The Authorised Capital:** The Authorized Share Capital of the company Increased from INR. 99,34,80,350 to Rs.104,43,70,630 vide Extra Odinary General Meeting dated 14th September, 2020 amended the Memorandum of Association to reflect these changes.
5.	**Issue and Allotment of Equity and Preference Share:** ➢ Allotment of 11,51,310 Equity shares to the trustees of Vivriti ESOP Trust to Vivriti Employee Stock Option Plan 2020. ➢ Issued and Allotment of 5,796,936 Series B2 Compulsorily Convertible Preference Shares to Creation Investments India III, LLC on a private placement basis through preferential allotment at issued price of Rs. 173.66/- including Premium.

BP & ASSOCIATES CHENNAI

6.	**Issue and Allotment of Non Convertible Debenture and Commercial Paper:** ➢ Obtained consent of the members to I. Issue Non-Convertible Debentures shall not at any time exceed INR. 3000 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher. II. Issue and allot Commercial Paper through delegation of powers to committee(s) duly constituted by the Board up to an amount of INR 100 Crores (Rupees One Hundred Crores only), during the financial year 2020-2021, in one or more tranches to the eligible investors. ➢ Issued and Allotment of 500 Fully paid up, rated, listed, secured, dematerialised, redeemable, taxable, "Non-convertible debentures" each having a face value of INR 10,00,000/- (Rupees Ten Lakhs Only) aggregating up to INR 50,00,00,000/- comprising two series (Series A and Series B) of INR 25,00,00,000 /- each, together, inclusive of INR 25,00,00,000 /- on a fully paid basis and on a private placement basis. ➢ issued and allotment 200 Rated, Listed, Senior, Secured, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of INR 5,00,000/- each, aggregating up to INR 10,00,00,000/- issued on a fully paid private placement basis. ➢ Issued 1,450 Secured, Rated, Senior, Listed, Redeemable, Transferable, Non-convertible Debentures (NCD) and subsequently, allotted 400 NCD having a face value of INR 10,00,000/- each on a fully paid private placement basis. ➢ issued and allotment of 200 rated, senior, secured, transferable, listed, redeemable, non-convertible debentures of face value of INR 10,00,000/- each, aggregating up to INR 20,00,00,000/- issued on a fully paid private placement basis. ➢ Issued and allotment of 500 Rated, Listed, Senior, Secured, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of INR 10,00,000/- each, aggregating up to INR 50,00,00,000/- issued on a fully paid private placement basis. ➢ Issued and allotment 100 Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of face value of INR 10,00,000/- each, aggregating up to INR 10,00,00,000/- issued on a fully paid private placement basis. ➢ Issued and allotment of 500 Rated, Listed, Senior, Secured, Redeemable, Taxable, Principal Protected, Market Linked, Non-Convertible Debentures of face value of INR 10,00,000/- each, aggregating up to INR 50,00,00,000/- issued on a fully paid private placement basis along with green shoe option.

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	➢ Issued and allotment of 400 Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of face value of INR 10,00,000/- each, aggregating up to INR 40,00,00,000/- issued on a fully paid private placement basis. ➢ Issued and allotment of 750 Rated, Listed, Senior, Secured, Redeemable, Taxable, Non-Convertible Debentures of face value of INR 10,00,000/- each, aggregating up to INR 75,00,00,000/- issued on a fully paid private placement basis.
7.	**Restated the Articles of Association of the Company:** Members approved the restated Articles of Association on 21st September, 2020 as per the Amended and Restated Shareholders'Agreement.
8.	**Listing of Non-Convertible Debentures:** The Company listed its Non-Convertible Debentures with Bombay Stock Exchange.

For BP & Associates
Company Secretaries

Date: 28-04-2021
Place: Chennai

BP & ASSOCIATES ★ CHENNAI ★

C Prabhakar
Partner
CP No: 11033 | M No: 30433
UDIN: A030433C000201032

BP & ASSOCIATES
Company Secretaries

'ANNEXURE A'

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

BP & ASSOCIATES CHENNAI

For BP & Associates
Company Secretaries

Date: 28-04-2021
Place: Chennai

C Prabhakar
Partner
CP No: 11033 | M No: 30433
UDIN: A030433C000201032

ESOP related disclosures in terms of Rule 12(9) and 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 - Annexure III

a.

Particulars	ESOP 2018	ESOP 2019	ESOP 2019 II	ESOP 2020
Quantum of Pool	1922500	467000	800000	1151310
Revised Pool - Transfer of unvested cancelled options to latest pool	1736500	322000	699500	1582810
Options granted (live employees)	1627500	317500	649500	1635000
Options vested (Live)	242750	**30250**	129375	0
Options exercised	190250	**5000**	**15000**	
The total number of shares arising as a result of exercise of options	190250	**5000**	**15000**	
Options lapsed – (unvested + vested lapsed + surrendered)	278000	146500	167500	131000
The exercise price	Multiple Prices – 47.48, 71.67,173.66			
Variation in terms of options		-	-	
money realized by exercise of options till date (INR)	1902500	2,37,400	10,75,050	
Total number of options in force: **Granted + vested**	1469250	316000	647000	1635000
employee wise details of options granted to:- (live employees)	35	19	26	77
(i) key managerial personnel	**2**	0-	2	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	NIL	NIL	NIL	

Vivriti Capital Private Limited
Chennai 600 035

outstanding warrants and conversions) of the company at the time of grant.				

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

Disclosure as per Rule 16(4) of COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 is applicable to the Company in accordance with Section 62 of Companies Act, 2013 during the FY 20-21:

(a) the names of the employees who have not exercised the voting rights directly;

The voting rights of employee shareholders shall rest with Promoter shareholders, who shall be exercising the rights on behalf of the former. Hence, there are no employees qualifying under this item.

(b) the reasons for not voting directly – *Kindly refer to point (a) above.*

(c) the name of the person who is exercising such voting rights; Mr. Vineet Sukumar, Mr. Gaurav Kumar (Promoter shareholders)

(d) the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company; 1,39,000 shares corresponding to 0.89% of shareholding.

(e) the date of the general meeting in which such voting power was exercised; – Nil

(f) the resolutions on which votes have been cast by persons holding such voting power; — Nil

(g) the percentage of such voting power to the total voting power on each resolution;– Nil

(h) whether the votes were cast in favour of or against the resolution- – Not applicable.

Vivriti Capital Private Limited
Chennai
600 035

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Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - Annexure IV)

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	85,93,750	15,97,000	5.4:1
2.	Mr. Gaurav Kumar	85,93,750	15,97,000	5.4:1

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	(38)
Mr. Gaurav Kumar, Managing Director	(38)
Mr. Shaik Mohammed Irfan Basha, Chief Financial Officer	0%
Ms. P S Amritha, Company Secretary	0%

a. **the percentage increase in the median remuneration of employees in the financial year** – Average 90%

b. **the number of permanent employees on the rolls of company:**
As on 31st March 2021, the number of permanent employees on the rolls of the Company were 43. Further, as on 30th September 2020, there were aggregate of 208 employees on payroll of the Company. In light of the formation of subsidiary, i.e., CredAvenue Private Limited and organizational movement inter-se. the employee count was thereafter reduced.

c. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

- Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year was Nil and the increase in the managerial remuneration was Nil.

Vivriti Capital Private Limited Chennai 600 035

d. 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;

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, 2021:

The Statement containing such particulars of employees as required in terms of provision 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 provision of the Section 136(1) of the Companies Act, 2013, the reports and accounts, as set out therein, are being sent to all the 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 the Annual General Meeting and if any members is interested in obtaining such information, may write to the Director at the Registered Office of the Company in this regard.

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company – Nil

Particulars	Mr Vineet Sukumar	Mr Gaurav Kumar
(i) designation of the employee;	Managing Director	Managing Director
(ii) remuneration received;	INR. 1,94,68,753.2*	INR. 1,94,68,753.2*
(iii) nature of employment, whether contractual or otherwise;	Full time	Full time
(iv) qualifications and experience of the employee;	17 + years experience B. Tech - IIT, Karagpur MBA – Finace IIM,Bangalore	14+ 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;	42 Years	39 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	31.33	31.33

Vivriti Capital Private Limited
Chennai
600 035

meaning of clause (iii) of sub-rule (2) above		
(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

**Note: The figures given above includes arrears of salary due to be paid.*

Vivriti Capital Private Limited
Chennai
600 035

vivriti CAPITAL

Nomination and Remuneration Policy

Version	Approval Date	Prepared By
V1	10th August 2019	Legal & Compliance
V2	15th August 2020	Legal & Compliance

Vivriti Capital Private Limited Chennai 600 035

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

Vivriti Capital Private Limited
Chennai
600 035

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.

Capital Private Limited Chennai 600 035

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;

Capital Private Limited Chennai 600 035

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,

Capital Private Ltd. Chennai 600 035

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.

11. Annual Evaluation of the Board by Independent Directors

The Independent Directors of the Company meet once on an annual basis. A formal evaluation of the Board and Governance structure of the Company is carried out by the Independent Directors, basis and including but not limited to following evaluation criteria:

a) Board effectiveness and regular functioning
b) Meetings and procedures
c) Business strategy
d) Risk Management
e) Board and Committee communication

Feedback, if any provided is shared and discussed at meeting of Nomination and Remuneration Committee and noted by the Board.

Capital Private
Chennai
600 035

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Annexure VI – AOC -2

1. **<u>List of Board approved transactions with Vivriti Asset Management Private Limited, a Wholly Owned Subsidiary Company</u>**

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 (in lakhs)**	**Date of approval by the Board**	**Amount paid as advances, if any**
Interest income receivable on Loan provided to VAM	72 Months	201.65	15-02-2020	-
Rent and amenities – VCPL Rental income receivable from VAM	Renewed Sub-lease agreement effective from 21st February 2020	5.84	06-11-2020	-
Fees and Commission	-	11.45		
Loan provided to VAM	-	500.00 (with Interest rate at 16.33% payable on half-yearly basis.)		-
Investment in VAM, (including beneficial ownership)	-	2,750.00	15-08-2020 and 27-02-2021	
Loans repaid	-	1,400.00		

Vivriti Capital Private Limited
Chennai 600 035

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2. <u>List of Board approved transactions with CredAvenue Private Limited, a Wholly-Owned Subsidiary Company</u>

Name (s) of the related party & nature of relationship		CredAvenue Management Private Limited (CAPL) – 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 (in lakhs)**	**Date of approval by the Board**	**Amount paid as advances, if any**
Rent and amenities – VCPL Rental income receivable from CAPL	Sub-lease agreement effective from 17th September 2020	325.98	07-11-2020	-
Reimbursement of expenses incurred for CAPL	-	347.14	27-02-2021	-
Platform fees	-	468.27	07-11-2020	-
Sale of fixed assets	-	159.95		-
Fees and commission	-	69.71	07-11-2020	-
Investment in CAPL, (including beneficial ownership)	-	5,001.00	15-08-2020 and 07-11-2020	-

Vivriti Capital Private Limited
Chennai
600 035

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013 – Annexure VII

1. Company's Philosophy on Corporate Governance:

Vivriti Capital Private Limited ("Company") lays deep emphasis on Corporate Governance and has created a robust governance structure keeping in mind the Company's ambitious growth plans and scalability. The Company's Corporate Governance philosophy envisage adherence to the highest standards of transparency, accountability and balance in all areas of its operations and its interactions with all its stakeholders, including its customers, shareholders, employees, Regulators and others. The objective is to enhance shareholder value continuously.

2. Guidelines on Corporate Governance

The Reserve Bank of India ("RBI") has issued the Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" dated July 1, 2015 and bearing reference number DNBR (PD) CC.No.053/03.10.119/2015-16 ("Master Circular") which applies inter alia to every non-deposit accepting Non-Banking Financial Company with an asset size of INR 500 Crore and above (NBFC-ND-SI), as per its last audited balance sheet and the Master Direction– Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 ("Master Direction"). The Company is registered with the RBI as a non-deposit accepting Non-Banking Financial Company ("NBFC"). The Company is a systemically important NBFC and accordingly the Master Circular is applicable to the Company. Further, in terms of the Master Circular and the Master Direction, the Company is required to frame internal guidelines on corporate governance with the approval of the board of directors of the Company and accordingly the Company has put in place this policy on Corporate Governance ("Corporate Governance Policy").

3. Board of Directors

The Board has an optimum combination of Executive, Non-executive, and Independent Directors. We acknowledge that a well-performing Board structure is pertinent for success and growth of the business and thus ensured highest levels of corporate governance through transparency and effective communication flow. While Executive Directors are entrusted with the responsibility of overseeing the day-to-day operations of the Company and ensure effective execution of business plans, the Non-Executive Directors bring independent perspective and strategic support.

The Board is committed to the multifarious aspects pertaining to business strategy, institutional risk, people, stakeholders, society and compliance and endeavors to meet the related obligations.

As on the end of March 2021, the Board comprises of 6 members, out of which two are Executive, three Non-Executive Nominee Director and one Non-Executive Woman Independent Director. None of the directors are related to each other.

The Independent Director has been appointed for a fixed tenure of five years from their respective dates of appointment and has confirmed to the criteria of independence laid down under the Companies Act, 2013 and rules made thereunder as amended from time to time and the RBI Master Directions applicable on Systemically Important NBFCs, in relation to fit and proper criteria of directors.

Vivriti Capital Private Limited
Chennai
600 035

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013 – Annexure VII

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The reporting structure, as shown below, between the Board, Board Committees and Management Executive Committees forms the backbone of the Group's Corporate Governance framework.

During the year under review, the Board met 8 (Eight) times, i.e., at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days as per the applicable law. The requisite quorum was present for all the meetings.

BOARD COMPOSITION

The composition of the Board of Directors as on 31st March 2021 along with the number of meetings attended and shareholding is provided below:

S. No.	Name of the Director[1]	Designation	DIN	No of Board meetings held during the year		No of other Directorships	Number of shares[4]
				Held	Attended		
1	Mr. Gaurav Kumar	Managing Director	07767248	8	8	2	53,05,701
2	Mr. Vineet Sukumar	Managing Director	06848801	8	8	3	53,05,701
3	Ms. Namrata Kaul	Independent Director & Chairperson of the Board[2]	00994532	8	8	9	-
4	Mr. Kenneth Dan Vander Weele	Nominee Director	02545813	8	8	12	-

Vivriti Capital Private Limited Chennai 600 035

5	Mr. John Tyler Day	Nominee Director	07298703	8	8	7	-
6	Mr. Kartik Srivatsa[2]	Nominee Director	03559152	8	6	14	-

[1] Mr. Sridhar Srinivasan (DIN 07240718) resigned as an Independent Director of the Company with effect from 28th August 2020. He attended 3 (three) Board meetings held on 28-04-2020, 22-05-2020 and 15-08-2020 during the period under review.
[2] Ms. Namrata Kaul (DIN 00994532) was elected as the Chairperson for the Board meetings with effect from 12th November 2020.
[3] Mr. Kartik Srivatsa (DIN 03559152) was appointed as a Nominee Director with effect from 30th May 2020.
[4] Comprises of equity shares, CCPS and OCRPS. Mr. Gaurav Kumar and Mr. Vineet Sukumar hold 49,00,000 fully paid-up equity shares and 4,05,701 partly paid up Optionally Convertible Redeemable Preference shares each.

Change in Board Composition

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

S. No	Name of the Director	Change in Designation	Date of Appointment	Date of Cessation
1	Mr. Kartik Srivatsa	Appointment as Nominee Director	30.05.2020	-
2	Mr. Sridhar Srinivasan	Resignation	-	28.08.2020

ANNUAL BOARD EVALUATION AND INDEPENDENT DIRECTORS' MEETING

A formal annual evaluation of the Board of the Company was carried out by Ms. Namrata Kaul, the Independent Director, during the FY21. The evaluation was broadly carried out around effectiveness of Board and functioning, meetings and procedures, business strategy and risk management, Board communication and Committees.

Committee Meetings

1. Audit Committee:

1.1 Composition:

S.no	Members	Designation
1	Ms. Namrata Kaul	Independent Director
2	Mr. Vineet Sukumar	Managing Director
	Permanent Invitee/Observers:	
3	Mr. Gaurav Kumar	Managing Director

Vivriti Capital Private Limited
Chennai 600 035

4	Mr. John Tyler Day	Nominee Director

1.2 Brief description of terms of reference:

The Audit Committee is a committee of the Board of Directors established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities.

1.3 The Audit Committee met 6 times during the FY 20-21:

Name of Director Member	28-04-2020	21-05-2020	14-08-2020	06-11-2020	12-11-2020	27-02-2021	Total
Mr. Vineet Sukumar	Present	Present	Present	Present	Present	Present	6
Mr. Sridhar Srinivasan	Present	Present	Present	-	-	-	3
Ms. Namrata Kaul	Present	Present	Present	Present	Present	Present	6
Mr. John Tyler Day	Present	Present	Present	Present	Present	Present	6

2. Nomination and Remuneration Committee:

2.1 Composition:

S.no	Members	Designation
1	Mr. Gaurav Kumar	Managing Director
2	Mr. Kenneth Vander Weele	Nominee Director
3	Ms. Namrata Kaul	Independent Director
	Permanent Invitee/Observer:	
4	Mr. Vineet Sukumar	Managing Director

2.2 Brief description of terms of reference:

The Committee shall formulate the policy for determining qualifications, positive attributes and independence of Director and the remuneration to them, Key managerial personnel (hereinafter referred as the "KMP") and other employees and related aspects.

Vivriti Capital Private Limited Chennai 600 035

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013 – Annexure VII

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2.3 The Nomination and Remuneration Committee met 5 times during the FY 20-21:

Name of Director Member	21-05-2020	14-08-2020	02-09-2020	06-11-2020	27-02-2021	Total
Mr. Gaurav Kumar	Present	Present	Present	Present	Present	5
Mr. Sridhar Srinivasan	Present	Present	-	-	-	2
Ms. Namrata Kaul	Present	Present	Present	Present	Present	5
Mr. Kenneth Dan Vander Weele	Present	Present	-Absent	Present	Present	5

3. Risk Committee:

3.1 Composition:

S.no	Members	Designation
1	Mr. Gaurav Kumar	Managing Director
2	Mr. John Tyler Day	Nominee Director
3	Ms. Namrata Kaul	Independent Director
4	Mr. Vineet Sukumar	Managing Director

3.2 Brief terms of reference:

The Risk Committee is a committee of the Board, appointed to assist the Board in assessing the effectiveness of risk management practices followed by the Company through-

- Oversight of Risk Policy
- Review of changes to Company's risk profile
- Oversight of the Credit Committee – performance, decisions and minutes of meetings
- Oversight of Company's compliance to its stated risk appetite

3.3 The Risk Committee met 4 times during the FY 20-21:

Name of Director Member	21-05-2020	04-09-2020	06-11-2020	27-02-2021	Total
Mr. Gaurav Kumar	Present	Present	Present	Present	4

Vivriti Capital Private Limited Chennai 600 035

Mr. Vineet Sukumar	Present	Present	Present	Present	4
Mr. Sridhar Srinivasan	Present	-	-	-	1
Ms. Namrata Kaul	Present	Present	Present	Present	4
Mr. John Tyler Day	Present	Present	Present	Present	4

4. IT Strategy Committee:

4.1 Composition:

S.no	Members	Designation
1	Mr. Gaurav Kumar	Managing Director
2	Mr. John Tyler Day	Nominee Director
3	Ms. Namrata Kaul	Independent Director
4	Mr. Vineet Sukumar	Managing Director
5	Mr. Harshwardhan Mittal	Chief Technology Office
6	Mr. Araveinth Gopinath	Chief Information Officer

4.2 Brief description of terms of reference:

The prime focus of the IT Strategy Committee as per the IT Framework laid down by RBI, is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing arrangements and any other matter related to IT Governance gap-analysis vis-à-vis the Master Direction and the proposed actions and review of the same from time to time.

4.3 The IT Strategy Committee met 4 times during the FY 20-21:

Name of Director Member	21-05-2020	14-08-2020	06-11-2020	27-02-2021	Total
Mr. Gaurav Kumar	Present	Present	Present	Present	4
Mr. Vineet Sukumar	Present	Present	Present	Present	4
Mr. Sridhar Srinivasan	Present	Present	-	-	2
Mr. John Tyler Day	Present	Present	Present	Present	4

Vivriti Capital Private Limited Chennai 600 035

5. Corporate Social responsibility (CSR) Committee

5.1 Composition

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

5.2 Brief description of terms of reference

The Corporate Social Responsibility Committee is a committee of the Board of Directors established in accordance with the Company's constitution and authorised by the Board to assist the Board and the Company in fulfilling its Corporate Social Responsibility ("CSR"). Further the Committee, recommends the amount of expenditure to be incurred on the identified CSR activities and related aspects.

5.3 The CSR Committee met 3 times during the FY 20-21

Name of Director Member	14-08-2020	06-11-2020	27-02-2021	Total
Mr. Gaurav Kumar	Present	Present	Present	3
Mr. Vineet Sukumar	Present	Present	Present	3
Ms. Namrata Kaul	Present	Present	Present	3

6. IT Steering Committee

6.1 Composition

Sl. No.	Name	Designation
1	Gaurav Kumar	Managing Director
2	Vineet Sukumar	Managing Director
3	Irfan Mohammad Basha	Chief Financial Officer
4	Harshwardhan Mittal	Chief Technology Officer
5	Araveinth Gopinath	Chief Information Officer

6.2 Brief description of terms of reference

The IT Steering Committee is an executive committee of the management in accordance with the requirements of Master Direction - Information Technology Framework for the

Vivriti Capital Private Chennai 600 035

NBFC Sector dated June 08, 2017 ("Master Direction"). The Committee is operating at an executive level and focuses on priority setting, resource allocation and project tracking. The first meeting of IT Strategy Committee was held on 5th March 2021. All the members were present.

7. Other Committees

7.1 Asset Liability Committee (ALCO):

The Asset Liability Committee was established by the Board of Directors of the Company for assisting the Board in oversight of the Company's liquidity and interest rate risk profiles. The Committee shall comprise of two Managing Directors. The Chairperson shall be elected at each meeting of the Committee.

Sl. No.	Name	Designation
1	Gaurav Kumar	Managing Director
2	Vineet Sukumar	Managing Director

The ALCO met 39 times during the year under review. The Committee shall on annual basis review its performance under its Charter.

7.2 Borrowing Committee

The Borrowing Committee was established by the Board of Directors of the Company for assisting the Board in oversight of the Company's fund-raising activities. The Committee shall comprise of two Managing Directors. The Chairperson shall be elected at each meeting of the Committee.

Sl. No.	Name	Designation
1	Gaurav Kumar	Managing Director
2	Vineet Sukumar	Managing Director

The Committee met 46 times during the year under review and accorded its approval to various proposals for availing financial assistance from other lenders and to approve issuance and allotment of non-convertible debentures by the Company.

Details of Remuneration to Directors

1. Remuneration to Executive Directors

The details of the remuneration paid to Mr. Gaurav Kumar and Mr. Vineet Sukumar, Managing Directors of the Company, during the financial year 2020-21 is as under:

Vivriti Capital Private Limited
Chennai
600 035

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013 – Annexure VII

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.	85,93,750	85,93,750	1,71,87,500
	(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)	**85,93,750**	**85,93,750**	**1,71,87,500**

2. Remuneration to Independent Non-executive Directors

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	14,00,000	-	21,00,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total	7,00,000	14,00,000		21,00,000

General Body meetings:

Annual General meeting:

Date	Time	Venue	Special Resolutions passed
30th May 2020	5.30 pm	12th FLOOR, PRESTIGE POLYGON, NO. 471, ANNASALAI,	1. To approve the revised borrowing limits

Vivriti Capital Pvt. Chennai 600 035

		NANDANAM CHENNAI TN 600035	2. To approve revised borrowing limits through issue of Debentures 3. To approve the borrowing limits through issue of Commercial Paper 4. To approve creation of Security cover as per Sec 180 (1) (a) 5. To approve adoption and implementation of Vivriti Employee Stock Option Plan 2020 6. To approve the grant of option to identified employees during any one year, equal to or exceeding 1 percent of the issued capital of the Company at the time of grant of option 7. To approve granting of loan to Vivriti ESOP Trust 8. To approve the grant of option to identified employees of the Subsidiaries Company 9. To approve appointment of Mr. Kartik Srivatsa, having DIN 03559152 as Nominee Director (Non-executive) of the Company

Attendance at the AGM

Sl. No.	Name	Mode of Participation
1	Gaurav Kumar	Physically Present
2	Vineet Sukumar	Physically Present
3	Namrata Kaul	Absent
4	John Tyler Day	Absent
5	Kenneth Dan Vander Weele	Absent
6	Kartik Srivatsa	Absent

Vivriti Capital Private Limited Chennai 600 035

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013 – Annexure VII

Extra-Ordinary General Meeting:

During the year under review, there were 4 Extra-Ordinary General meetings held on 21-08-2020, 14-09-2020, 18-09-2020 and 21-09-2020 respectively.

Other Disclosures:

a. Adherence to Accounting Standards

The Company has complied with the applicable Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

b. Risk Management and internal control policies adopted by the Company

The Company has a well-defined Risk Management Framework in place. The Company has procedures to periodically place before the Audit Committee and the Board, the risk assessment and mitigation plans being followed by the Company.

c. Secretarial Standards

The Company has complied with the applicable provisions of secretarial standards issued by The Institute of Company Secretaries of India.

Investor Grievances

Ms. Amritha Paitenkar, Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI (LODR). There were no investor complaints pending as at March 31, 2021.

Shareholding pattern of the Company as at March 31, 2021

List of Equity Shareholders as on 31st March 2021

Name	Number of equity shares held	Shareholding percentage (%)
Gaurav Kumar	49,00,000	31.33
Vineet Sukumar	49,00,000	31.33
Aniket Satish Deshpande	5,07,600	3.25
Soumendra Nath Ghosh Equity	5,07,600	3.25
Shaik Mohammed Irfan Basha	5,09,550	3.26
Vivriti ESOP Trust	41,77,060	26.71
Creation Investments India III, LLC	100	0.00
Lightrock Growth Fund I S.A., SICAV-RAIF (Formerly Lightstone Fund S.A.)	100	0.00

Vivriti Capital Private Limited Chennai 600 035

Others	1,39,000	0.89
Total	**1,56,41,010**	**100.00**

List of Compulsorily Convertible Preference Shareholders as on 31st March 2021

Name	Number of shares held	Shareholding percentage (%)
Creation Investments India III LLC	6,32,66,409	75.84
Lightrock Growth Fund I S.A., SICAV-RAIF (Formerly Lightstone Fund S.A.)	1,00,77,112	12.08
Financial Investments SPC (affiliate of LGT)	1,00,77,113	12.08
Total	**8,34,20,634**	**100.00**

List of Optionally Convertible Redeemable Preference Shareholders as on 31st March 2021

Name	Number of shares held	Shareholding percentage (%)
Gaurav Kumar	4,05,701	50.00
Vineet Sukumar	4,05,701	50.00
Total	**8,11,402**	**100.00**

Vivriti Capital Private Limited
Chennai
600 035

Annexure VIII – AOC-1 FY 20-21

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

Subsidiary No.1:

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	NA
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 16,89,27,460
6	Reserves & Surplus	INR 3,76,38,175
7	Total Assets	INR 27,72,72,018
8	Total Liabilities	INR 7,07,06,383
9	Investments	INR 20,29,72,597
10	Turnover	INR 2,78,59,792
11	Profit before taxation	INR (7,76,79,014)
12	Tax expense	INR 1,95,50,254
13	Profit after taxation	INR (5,81,28,760)
14	Proposed Dividend	Nil
15	Percentage of shareholding	100%

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Chennai
600 035

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Annexure VIII – AOC-1 FY 20-21

Subsidiary No.2:

Sl. No.	Particulars	Details
1	Name of the Subsidiary	CredAvenue Private Limited
2	CIN	U72900TN2020PTC137251
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Commencing from 21st August 2020 till 31st March 2021
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 50,01,00,000.00
6	Reserves & Surplus	INR (6,69,30,017.94)
7	Total Assets	INR 78,93,52,477.56
8	Total Liabilities	INR 35,61,82,495.50
9	Investments	INR 20,43,81,375.00
10	Turnover	INR 25,27,92,189.40
11	Profit before taxation	INR (8,58,26,451.00)
12	Tax expense	INR 1,88,96,433.06
13	Profit after taxation	INR (6,69,30,017.94)
14	Proposed Dividend	Nil
15	Percentage of shareholding	100% (including beneficial ownership)

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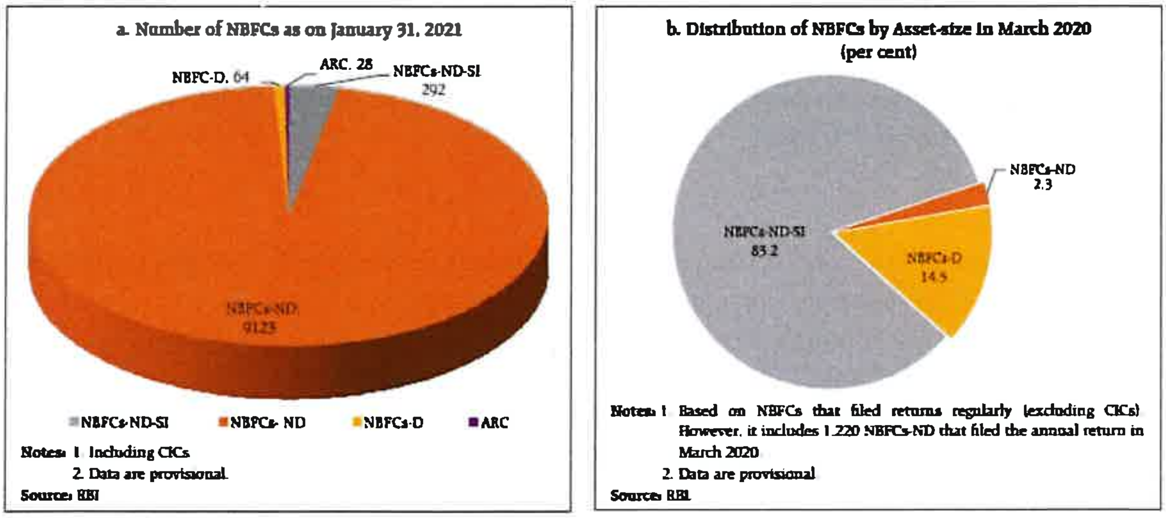
Management Discussion and Analysis report

- ## Industry structure and developments.

NBFCs have come a long way in terms of scale and diversity of operations post the Infrastructure Leasing & Financial Services (IL&FS) and Dewan Housing Finance Ltd. (DHFL) events. Over the years, the segment has grown rapidly with a few of the large NBFCs becoming comparable in size to some of the private sector banks. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based innovative business models. Globally, the sector is witnessing some transformative trends, such as rapid expansion in collective investment vehicles in the sector, increase in cross-border linkages of such entities, increased dependence on short-term funding and increased recourse to financial innovation such as peer-to-peer lending, crowdfunding, leveraged loans and collateralised loan obligations (CLOs), besides increased reliance on FinTech and digital technologies. The Indian NBFC sector has been increasing its shift towards retail loans and loans to service sector as well as micro, small and medium enterprises (MSMEs), from the earlier focus on corporate sector advances. The sector has entered into a new business landscape wherein it needs to continuously strive to innovate and add new products to its toolkit. The core strength of NBFCs continue to include customer base, strong distribution and servicing reach and higher risk appetite. Recently, the sector has built its strength in distribution through non-physical points of presence, and faster scale-up and scale-down capability.

Distribution of NBFCs: Number and Share in Assets



A year and half of the COVID-19 pandemic has impacted all sectors of the economy globally including the NBFC sector. The financial year started with a nationwide lockdown during the first wave bringing the manufacturing and urban economy to a grinding halt while the rural economy continued to move because of less strict lockdowns. In the second wave the number of positive cases increased in rural areas compared to urban with less strict localised lockdown. The impact of second wave is much less on companies compared to first wave, manufacturing sector has been on receiving end in both the waves, the services sector has become the bedrock of the Indian economy, NBFC sector especially MFI, unsecured MSME and vehicle finance were battling with credit stress, declining AUM on back of lower disbursement and drop in collection efficiencies. The lower collections has impacted debt raising ability of smaller players while larger player have easily raised funds with adequate liquidity position. Relief measures from government and RBI from time to time providing government guarantees and loan interest loans such as Targeted Long Term Repo Operations (TLTRO 2.0), Special Liquidity Scheme (SLS), Partial Credit Guarantee Scheme (PCGS), Moratorium, Restructuring supported credit flow and liquidity relief to the NBFC sectors.

India's economic growth trajectory remains positive at the moment. Crucial economic segments such as manufacturing, services, industrial output, exports and demand have gained momentum. At present, companies are absorbing increased production cost due to demand constraints and it would only be a matter of time when companies passing on in increased cost to consumers increasing the Inflation. Markets are concerned about asset price inflation due to increased money supply and lower interest rates which might push central banks fight inflation by increasing interest rates and tighter liquidity in near future.

Our hopes of economic revival are pinned to us having an express vaccination drive, which takes away the fear of a third wave and a revival of consumer confidence and spending.

• Opportunities and Threats.

Opportunities

- The company raised INR 100 Cr of equity as part of second tranche of Series B funding in September 2020 and concluded the financial year with PAT of INR 30 Cr i.e., 3x Y-o-Y growth. Additional equity is a validation of business model signifying the company is very well placed to meet the growth rebound.
- The Company has invested significantly in maintaining high level of transparency and good corporate governance. Markets favour well rated NBFCs with high quality governance and systems from a liquidity allocation perspective and the benefit is clearly accruing to the Company.
- Credit growth has accelerated as firms are embarking on increasing capital expenditure after a long break of over 5 years.

Threats

- Challenges for NBFC sector could increase due to Covid third wave. The possibility of economic slowdown, delayed recovery, credit stress might be repeated.
- Risk of liquidity withdrawal from global markets as the US Fed reduces asset purchase or increases interest rates.
- Volatility and correction of asset prices by RBI through asset purchase programmes may possibly impact the company's comfortable liquidity position.

• Segment–wise or product-wise performance.

Gross loan disbursements during the year were two times of previous year at INR 2,034 Cr in FY20-21 against INR 956 Cr in FY19-20. The company has increased number of clients to 175 borrowers and

Vivriti Capital Private Limited Chennai 600 035

substantially expanded its presence across 26 sectors from 14 sectors last year. During the year, a new product segment - Supply Chain Finance - was added to portfolio. Further, the Company focused on scale up of newer segment i.e., co-origination of retail assets and supply chain financing across sectors to make the book more granular. The Company closed the year with comfortable unencumbered cash position of 138 Cr maintaining greater than two months of gross lender outflows. Vivriti Capital has highest collection efficiency of 91% in June 2020 in the entire NBFC sector and collection efficiency of 99.5% as of 31st March 2021.

Product Wise Split:

Products	AUM (In Cr)	% of AUM
Term Debt	1,554	82%
Retail	191	10%
WCDL	104	5%
Guarantee	49	3%

Liquidity position of the company has strongly improved with 39 strong relationships as of date and 10 new lenders added during the year. Lenders have taken higher exposure in the Company. New products were onboarded during the year, such as covered MLD issuance to HNI investors, securitisation transactions of pass-through certificates and direct assignments were concluded, totalling debt raise of INR 1,255 Cr.

Borrowing Product Wise:

Products	Borrowing (In Cr)	% of Debt
Term Loan	823	63%
NCD (incl MLD)	402	31%
WCDL	40	3%
Securitisation	35	3%

- ## Outlook

The company aims to grow its business segments in two major segments of enterprise finance and retail finance, with significant growth across retail business lines. The company also expects steady growth in its enterprise lending business and intends to double its client base. The second wave of Covid is unlikely to have an impact on the company's asset quality. We expect profits to grow steadily with a higher asset base, lower cost of funding, controlled credit cost and operating expenses.

- ## Risks and concerns.

Company has constituted a risk management committee, chaired by an Independent Director, to closely oversee the lending book as well as portfolio management. The risk management committee reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate and adequate reporting to the Board with recommendations. Committee identifies risk on an ongoing basis, measures its potential impact against a broad set of assumptions and activates what is necessary to pro-actively manage these risks, also decide the company's appetite or tolerance for risk.

The company has taken significant strides in portfolio diversification, with reduction in its top 20 exposures, share of single sector exposures as well as increase in the share of the retail book over the

Vivriti Capital Private Limited
Chennai
600 035

course of the year. Efforts will continue to diversify the book further over the course of the coming financial year.

- Internal control systems and their adequacy.

The company has appointed PWC as its independent internal auditor. PWC conducts quarterly internal audits of key functions evaluating completeness and adequacy of internal financial controls of the company and presents its findings and recommendations to the Audit Committee, which is chaired by an Independent Director. The same report is also shared with Statutory auditor of the company.

- Discussion on financial performance with respect to operational performance.

The company reported strong financial results for FY 2021:

P&L Statement	Mar-21	Mar-20
Total Income	**225**	**148**
Interest Income	201	114
Interest Cost	94	62
Provision for Doubtful Debts	30	9
OPEX Expenses	61	64
Profit Before Tax	**41**	**14**
Profit After Tax	**30**	**10**

Balance Sheet	Mar-21	Mar-20
Equity	**797**	**663**
Liabilities	**1,398**	**805**
Borrowings	1,368	777
Total Equity and Liabilities	**2,195**	**1,469**
Assets		
Cash & cash equivalents	233	495
Loans	1,620	822
Investments	294	101
Other Assets	47	50
Total Assets	**2,195**	**1,469**

➢ Profitability for FY21 is 3x profit of FY20 resulting from average yield on assets is ~15%, and controlled operating expenses. This has been achieved with 100% provision coverage ratio, resulting in 0% NNPA.

➢ Return on Assets ROA is at 2.4% and Return on Equity ROE is at 4.2% for financial year 2020-2021. Asset quality at the end of the year is very good, with GNPA of 0.3%

➢ Equity capital of INR 100 Cr was raised as part of second tranche of Series B funding in September 2020.

➢ Currently investment in subsidiaries is capped at 10% of Net worth of Vivriti Capital.

Vivriti Capital Private Limited
Chennai
600 035

- ## Material developments in Human Resources / Industrial Relations front, including number of people employed.

During the year, the Company had set up another subsidiary – "Credavenue Private Limited" and had infused significant capital into that Company. Vivriti Capital had also infused capital into its existing subsidiary – Vivriti Asset Management Private Limited. These capital infusion has been directed towards improving the infra set up at the respective companies including the Human Capital. During the year, 120 personnel had joined the group at various levels and more particularly at the top management level. This has ensured there is a cohesive team in place to drive/ partner the Company and Group in its pursuance of its growth objectives.

- ## Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

The ROE for FY 21 is 4.2% as against FY 20 which was 4.8%. During the year, the economy had been severely affected on account of COVID Impact which was intense in the first half of the year. The second half of the year witnessed a gradual recovery in the economy. Consequent to this, the financial institutions had significant change in their strategy wherein the increased focus was on maintaining the collection efficiency at higher levels rather than on disbursement. This had ripple effect on the Company and consequently the significant portion of the annual disbursement has been in the second half of the year. This has resulted in the Yield being increasingly generated towards the later part of the year and thus the effect on the ROE for FY 21. In-spite of the above impact the Company had still been able to significantly sustain the ROE on YoY basis.

Vivriti Capital Private Limited
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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 Vivriti Capital Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2021, 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 2021, 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 describe the potential continuing impact of the COVID-19 Pandemic on the Company's standalone financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

Our report is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements of the current period. The matter was 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 the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
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 started lending activities in FY 2018-19. The Company doesn't have credit loss history except for two loans which are fully provided /written off and has assigned PD to each borrower on the basis of the Company's internal rating model on various rating agencies' 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 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; • Accounting interpretations and data used to build and run the models; • 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;	**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 determination of ECL, including the judgements and estimates. 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, individual provisions and production of journal entries and disclosures. We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31st March 2021 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. For forward looking assumptions used in ECL calculations, we held discussions with management, assessed the assumptions used and the probability weights assigned to the possible outcomes. We performed an overall assessment of the ECL provision including management's assessment on

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• The disclosures made in standalone financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.	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.

Information Other than the Standalone 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) which 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'. We have nothing to report in this regard.

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.

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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

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 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

   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 as 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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Deloitte
Haskins & Sells LLP

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 : 21109839AAAAEP1331)

Place: Mumbai

Date: 28th April 2021

Deloitte
Haskins & Sells LLP

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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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 : 21109839AAAAEP1331)

Place: Mumbai
Date: 28th April 2021

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

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

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

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services tax, Provident Fund and other cess in arrears as at 31^{st} March 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, and Goods and Services tax as on 31^{st} March 2021 on account of disputes.

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

(ix) The Company has not raised money 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 according to information and explanation given to us, the Company has utilised the money for the purposes for which they were raised, 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) The Company is a private company and hence the provisions of section 197 of the Act do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with the provisions of section 177 and section 188 of the Act. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the standalone financial statements as required by the applicable accounting standard.

(xiv) According to the information and explanations given to us, during the year under review the Company has made private placement of 57,96,936 Compulsorily Convertible Preference Shares ("CCPS") bearing a face value of Rs.10/-.

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.

(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 : 21109839AAAAEP1331)

Place: Mumbai
Date: 28th April 2021

Vivriti Capital Private Limited
Standalone Balance Sheet as at March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	3	13,817.64	3,224.31
Bank Balances other than above	4	9,511.80	46,303.51
Receivables	5	424.44	708.83
Loans	6	1,62,044.92	82,234.41
Investments	7	29,397.85	10,087.05
Other financial assets	8	297.58	244.90
Total Financial Assets		**2,15,494.23**	**1,42,803.01**
Non-Financial assets			
Current Tax Assets	9	943.23	1,061.27
Deferred tax assets (Net)	10	1,011.24	633.18
Property, plant and equipment	11	527.82	729.51
Right of use asset		874.73	1,212.50
Other intangible assets	11	93.28	132.38
Intangible Assets Under Development		48.96	35.12
Other non-financial assets	12	522.10	256.46
Total Non-Financial Assets		**4,021.36**	**4,060.42**
Total Assets		**2,19,515.59**	**1,46,863.43**
EQUITY AND LIABILITIES			
LIABILITIES			
Financial Liabilities			
Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		1.72	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,071.13	201.62
Debt Securities	14	39,953.41	30,446.55
Borrowings (Other than Debt Securities)	15	96,864.64	47,218.16
Other financial liabilities	16	1,267.50	2,263.74
Total Financial Liabilities		**1,39,158.40**	**80,130.07**
Non-Financial Liabilities			
Provisions	17	469.84	306.91
Other non-financial liabilities	18	173.18	80.42
Total Non-Financial Liabilities		**643.02**	**387.33**
Total liabilities		**1,39,801.42**	**80,517.40**
EQUITY			
Equity Share Capital	19a	1,146.39	1,130.02
Convertible Non-participating Preference Share Capital	19b	8,350.17	7,770.48
Other equity	20	70,217.61	57,445.53
Total equity		**79,714.17**	**66,346.03**
Total equity and liabilities		**2,19,515.59**	**1,46,863.43**

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, 2021

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
Membership No: A49121

Place: Chennai
Date: April 28, 2021

Vivriti Capital Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations			
Interest Income	21	20,124.26	11,353.83
Fees and commission Income	22	1,728.03	3,407.61
Net gain on derecognition of financial instruments		12.00	-
Net gain on fair value change on financial instruments	23	73.90	12.74
Total Revenue from Operations		**21,938.19**	**14,774.18**
Other Income	24	574.05	41.58
Total Income		**22,512.24**	**14,815.76**
Expenses			
Finance costs	25	9,435.22	6,227.75
Impairment on financial instruments including write off	26	2,989.74	967.11
Employee benefit expense	27	3,668.93	3,665.62
Depreciation and amortisation expense	28	680.38	665.85
Other expenses	29	1,671.45	1,901.12
Total expenses		**18,445.72**	**13,427.45**
Profit before Tax		**4,066.52**	**1,388.31**
Tax expense			
- Current tax		1,481.97	679.99
- Deferred tax		(415.96)	(320.77)
Total tax expense		**1,066.01**	**359.22**
Net Profit After Tax		**3,000.51**	**1,029.09**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans (net)	31	(15.12)	12.47
Income tax impact		3.81	(3.41)
Items that will be reclassified to profit or loss			
Net (loss) / gain on financial instrutement designated at FVOCI		165.71	(22.07)
Income tax impact		(41.71)	5.63
Other Comprehensive Income		**112.69**	**(7.38)**
Total comprehensive income		**3,113.20**	**1,021.71**
Earnings per equity share (Face Value of INR. 10 each)	31		
Basic (₹)		**19.46**	**7.36**
Diluted (₹)		**3.57**	**1.46**

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

G. K. Subramaniam
Partner
Place: Mumbai
Date: April 28, 2021

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
Membership No: A49121

Place: Chennai
Date: April 28, 2021

Vivriti Capital Private Limited
Standalone Statement of Cash flows for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Operating activities		
Profit before tax	4,066.52	1,388.31
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	680.38	665.85
Impairment on financial instruments including write off	2,989.74	967.11
Interest on Lease liability	64.34	(275.40)
Net loss on financial asset designated at FVOCI	-	(7.38)
Share Based Payments to employees	138.40	72.67
Provision for Bonus	250.00	-
Provision for Gratuity	23.90	20.72
Provision for compensated absences	197.15	105.06
Operating Profit before working capital changes and adjustments for Interest received, Interest paid and Dividend received	**8,410.43**	**2,936.94**
Working capital changes		
Decrease/(Increase) in loans	(82,501.34)	(37,711.17)
Decrease/(Increase) in trade receivables and contract asset	231.71	(93.33)
Decrease/(Increase) in other non-financial assets	(265.64)	(163.47)
(Decrease)/Increase in trade payables and contract liability	628.51	(350.02)
(Decrease)/Increase in other financial liability	(722.81)	950.55
(Decrease)/Increase in other non-financial liability	92.76	(110.99)
(Decrease)/Increase in provisions	(0.01)	44.59
Cash flows used in operating activities	**(74,126.39)**	**(34,496.90)**
Income tax paid	(1,603.30)	(1,435.09)
Net cash flows (used in) operating activities	**(75,729.69)**	**(35,931.99)**
Interest paid	(8,121.53)	(5,959.66)
Interest received	16,058.77	11,086.09
Cash flows from operations	**7,937.24**	**5,126.43**
Investing activities		
Investment in Bank Fixed Deposits not considered as cash and cash equivalents (net)	36,791.71	(46,303.51)
Purchase of property, plant and equipment and intangible assets	(209.62)	(256.58)
Intangible Assets Under Development	(13.84)	(15.45)
Purchase of investment at FVOCI	(18,497.79)	(2,807.10)
Investment in AIF	(813.01)	(100.00)
Net cash flows from/(used in) investing activities	**17,257.45**	**(49,482.64)**
Financing activities		
Debt securities issued (net)	9,506.86	11,318.77
Borrowings other than debt securities issued (net)	49,646.48	31,599.27
Proceeds from issuance of sharecapital	579.69	3,070.00
Proceeds from securities premium	9,332.53	38,470.75
Net cash flows from financing activities	**69,065.56**	**84,458.79**
Net increase/(decrease) in cash and cash equivalents	10,593.33	(955.84)
Cash and cash equivalents at the beginning of the year	3,224.31	4,180.15
Cash and cash equivalents at the end of the year (refer note 3)	**13,817.64**	**3,224.31**
Components of cash and cash equivalents		
Balances with banks		
In current accounts	13,817.64	3,157.89
Cheques in hand	-	66.42
Total cash and cash equivalents	**13,817.64**	**3,224.31**

Vivriti Capital Private Limited
Standalone Statement Of Cash Flows For The Year Ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Particulars	Debt Securities	Borrowings (other than debt securities)
Balance as at March 31, 2020	30,446.55	47,218.16
Cash Flows (net)	8,916.63	49,069.52
Non Cash Changes (net)	590.23	576.96
Balance as at March 31, 2021	**39,953.41**	**96,864.64**

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, 2021

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

Gaurav Kumar
Managing Director
DIN 07767248

Vineet Sukumar

Vineet Sukumar
Managing Director
DIN 06848801

Shaik Mohammed Irfan Basha
Chief Financial Officer

Amritha Paitenkar
Company Secretary
Membership No: A49121

Place: Chennai
Date: April 28, 2021

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

A. EQUITY SHARE CAPITAL

As at March 31, 2020	Changes in equity share capital during the year 2020-21	As at March 31, 2021
1,130.02	16.37	1,146.39

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 Insurments through OCI	Remeasurement of defined benefit liability/ asset	
Balance as at March 31, 2019	4,700.49	-	18,282.88	(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
Reclassification of remeasurement of net defined liability	-	-	-	-	-	-	-	-	-
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
Changes in equity for the year ended March 31, 2021									
Shares issued during the year	579.69	-	11,371.50	-	-	-	-	-	11,951.19
Share issue expenses	-	-	(154.73)	-	-	-	-	-	(154.73)
Amount recoverable from ESOP Trust	-	-	(1,873.12)	-	-	-	-	-	(1,873.12)
Stock Compensation expense during the year	-	-	-	-	138.40	-	-	-	138.40
Recoverable from subsidiaries	-	-	-	-	176.85	-	-	-	176.85
Remeasurement of net defined benefit liability	-	-	-	-	-	-	-	(11.31)	(11.31)
Reclassification of remeasurement of net defined liability	-	-	-	(6.65)	-	-	-	6.65	-
Fair valuation of investment in debt instruments (net)	-	-	-	-	-	-	124.00	-	124.00
Transfer from retained earnings	-	-	-	(11.47)	-	-	11.47	-	-
Profit for the year	-	-	-	3,000.51	-	-	-	-	3,000.51
Transfer to statutory reserve	-	-	-	(600.10)	-	600.10	-	-	-
Balance as at March 31, 2021	8,342.06	8.11	66,097.25	2,742.71	399.71	842.48	135.47	-	78,567.78

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, 2021

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
Place: Chennai
Date: April 28, 2021

Amritha Paitenkar
Company Secretary
Membership No: A49121

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

These financial statements were authorised for issue by the Company's Board of Directors on April 27, 2021.

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.

1.3 Functional and presentational currency

These 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 lakh (two decimals), unless otherwise indicated

1.4 Basis of Measurement

The 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 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 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 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.

b. 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.

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.

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

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 and alternate investment funds

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

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.

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 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 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. 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

C. 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 Act. 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.

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 the Statement of Profit and Loss.

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 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 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 Company as lessee
The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration to assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee.
Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.
ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.
The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 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

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

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 3. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Balances with banks:		
- In Current Accounts	13,817.64	3,157.89
(ii) Cheques on hand	-	66.42
Total	**13,817.64**	**3,224.31**

Note 4. Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
(i) In other Deposit accounts		
- original Maturity less than 3 months*	7,287.91	45,055.78
(ii) Earmarked balances with banks#		
- Deposits with Banks as Collateral	2,223.89	1,247.73
Total	**9,511.80**	**46,303.51**

*These deposits are earmarked against the bank overdraft availed by the Company stated in the note Note 15.

#Balance with banks in earmarked deposit accounts comprises deposits that have an original maturity exceeding 3 months as at balance sheet date and earns interest at fixed rate ranging from 4% p.a to 8.3% p.a.

Note 5. Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - Considered Doubtful		
Outstanding for a period exceeding six months from the date due for payment	141.55	75.92
Less: Provision for impairment	(141.55)	(75.92)
Unsecured - Considered Good		
Outstanding for a period less than six months*	438.01	708.83
Less: Provision for impairment	(13.57)	-
Total	**424.44**	**708.83**

*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. The above amount includes receivable from Vivriti Asset Management Private Limited amounting to Rs. 298.55 Lakhs, in which the directors of the Company are directors.

Note 6. Loans (At amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Based on Nature		
Term loans	1,60,308.18	82,241.70
Bills discounted	3,319.45	-
Loan to employees	36.97	46.27
Loan to ESOP trust	27.50	-
Loans and advances to related parties - Subsidiary (refer note 34)	-	900.00
Total - Gross	1,63,692.10	83,187.97
Less : Impairment loss allowance	(1,647.18)	(953.56)
Total - Net	**1,62,044.92**	**82,234.41**
B. Based on Security		
a. Secured by tangible assets (including advances against book debts)	1,45,128.93	82,241.70
b. Unsecured	18,563.17	946.27
Total - Gross	1,63,692.10	83,187.97
Less : Impairment loss allowance	(1,647.18)	(953.56)
Total - Net	**1,62,044.92**	**82,234.41**
Total	**1,62,044.92**	**82,234.41**

Note: All loans are in India and are granted to individuals or entities other than public sector.

The Company has provided Rs 30 lakh against the moratorium interest income recognised and collected earlier in line with the recent Supreme Court Judgement dated 23 March 2021 and RBI Circular 7 April 2021.

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

Note 7. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries at cost (Unquoted)		
-Vivriti Asset Management Private Limited 10, 000 Equity shares of INR 10 each fully paid up (As at March 31, 2020: 1000 shares of INR 10 each)	2,751.00	1.00
-Credavenue Private Limited 10,000 Equity shares of INR 10 each fully paid up (Incorporated on August 21, 2020)	5,001.00	-
Investments in Alternate investment fund - FVTPL		
- Vivriti Samarth Bond Fund	99.49	100.00
- Vivriti Short Term Bond Fund	462.50	-
- Vivriti India Impact Bond Fund	351.02	-
Others - Unquoted - FVOCI		
-Non Covertible Debentures	11,885.29	8,225.91
-Pass Through Certificates	8,847.55	1,760.14
Total	**29,397.85**	**10,087.05**

All investments represented above are made in India

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

Note 8. Others financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	255.42	193.83
Receivable from assigned loans	12.00	-
Other Advances	30.16	51.07
Total	**297.58**	**244.90**

Note 9. Current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions)	-	1,061.27
Total	**-**	**1,061.27**

Note 10. Deferred tax assets

Particulars	As at March 31, 2021	
	Asset	Liability
a) Provisions for employee benefit	82.42	-
b) Depreciation	52.96	-
c) Preliminary Expenses	2.15	-
d) Impairment of assets	573.86	-
e) Deferred lease asset	23.22	-
f) Amortised Fees Income	300.36	-
g) Fair valuation on financial instruments	-	23.73
Total	**1,034.97**	**23.73**
Net Deferred tax asset		**1,011.24**

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) Amortised Fees Income	276.81	-
g) Fair valuation on financial instruments	5.58	-
Total	**633.18**	-
Net Deferred tax asset		**633.18**

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 11. Property, plant and equipment & Intangible Assets

Property, plant and equipment

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions (Refer Note 37)	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions (Refer Note 37)	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computers & Laptops	263.69	136.84	232.05	168.48	104.47	59.72	72.10	92.09	76.39	159.22
Office Equipments	128.65	-	-	128.65	54.16	29.55	-	83.71	44.94	74.49
Leasehold Improvements	364.98	56.34	-	421.32	210.38	107.69	-	318.07	103.25	154.60
Electrical Installations	149.82	2.61	-	152.43	29.16	17.67	-	46.83	105.60	120.66
Furniture & Fittings	196.78	13.71	-	210.49	39.84	20.42	-	60.26	150.23	156.94
Servers & Networks	92.16	-	-	92.16	28.56	16.19	-	44.75	47.41	63.60
Total	**1,196.08**	**209.50**	**232.05**	**1,173.53**	**466.57**	**251.24**	**72.10**	**645.71**	**527.82**	**729.51**

Intangible assets

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	151.85	0.12	-	151.96	26.01	35.65	-	61.66	90.30	125.84
Website	13.67	-	-	13.67	7.13	3.56	-	10.69	2.98	6.54
Total	**165.52**	**0.12**	**-**	**165.63**	**33.14**	**39.21**	**-**	**72.35**	**93.28**	**132.38**

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	-	128.65	26.31	27.85	-	54.16	74.49	102.25
Leasehold Improvements	266.40	98.58	-	364.98	98.36	112.02	-	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	-	39.83	156.95	175.64
Servers & Networks	76.25	15.90	-	92.16	13.66	14.91	-	28.57	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	-	-		3.56	3.57	-	7.13	(7.13)	10.11
Total	**37.01**	**128.50**	**-**	**151.85**	**11.27**	**21.88**	**-**	**33.14**	**118.71**	**25.75**

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

Note 12. Others non financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	227.35	164.37
Advance to vendors	133.69	48.34
Balance with Government Authorities	134.18	42.76
Deferred lease rentals	26.88	0.99
Total	**522.10**	**256.46**

Note 13. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises *	1.72	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	821.13	197.24
Accrued Employee Benefit Expense	250.00	4.38
Total	**1,072.85**	**201.62**

*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, 2021	As at March 31, 2020
a) Amount outstanding but not due as at year end	1.72	-
b) Amount due but unpaid as at the year end	-	-
c) Amounts paid after appointed date during the year	0.50	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding ye	-	-

Note 14. Debt Securities (Measured at Amortised Cost)

Particulars	As at March 31, 2021	As at March 31, 2020
Redeemable Non-Convertible Debentures Medium-Term - Secured	39,953.41	30,446.55
Total	**39,953.41**	**30,446.55**
Debt securities in India	39,953.41	30,446.55
Debt securities outside India	-	-
Total	**39,953.41**	**30,446.55**

14.1 Security

(i) Redeemable Non-Convertible Debentures - Medium term is secured by way of exclusive charge over identified loan portfolio.

(ii) The Company has not defaulted in the repayment of dues to its lendors during the current or previous period

(iii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 14.2 based on the Contractual 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	Remaining maturity	Due date of redemption	Terms of repayment	As at March 31, 2021	As at March 31, 2020
11.00% Vivriti Capital Private Limited - No put call option	< 1 year	19-Mar-21	Principal is Quarterly payment and Interest is Monthly payment	-	19,616.15
Market Linked Debentures - I	< 1 year	27-Sep-20	Principal and interest is Bullet payment	-	757.80
11.50% Vivriti Capital Private Limited	< 1 year	16-Aug-21	Principal is Quarterly payment and Interest is Monthly payment	1,004.46	3,016.01
Market Linked Debentures - II	< 1 year	13-Aug-21	Principal and interest is Bullet payment	603.04	542.51
10.75% Vivriti Capital Private Limited	2-3 years	31-Jul-23	Principal and interest is Half yearly payment	2,500.25	-
10.48% Vivriti Capital Private Limited	2-3 years	31-Jul-23	Principal is Quarterly payment and Interest is Monthly payment	1,923.38	-
Market Linked Debentures - III	1-2 years	27-Nov-22	Principal and interest is Bullet payment	1,023.46	-
10.00% Vivriti Capital Private Limited	< 1 year	16-Jun-21	Principal is Quarterly payment and Interest is Monthly payment	3,996.84	-
10.25% Vivriti Capital Private Limited	1-2 years	16-Jun-22	Principal is Quarterly payment and Interest is Monthly payment	1,995.58	-
10.71% Vivriti Capital Private Limited	1-2 years	05-Jul-22	Principal is bullet payment and interest is monthly payment	3,972.53	
9.90% Vivriti Capital Private Limited	1-2 years	25-Aug-22	Principal is monthly payment and interest in monthly payment	7,500.00	

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

Debt Reference	Remaining maturity	Due date of redemption	Terms of repayment	As at March 31, 2021	As at March 31, 2020
12.96% Vivriti Capital Private Limited	1-2 years	03-Mar-23	Principal is bullet payment and interest is monthly payment	2,541.54	2,517.92
12.12% Vivriti Capital Private Limited	1-2 years	26-Aug-22	Principal is Bullet payment and Interest is Half yearly payment	2,036.25	3,996.16
10.57% Vivriti Capital Private Limited	2-3 years	10-Feb-24	Principal is Quarterly payment and Interest is Monthly payment	1,013.19	-
Market Linked Debentures - IV	1-2 years	29-Jul-22	Principal and interest is Bullet payment	4,947.58	-
Market Linked Debentures - V	1-2 years	16-Oct-22	Principal and interest is Bullet payment	4,895.33	-

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

Note 15. Borrowings (Other Than Debt Securities) - At amortised cost

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks (Refer note 15.1 and 15.2 below)	58,882.55	17,639.16
Term Loans from other parties		
Financial institutions (Refer note 15.1 and 15.2	23,180.30	19,255.40
Securitisation (Collateralised debt obligation) (Refer note 15.3)	3,554.33	1,514.73
Loan Repayable on Demand		
From Banks (Overdraft) (Refer note 15.1 (ii) below)	7,247.46	7,808.87
Working capital demand loans from Banks (Cash Credit) (Refer note 15.1 (iii) below)	4,000.00	1,000.00
Total (A)	**96,864.64**	**47,218.16**
Borrowings in India	96,864.64	47,218.16
Borrowings outside India		-
Total (B)	**96,864.64**	**47,218.16**

15.1 Security

(i) Loans from banks and financial institutions are secured by first ranking and exclusive charge over identified receivables and guaranteed by directors of the Company.

(ii) Rate of interest payable on bank overdraft varies from 3.05% p.a to 3.4% p.a (March 31, 2020: 4.5% p.a to 5.8% p.a). The Company has taken bank overdraft against the deposit balances, refer note 4

(iii) Rate of interest payable on cash credit loans is 10.30% p.a. (March 31, 2020: 11% p.a.)

15.2 Details of term loans - Contractual principal repayment value

Rate of Interest	Maturity	Amount outstanding	
		31-Mar-21	**31-Mar-20**
6.57% to 12%	< 1 year	4,816.17	5,082.55
	1-2 years	21,031.96	14,906.95
	2-3 years	11,025.49	829.10
	3-4 years	7,362.32	-
Total		**44,235.93**	**20,818.60**
Base rate / MCLR + Spread (.5% to .4.75%)	< 1 year	5,346.10	2,607.78
	1-2 years	15,930.90	3,589.10
	2-3 years	2,658.79	9,879.09
	3-4 years	13,891.12	-
Total		**37,826.92**	**16,075.97**

15.3 Details of Securitisation

Rate of Interest	Maturity	Amount outstanding	
		31-Mar-21	**31-Mar-20**
11.25%	< 1 year	2,815.36	-
11.97%	< 1 year	738.97	903.35
	1-2 years	-	611.38
	2-3 years	-	-
Total		3,554.33	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 1 year.

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

Note 16. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	1,038.49	1,311.92
Payable to Customers	27.36	22.57
Amounts payable on assets derecognised	189.27	-
Payable to capital creditors	12.38	929.25
Total	**1,267.50**	**2,263.74**

Note 17. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision on non-fund exposure	392.34	120.93
Provision for Employee Benefits		
- Gratuity	18.08	35.82
- Compensated Absences	59.42	150.15
Provision for CCPS dividend	-	0.01
Total	**469.84**	**306.91**

Note 18. Other non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Remittances	173.18	80.42
Total	**173.18**	**80.42**

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 19a. Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
1,59,00,000 (As at March 31, 2020: 1,59,00,0000 shares) Equity Shares of Rs 10 each	**1,590.00**	**1,590.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,56,41,010 (As at March 31, 2020: 1,44,89,600 shares) Equity shares of Rs. 10 each	1,564.10	1,448.97
Less: Shares held under Vivriti ESOP Trust	(417.71)	(318.95)
	1,146.39	**1,130.02**

Equity Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
As at the beginning of the year	1,44,89,700	1,448.97	1,36,89,600	1,368.96
Issued during the year				
Under Employee stock option (ESOP) scheme	11,51,310	115.13	8,00,000	80.00
Others	-	-	100	0.01
As at the end of the year	**1,56,41,010**	**1,564.10**	**1,44,89,700**	**1,448.97**

Equity shares held by the trust

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
As at the beginning of the year	31,89,500	318.95	23,89,500	238.95
Issued during the year	9,87,560	98.76	8,00,000	80.00
As at the end of the year	**41,77,060**	**417.71**	**31,89,500**	**318.95**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Vineet Sukumar	49,00,000	31%	49,00,000	34%
Gaurav Kumar	49,00,000	31%	49,00,000	34%
Vivriti ESOP Trust	41,77,060	27%	31,89,500	22%

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.

Note 19 b. Convertible Non-participating Preference Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED 8,34,37,063 (As at March 31, 2020: 78,348,035) Compulsorily Convertible Preference Shares of Rs. 10 each	8,343.71	7,834.80
850,000 (As at March 31, 2020: 850,000 shares) Optionally Convertible Redeemable Preference Shares of Rs. 60 each	510.00	510.00
	8,853.71	8,344.80
ISSUED, SUBSCRIBED AND FULLY PAID UP 8,34,20,634 (As at March 31, 2020: 7,76,23,698) 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each	8,342.06	7,762.37
ISSUED, SUBSCRIBED AND PARTIALLY PAID UP 8,11,402 of Re. 1 each paid up (As at March 31, 2020: 8,11,402 of Re.1 each paid up) Optionally Convertible Redeemable Preference shares	8.11	8.11
	8,350.17	7,770.18

Compulsorily Convertible Redeemable Preference Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
As at the beginning of the year	7,76,23,698	7,762.37	4,70,04,932	4,700.49
Issued during the year	57,96,936	579.69	3,06,18,766	3,061.88
As at the end of the year	8,34,20,634	8,342.06	7,76,23,698	7,762.37

Optionally Convertible Redeemable Preference Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
As at the beginning of the year	8,11,402	8.11	-	-
Issued during the year	-	-	8,11,402	8.11
As at the end of the year	8,11,402	8.11	8,11,402	8.11

Details of preference shareholders holding

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Creation Investments LLC	6,32,66,409	76%	5,74,69,473	74%
Lightruck Growth Fund I S.A (Formerly known as Lightstone Fund SA)	1,00,77,112	12%	2,01,54,225	26%
Financial Investments SPC (affiliate of Lightrock Growth Fund I S.A., SICAV-RAIF)	1,00,77,113	12%	-	-

Notes:

During the year ended, the Company has issued 57,96,936, 0.001% Compulsorily Convertible Preference Shares ("CCPS") of face value Rs. 10/- aggregating Rs. 579.69 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.

Lightstone Fund SA has changed its name to Lightrock Growth Fund I S.A., SICAV-RAIF, with effective from March 9, 2021.

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 20. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve		
Balance at the beginning of the year	242.38	36.56
Add: Transfer from retained earnings	600.10	205.82
Balance at the end of the year	**842.48**	**242.38**
Securities Premium		
Balance at the beginning of the year	56,753.60	18,282.85
Add : Premium received on shares issued during the year	11,371.50	39,931.41
Less : Utilised during the year for writing off share issue expenses	(154.73)	(967.30)
Less : Amount recoverable from Vivriti ESOP Trust	(1,873.12)	(493.36)
Balance at the end of the year	**66,097.25**	**56,753.60**
Employee Stock Option Reserve		
Balance at the beginning of the year	84.46	11.79
Add: Stock compensation expense during the year	138.40	72.67
Add: Recoverable from subsidiaries	176.85	-
Balance at the end of the year	**399.71**	**84.46**
Other Comprehensive Income		
Balance at the beginning of the year	4.67	(4.39)
Add/ (Less) : Remeasurement of net defined benefit liability	(11.31)	9.06
Less: Transfer to retained earnings	6.65	-
Add/ (Less) : Fairvaluation of investment in debt instruments (net)	124.00	(16.44)
Add: Transfer from retained earnings pertaining to prior years	11.47	16.44
Balance at the end of the year	**135.47**	**4.67**
Retained earnings		
Balance at the beginning of the year	360.42	(446.40)
Add : Profit/ (Loss) for the year	3,000.51	1,029.09
Add/ (less) : Transfer from other comprehensive income	(6.65)	(16.44)
Add/ (less) : Transfer to other comprehensive income	(11.47)	-
Less: Transfer to Statutory reserve	(600.10)	(205.82)
Less: Preference Dividend for CCPS	-	(0.01)
Balance at the end of the year	**2,742.71**	**360.42**
TOTAL	**70,217.61**	**57,445.53**

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

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 21. Interest Income

Particulars	Year ended March 31, 2021		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at FVOCI	Total
Interest on Loans	17,192.40	-	17,192.40
Interest income from investments	1,785.62	517.10	2,302.72
Interest on deposits	629.14	-	629.14
Total	**19,607.16**	**517.10**	**20,124.26**

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	1,242.50	249.89	1,492.39
Interest on Inter Corporate deposits	2.26	-	2.26
Interest on deposits	94.26	-	94.26
Total	**11,103.94**	**249.89**	**11,353.83**

Note 22. Fees and commission Income

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Fee and Commission Income	1,728.03	3,407.61
Total	**1,728.03**	**3,407.61**

Note 23. Net gain on fair value change on financial instruments

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Net gain on fair value changes	73.90	12.74
Total	**73.90**	**12.74**

Note 24. Other Income

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Interest on Rental Deposit	12.43	10.54
Rental income (refer note 34)	171.10	4.66
Interest on IT Refund	11.43	-
Liabilities no longer required written back	-	26.36
Reimbursement of expenses (refer note 34)	379.09	0.02
Total	**574.05**	**41.58**

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 25. Finance costs

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Interest on borrowings	5,745.42	2,442.78
Interest on Bank Overdraft	164.56	19.02
Interest on debt securities	3,377.59	3,583.09
Finance cost on Rental Deposit	11.98	10.26
Interest on discounting of financial instruments	135.67	172.60
Total	**9,435.22**	**6,227.75**

Note 26. Impairment on financial instruments

Particulars	Year Ended March 31, 2021				
	Stage 1	Stage 2	Stage 3	Amount written off	Total
Loans - measured at cost	486.12	-	96.55	950.51	1,533.18
Investments - measured at FVOCI and FVTPL	53.05	-	-	389.86	442.91
Financial guarantee	129.84	-	262.50	542	934.45
Trade receivables	79.20	-	-	-	79.20
Total	**748.21**	**-**	**359.05**	**1,882.48**	**2,989.74**

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 FVOCI	0.43	-	-	0.43
Financial guarantee	119.73	-	-	119.73
Trade receivables	75.92	-	-	75.92
Total	**471.14**	**-**	**495.97**	**967.11**

Note 27. Employee benefit expense

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Salaries and Bonus	3,423.99	3,396.50
Contribution to provident and other funds	80.04	96.71
Staff Training and Welfare Expenses	17.72	79.02
Gratuity expenses	8.78	20.72
Share Based Payments to employees	138.40	72.67
Total	**3,668.93**	**3,665.62**

Note 28. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Depreciation and amortisation expense	680.38	665.85
Total	**680.38**	**665.85**

Note 29. Other expenses

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Administrative Expenses	6.82	6.18
Advertisment Expenses	-	21.50
Auditor's Remuneration (refer note 29.1)	44.65	35.03
Communication Expenses	49.83	35.85
Director Sitting Fees	26.16	19.00
Corporate social responsibility expenditure (refer note 29.2)	10.94	-
Insurance	93.16	46.79
Maintenances of Premises	181.62	180.80
Other Expenses	173.05	155.34
Professional Fees	523.93	308.25
Rates and Taxes	20.71	190.42
Recruitment related Fees	47.71	308.75
Subscription expenses	7.98	7.34
IT Cost	375.43	251.76
Travelling Expenses	109.46	292.47
Investor meet Expenses	-	41.64
Total	**1,671.45**	**1,901.12**

Note 29.1: Auditor's Remuneration

As auditor	Year ended March 31, 2021	Year Ended March 31, 2020
Statutory audit	22.00	14.00
Tax audit	2.00	10.50
Other services	20.65	10.53
Total	**44.65**	**35.03**

Note 29.2: Details of CSR expenditure

As auditor	Year ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent towards CSR u/s 135(5) of Companies Act, 2013	10.94	-
Gross amount spent during the year		
a) Construction / acquisiton of asset	-	-
b) Others	8.11	-

Note 30. Income Tax

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

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Current tax	1,481.97	666.93
Deferred tax relating to origination and reversal of temporary differences	(415.96)	(320.77)
Adjustment in respect of current income tax of prior years	-	13.06
Total Tax charge	**1,066.01**	**359.22**

During the previous year, 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 March 31, 2021 and 2020 are, as follows:

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Accounting profit before tax	4,066.52	1,388.31
At India's statutory income tax rate of 25.17% (March 31, 2020: 25.17%)	1,023.54	349.44
Adjustment in respect of current income tax of prior years	-	13.06
Effect of enacted tax rate on Deferred tax	-	(3.28)
Others (On account of transfer of assets and liabilities)	42.47	-
Income tax expense reported in the statement of profit and loss	**1,066.01**	**359.22**

The effective income tax rate for March 31, 2021 26.21% is (March 31, 2020: 25.87%).

Note 31. Earnings Per Share

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Profit after tax	**3,000.51**	**1,029.09**
Weighted average number of equity shares (Basic)	1,54,20,211	1,39,89,878
Add: Dilutive effect relating to convertible shares	6,85,64,356	5,62,95,642
Earnings per share - Basic INR	19.46	7.36
Earnings per share - Diluted INR	3.57	1.46
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".

Note 32. Retirement Benefit

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.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate, which is linked to the Government Securities rate, will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level may increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching (ALM) Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Particulars	Year ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation at the beginning of the year	35.82	27.57
Service cost	6.25	18.85
Interest cost	2.53	1.87
Acquisitions/Divestures/Transfer	(41.63)	-
Return on plan assets (excluding amounts included in net interest expense)		-
Actuarial changes arising from changes in demographic assumptions	15.69	8.49
Actuarial changes arising from changes in financial assumptions	(0.57)	(32.13)
Experience adjustments	-	11.17
Contributions by employer	-	-
Defined Benefit Obligation at the end of the year	**18.08**	**35.82**
Fair Value of Plan Assets as at the End of the Year	-	-
Defined benefit obligation at the End of the Year	18.08	35.82
Amount Recognised in the Balance Sheet under Provisions	**18.08**	**35.82**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	6.25	18.85
Net interest Expense	2.53	1.87
Expected Return on Plan Assets	-	-
Net Cost recognized in the statement of Profit and Loss	**8.78**	**20.72**
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(0.57)	(32.13)
b) Effect of experience adjustments	-	11.17
c) Effect of changes in demographic assumptions	15.69	8.49
Net cost recognized in Other Comprehensive Income	**15.12**	**(12.47)**

Assumptions		
Discount rate	6.79%	6.79%
Future salary increase	3.00%	3.00%
Attirtion Rate	5.00%	10.00%
Mortality	0.9 - 3.82%	1-3.75%

Senstivity analysis

Particulars **Sensitivity Level**	As at March 31, 2021	As at March 31, 2020
Impact on defined benefit obligation (in ₹)		
1) Discount Rate		
1% increase	(1.91)	(5.02)
1% decrease	2.26	6.19
2) Future Salary Increases		
1% increase	2.23	6.28
1% decrease	(1.91)	(5.14)
3) Employee Turnover		
1% increase	0.33	0.81
1% decrease	(0.43)	(1.17)

Maturity Analysis of benefit payments

Particulars	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	0.04	0.09
Between 2 and 5 years	0.04	0.37
Between 6 and 10 years	0.04	0.48
Beyond 10 years	17.96	34.88
Total expected payments	**18.08**	**35.81**

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 estimated term of the obligation.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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 applivable.

Note 34. Related Party Information

List of related parties where control exists

Subsidiary Companies		Vivriti Asset Management Private Limited Credavenue Private Limited (Incorporated on August 21, 2020)
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. Kartik Srivatsa, Nominee Director (appointed on May 30, 2020) Mr. Sridhar Srinivasan, Independent Director (resigned on August 28, 2020)
Entity in which KMP is a Director	Mr. Vineet Sukumar, Managing Director	1. Vivriti Asset Management Private Limited 2. Credavenue Private Limited
	Mr. Gaurav Kumar, Managing Director	1. Vivriti Asset Management Private Limited 2. Credavenue Private Limited

a) Transactions with related parties

Particulars	31-Mar-21	31-Mar-20
Interest Income		
Vivriti Asset Management Private Limited	201.65	2.75
Rent income		
Vivriti Asset Management Private Limited	2.48	4.66
Credavenue Private Limited	168.62	-
Reimbursement of expenses		
Vivriti Asset Management Private Limited	3.36	160.92
Credavenue Private Limited	374.62	-
Platform fees expense:		
Credavenue Private Limited	396.84	-
Sale of fixed assets		
Credavenue Private Limited	159.95	-
Transfer of Provision for Employee Benefits		
Credavenue Private Limited	329.51	-
Employee share option recoverable		
Credavenue Private Limited	160.60	-
Fees and commission income:		
Vivriti Asset Management Private Limited	11.45	-
Credavenue Private Limited	69.71	-
Loan Given		
Vivriti Asset Management Private Limited	500.00	900.00
Loans repaid		
Vivriti Asset Management Private Limited	1,400.00	-
Equity contribution		
Vivriti Asset Management Private Limited	2,750.00	1.00
Credavenue Private Limited	5,001.00	-
Remuneration paid		
Mr. Vineet Sukumar	194.69	137.50
Mr. Gaurav Kumar	194.69	137.50
Directors Sitting fees		
Mr. Sridhar Srinivasan	8.25	8.00
Ms. Namrata Kaul	13.80	11.00

b) Balances with related parties

Particulars	31-Mar-21	31-Mar-20
Loan outstanding		
Vivriti Asset Management Private Limited	-	900.00
Interest accrued but not due on loan		
Vivriti Asset Management Private Limited	-	2.75
Trade payables		
Credavenue Private Limited	131.09	-
Trade receivables		
Vivriti Asset Management Private Limited	298.56	160.92

Notes:

1. There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.
2. The transactions disclosed above are exclusive of GST.

Note 35. Contingent Liabilities and Commitments

a) Contingent liabilities

Particulars	31-Mar-21	31-Mar-20
Guarantees issued to third party	4,946.13	7,807 02

b) Commitments

Particulars	31-Mar-21	31-Mar-20
Capital commitments	98.83	18.53
Undrawn committed sanctions to borrowers	325.00	-

c) Pending Litigations

Particulars	31-Mar-21	31-Mar-20
Bell Finvest India Limited	592.52	592.52

Note 36. ESOP Disclosure

The Company constituted the Vivriti ESOP Trust (the Trust) to administer the Employee Stock Options (ESOP) scheme and allotted 15,19,000 (March 31, 2020: 16,57,000) equity shares to Trust. The Trust has granted 15,19,000 (March 31, 2020: 16,57,000) 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
Scheme 5	30-Jun-20	11,39,000	173.66	4 Years
Scheme 6	30-Sep-20	1,50,000	173.66	4 Years
Scheme 7	31-Dec-20	2,30,000	173.66	4 Years

Vesting Condition : Time based vesting (for all schemes)

Reconciliation of outstanding options	Number of Options	
	As at March 31, 2021	As at March 31, 2020
Outstanding at beginning of the year	29,05,900	16,79,500
Forfeited during the year	(3,14,500)	(3,47,000)
Exercised during the year	(1,26,650)	(83,600)
Granted during the year	15,19,000	16,57,000
Outstanding at the end of the year	39,83,750	29,05,900
Vested and exercisable as at end of the year	3,50,375	-

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, 2021	As at March 31, 2020
Dividend Yield*	-	-
Expected Life	2 - 6 years	3 - 6 years
Risk free interest rate	4.09%- 8.32%	5.56%- 8.32%
Volatility**	14.70%- 31.75%	14.70%- 18 82%

* 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.

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

Note 37
During the current year, the Company has formed its wholly-owned subsidiary Credavenue Private Limited as on August 21, 2020 and has transferred certain fixed assets, employees and related liabilities.

Note 38. Events after reporting date
There have been no event 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, 2021 were as follows

Particulars	Carrying Value		Fair Value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Investment in Non Convertible Debentures	-	11,885.29	-	11,885.29	-	11,885.29
Investment in Pass Through Securities	-	8,847.55	-	8,847.55	-	8,847.55
Investment in Alternate Investment Fund	913.01	-	-	-	913.01	913.01

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

Reconciliation of fair value measurement is as follows:

Particulars	For the Year Ended	
	31-Mar-21	31-Mar-20
Financial Instruments measured at FVOCI		
Balance at the beginning of the year	11.47	27.91
Total loss measured through OCI	124.00	(16.44)
Balance at the end of the year	135.47	11.47

Note - Above balances are net of taxes

Sensitivity Analysis - Increase / Decrease by 1%

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Investment in Non Convertible Debentures	(93.00)	194.63	(268.07)	202.26
Investment in Pass Through Securities	(2.72)	95.63	0.58	32.44
Investment in Alternate Investment Fund	17.43	8.42	(1.00)	1.00

Vivriti Capital Private Limited

Notes to the standalone financial statements for the year ended March 31, 2021

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

The carrying value and fair value of other financial instruments by categories as of March 31, 2021 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	13,817.64	-	13,817.64	-	13,817.64
Bank Balances other than above	9,511.80	-	9,511.80	-	9,511.80
Receivables	424.44	-	-	424.44	424.44
Loans	1,62,044.92	-	-	1,49,935.80	1,49,935.80
Investment	7,752.00	-	-	7,752.00	-
Other financial assets	30.16	-	-	30.16	30.16
Financial Liabilities not measured at fair value					
Trade payables	1,072.85	-	-	1,072.85	1,072.85
Debt Securities	39,953.41	-	-	39,953.41	39,953.41
Borrowings (Other than Debt Securities)	96,864.64	-	-	96,864.64	96,864.64
Other financial liabilities	1,267.50	-	-	1,267.50	1,267.50

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

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 & floating rates 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.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2021 and 2020. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models.

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, etc.) at fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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 monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Debt	1,36,818.05	77,664.71
Less: Cash and cash equivalents	13,817.64	3,224.31
Adjusted debt	1,23,000.41	74,440.40
Total Equity	79,714.17	66,346.03
Adjusted debt equity ratio	1.54	1.12

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

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	31-Mar-21	31-Mar-20
Tier I capital	77,860.24	65,436.98
Tier II capital	1,189.70	353.85
Total Capital	**79,049.94**	**65,790.83**
Risk weighted assets	1,96,087.45	1,02,031.29
Capital to Risk Weighted Asset Ration(CRAR) - Tier I	39.71%	64.13%
Capital to Risk Weighted Asset Ration(CRAR) - Tier II	0.61%	0.35%
Capital to Risk Weighted Asset Ration(CRAR) - Total	**40.31%**	**64.48%**

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.

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.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit

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.

40.3.1 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.

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 12 month 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 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.

The Company had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Company has recognised for interest on interest for the moratorium cases.

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)

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. Substantially all loans reprice frequently, with interest rates reflecting current market pricing.

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.

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

As at March 31, 2021

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Lendings	25 Basis point Up	Impact on Profit before Tax	460.04	Impact on Equity	344.25
	50 Basis point Up		920.08		688.50
	25 Basis point Down		(460.04)		(344.25)
	50 Basis point Down		(920.08)		(688.50)

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
Borrowings	25 Basis point Up	Impact on Profit before Tax	(325.15)	Impact on Equity	(243.31)
	50 Basis point Up		(650.30)		(486.62)
	25 Basis point Down		325.15		243.31
	50 Basis point Down		650.30		486.62

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)

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

40.8 The impact assessment of COVID-19

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The financial statements includes the potential impact of the COVID-19 pandemic on the Company's financial statements 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 all information available upto the date of approval of these financial statements. Accordingly, the Company has made provision for expected credit loss on financial assets as at March 31, 2021. 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 further 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 Statements and the Company will continue to closely monitor any material changes to future economic conditions.

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

Note 41. Maturity analysis of financial 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, 2021			As at March 31, 2020		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets						
Cash and cash equivalents	13,817.64	-	13,817.64	3,224.31	-	3,224.31
Bank Balance other than above	7,287.91	2,223.89	9,511.80	45,055.78	1,247.73	46,303.51
Trade Receivables	424.44	-	424.44	708.83	-	708.83
Loans	1,07,781.14	54,263.58	1,62,044.72	44,530.41	37,704.00	82,234.41
Investments	11,394.70	18,003.15	29,397.85	2,178.87	7,908.18	10,087.05
Other financial Assets	42.16	255.42	297.58	51.07	193.83	244.90
Total Assets	**1,40,747.99**	**74,746.04**	**2,15,494.03**	**95,749.26**	**47,053.75**	**1,42,803.01**
LIABILITIES						
Financial Liabilities						
Trade Payables						
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	1,072.85	-	1,072.85	201.62	-	201.62
Debt Securities	11,746.22	28,207.19	39,953.41	22,362.18	8,084.37	30,446.55
Borrowings (Other than debt securities)	56,480.82	40,383.82	96,864.64	32,426.76	14,791.40	47,218.16
Other financial liabilities	1,267.50	-	1,267.50	951.82	-	951.82
Total liabilities	**70,567.39**	**68,591.01**	**1,39,158.40**	**55,942.39**	**22,875.76**	**78,818.15**
Net	**70,180.59**	**6,155.03**	**76,335.63**	**39,806.88**	**24,177.98**	**63,984.86**

Note 42. Analysis Of Financial Assets And Financial Liabilities By Remaining Contractual Maturities

As at March 31, 2021

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	13,817.64	-	-	-	-	-	13,817.64
Bank Balance other than above	-	-	-	9,511.80	-	-	9,511.80
Trade Receivables (Refer Note 2)	-	424.44	-	-	-	-	424.44
Loans (Refer Note 1 & Note 2)	-	13,549.04	26,591.25	67,640.85	53,782.21	481.37	1,62,044.72
Investments (Refer Note 1)	-	1,110.81	2,233.64	8,050.25	10,251.15	7,752.00	29,397.85
Other financial Assets	-	42.16	-	-	255.42	-	297.58
Total undiscounted financial assets	**13,817.64**	**15,126.45**	**28,824.89**	**85,202.90**	**64,288.78**	**8,233.37**	**2,15,494.03**
LIABILITIES							
Financial Liabilities							
Trade Payables	-	1,072.85	-	-	-	-	1,072.85
Debt Securities (Refer Note 1)	-	274.15	2,582.40	8,889.67	28,207.19	-	39,953.41
Borrowings (Other than debt securities) (Refer Note 1)	-	13,437.82	9,021.00	34,022.00	40,383.82	-	96,864.64
Other financial liabilities	-	1,267.50	-	-	-	-	1,267.50
Total undiscounted financial liabilities	-	**16,052.32**	**11,603.40**	**42,911.67**	**68,591.01**	-	**1,39,158.40**
Total net Undiscounted financial assets/(liabilities)	**13,817.64**	**(925.88)**	**17,221.49**	**42,291.23**	**(4,302.23)**	**8,233.37**	**76,335.63**

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

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			-	-	-	3,224.31
Bank Balance other than above	-	45,055.78	-	-	1,247.73	-	46,303.51
Trade Receivables (Refer Note 2)	-	708.83	-	-	-	-	708.83
Loans (Refer Note 1 & Note 2)	-	3,717.49	7,363.78	32,430.10	37,704.00	1,019.04	82,234.41
Investments (Refer Note 1)	-	180.66	388.27	1,609.92	4,207.31	3,700.87	10,087.05
Other financial Assets	-	51.07	-	-	193.83	-	244.90
Total undiscounted financial assets	**3,224.31**	49,713.83	**7,752.05**	**34,040.03**	**43,352.88**	**4,719.91**	**1,42,803.01**
LIABILITIES							
Financial Liabilities							
Trade Payables	-	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**	**38,412.92**	**(1,303.34)**	**(1,546.05)**	**20,477.11**	**4,719.91**	**63,984.86**

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.

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Disclosures as per the Reserve Bank of India

Note 42. 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			
42.1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :			
a. Debentures	Secured	39,953.41	-
	Unsecured	-	-
b. Deferred Credits		-	-
c. Term loans (including overdraft and cash credits)		96,864.64	-
d. Intercorporate loans and borrowings		-	-
e. Commercial paper		-	-
f. Public deposits		-	-
g. Other loans		-	-
42.2. 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**
42.3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a. Secured	1,45,128.93
b. Unsecured	18,563.17
42.4. 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	-
42.5. 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)	-

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

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	7,752.00
- Preference shares	-
ii) Debentures and bonds	11,885.29
iii) Units of mutual funds	-
iv) Government securities	-
v) others	
- Pass through securities	8,847.55
- Alternative Investment Fund	913.01

42.6. 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	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
Other than related parties	1,43,481.75	18,563.17	1,62,044.92

42.7. 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	-	7,752.00
b. Companies in the same group	-	-
c. Other related parties	-	-
Other than related parties	-	21,645.85

42.8. Other information

Particulars	Amount
a. Gross Non Performing Assets	
- Related parties	-
- Other than related parties	592.52
b. Net Non Performing Assets	
- Related parties	-
- Other than related parties	-
c. Assets acquired in satisfaction of debt	-

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

Note 42a. 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

42a.1. Capital

Particulars	Current Year	Previous Year
CRAR %	40.31%	64.48%
CRAR - Tier I Capital %	39.71%	64.13%
CRAR - Tier II Capital %	0.61%	0.35%
Amount of subordinated debt raised as Tier II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

42a.2. Investments

Particulars	Current Year	Previous Year
a. Value of investments		
i) Gross value of investments		
- In India	29,397.85	10,087.05
- Outside India	-	-
ii) Provision for depreciation		
- In India	-	-
- Outside India	-	-
iii) Net value of investments		
- In India	29,397.85	10,087.05
- Outside India	-	-

42a.3. Derivatives
The Company has no exposure in relation to these items in the current year and the previous year

42a.4. Disclosures relating to Securitisation

Particulars	Amount
a. No of SPVs sponsored by the applicable NBFC for securitisation transactions	2
b. Total amount of securitised assets as per books of the SPVs sponsored	5,248.33
c. Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	738.16
i) Off balance sheet exposures	
- First loss	-
- Others	-
ii) On balance sheet exposures	
- First loss	738.16
- Others	
d. Amount of exposures to securitisation transactions other than MRR	361.01

There Company has not entered into any such transactions during the current year

42a.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

42a.5. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

	As at March 31, 2021			
Particulars	**Borrowing from Banks and others (Refer Note iii)**	**Debt Securities**	**Advances**	**Investments**
1 to 7 days	9,282.01	-	2,378.65	-
8 to 14 days	665.80	-	2,365.64	117.70
Over 14 days to one month	3,489.01	274.15	8,804.75	993.11
Over one month to 2 months	4,666.70	1,062.90	12,521.69	1,189.69
Over 2 months to 3 months	4,354.30	1,519.50	14,069.56	1,043.95
Over 3 Months up to 6 months	12,341.70	3,672.40	28,258.23	3,018.96
Over 6 Months up to 1 year	21,680.30	5,217.27	39,382.62	5,031.29
Over 1 year up to 3 years	36,263.87	28,207.19	50,644.93	3,714.03
Over 3 years up to 5 years	4,119.95	-	3,137.28	6,537.12
Over 5 years	-	-	481.37	7,752.00
Total	**96,864.64**	**39,953.41**	**1,62,044.72**	**29,397.85**

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.

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

42a.6. Details of Assignment transactions undertaken by applicable NBFCs

Particulars	Current Year	Previous Year
a) No. of accounts	10	-
b) Aggregate Value (net of provisions) of accounts sold	844.95	-
c) Aggregrate coniserdation	760.45	-
d) Additional consideration realised in respect of accounts transferred in earlier years	-	-
e) Aggregrate gain/loss over net book value	-	-

42a.7. Details of non-performing financial assets purchased / sold
There are no such transactions of this nature in the current and previous year

42a.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	8,090.25	4,899.09
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, 2021.

42a.9. Details of financing of parent company products
There are no such transactions of this nature in the current and previous year

42a.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

42a.11. Unsecured Advances 18,488.91

42a.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

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

42a.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)

42a.15. Provisions and contingencies

Particulars	Current Year	Previous Year
Provisions for depreciation on investment	-	-
Provision towards NPA including write off	2,241.54	495.97
Provision made towards Income tax	1,481.97	679.99
Other Provision and Contingencies	-	0.01
Provision for Standard Assets	748.21	395.13

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

42a.16. Draw Down from Reserves

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

42a.17. Concentration of Advances

Particulars	Amount
Total Advances to twenty largest borrowers	49,640.64
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	30.34%

42a.18. Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrowers / customers	53,945.73
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	29.17%

42a.19. Concentration of NPAs

Total Exposure to top four NPA accounts (Gross exposure) 592.52

42a.20. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	1.80%
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	
Other loans	-

42a.21 (I) Movement of NPAs

Particulars	Current Year	Previous Year
a. Net NPAs to Net Advances	0.00%	0.15%
b. Movement of NPAs (Gross)		
- Opening balance	619.96	-
- Additions during the year	-	619.96
- Reductions during the year	27.44	-
- Closing balance	592.52	619.96
c. Movement of Net NPAs		
- Opening balance	123.99	-
- Additions during the year	-	123.99
- Reductions during the year	123.99	-
- Closing balance	-	123.99
d. Movement of provisions for NPAs (excluding provisions on standard assets)		
- Opening balance	495.97	-
- Additions during the year	96.55	495.97
- Reductions during the year	-	-
- Closing balance	592.52	495.97

Vivriti Capital Private Limited
Notes to the standalone financial statements for the year ended March 31, 2021
(All amounts are in Rupees lakhs, unless stated otherwise)

42a.22. 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	124	95.00
No. of complaints redressed during the year	124	95.00
No. of complaints pending at the end of the year	-	-

42a.23. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
There are no such transactions of this nature in the current and previous year

42a.24. Off-balance Sheet SPVs sponsored
There are no such transactions of this nature in the current and previous year

Note 43. 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	Vineet Sukumar	Shaik Mohammed Irfan Basha	Amritha Paitenkar
Managing Director	Managing Director	Chief Financial Officer	Company Secretary
DIN 07767248	DIN 06848801		Membership No: A49121

Place: Chennai
Date: April 28, 2021