Dhanvarsha Finvest Ltd.

ANNUAL REPORT 2020

www.dfltd.in

Dhanvarsha

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The terms 'Dhanvarsha', 'DFL', 'the Company', 'we', 'our' and 'us' refer to Dhanvarsha Finvest Limited. This Annual Report 2019 - 20 of Dhanvarsha Finvest Limited includes report of board of directors, management discussion and analysis; and the corporate governance report, the financial statements; notes and additional information as required under the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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26TH ANNUAL GENERAL MEETING

Day:	Monday
Date:	September 21, 2020
Time:	10.00 A.M.
Place:	Through Video Conferencing

COMPANY INFORMATION

Board of Directors

Mr. Rakesh Sethi - Non-Executive - Independent Chairperson

Mr. Ashish Sharad Dalal - Non-Executive - Non-Independent Director

Mr. Krishipal Tarachand Raghuvanshi - Non-Executive Independent Director

Mrs. Manjari Ashok Kacker - Non-Executive Independent Director

Mr. Nirmal Vinod Momaya - Non-Executive Independent Director

Mr. Rajiv Kapoor - Non-Executive Independent Director

Mr. Karan Neale Desai - Joint Managing Director

Mr. Rohanjeet Singh Juneja - Joint Managing Director

Chief Financial Officer

Mr. Sanjay Kukreja

Company Secretary and Compliance Officer

Mr. Fredrick M.Pinto

Registered Office Address:

2nd floor, Building No. 4, DJ House,
Old Nagardas Road, Andheri (East),
Mumbai - 400 069, Maharashtra.
Phone: +91 - 022 - 6845 7200

Registrars & Share Transfer Agent:

MCS Share Transfer Agent Limited
A-209, C Wing, 2nd Floor,
Gokul Industrial Estate, Sagbaug,
Marol Co-op Industrial Area, Andheri (East),
Mumbai - 400 059, Maharashtra.
Phones: +91 - 022 - 2851 6020.
Email: subodh@mcsregistrars.com

Auditors:

Haribhakti & Co. LLP

Chartered Accountants

705, Leela Business Park, Andheri-Kurla Road,
Andheri (East),
Mumbai - 400 059, Maharashtra.
Phone: +91 - 022 - 6672 9999.

Internal Auditors:

Bansal Bansal & Co.
Chartered Accountants

6/120, Mittal Industrial Estate,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 059, Maharashtra.
Phone: +91 - 022 - 4222 4444.

Secretarial Auditors:

Bhandari & Associates - Company Secretaries

901, Kamla Executive Park, Off. Andheri Kurla Road,
J.B.Nagar, Andheri (East), Mumbai – 400 059.
Phone: +91 - 022 - 4221 5362.

BOARD COMMITEES

AUDIT COMMITTEE

Mr. Nirmal Vinod Momaya - Chairperson
Mrs. Manjari Ashok Kacker - Member
Mr. K. P. Raghuvanshi - Member
Mr. Rajiv Kapoor - Member

NOMINATION AND REMUNERATION COMMITTEE

Mrs. Manjari Ashok Kacker - Chairperson
Mr. Nirmal Vinod Momaya - Member
Mr. Ashish Sharad Dalal - Member
Mr. Rakesh Sethi - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ashish Sharad Dalal - Chairperson

Mr. K. P. Raghuvanshi - Member

Mr. Karan Neale Desai - Member

Mr. Rajiv Kapoor - Member

CAPITAL RAISING COMMITTEE

Mr. Nirmal Vinod Momaya - Chairperson

Mrs. Manjari Ashok Kacker - Member

Mr. Karan Neale Desai - Member

Mr. Rohanjeet Singh Juneja - Member

FINANCE COMMITTEE

Mr. Rakesh Sethi - Chaiperson

Mr. Nirmal Vinod Momaya - Member

Mrs. Manjari Ashok Kacker - Member

Mr. Karan Neale Desai - Member

Mr. Rohanjeet Singh Juneja - Member

Mr. K. P. Raghuvanshi - Member

*Mr. Narendra Tater - Member

*Resign w.e.f. July 31st, 2020.

ABOUT US

Dhanvarsha Finvest Limited is a non-banking finance company ("NBFC") registered with the Reserve Bank of India ("RBI") as a non-deposit taking Company. Dhanvarsha's mission started with an idea – an idea to '**build social capital**' by aiming to provide credit solutions to India's large underserved and underbanked MSME segment. Promoted under the aegis of the 80 year old Wilson Group of Mumbai, the company aims to provide timely, affordable and sustainable access to credit to the country's almost 500 million under-served borrowers, either through its own balance sheet or via significant distribution tie-ups coupled with its robust technology engine.

The company prides itself on highest standards of corporate governance and transparency with an eminent and completely Independent Board that comprises of veterans from banking, fintech, taxation, regulation, and global businesses. The equity shares of the Company are listed on BSE Limited.

VISION & MISSION

Dhanvarsha was formed with a vision to empower, with financial access, the unserved and underserved entrepreneurs of India. The mission is to not just achieve broad - based financial inclusion in this great nation of ours. It is to achieve financial inclusion with a greater social purpose – **to build social capital**.

We aim to be the catalyst to the entrepreneurs of India, by becoming not only their most preferred financial partner but also their partners in business and social growth. Our mission is to empower entrepreneurs by **lending hand** (financial support), **lending head** (business support) and **lending heart** (social & emotional support).

BOARD OF DIRECTORS

Your Company's Board comprises a mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, taxation, legal, vigilance, administration, general management, and strategy.

Mr. Rakesh Sethi – Chairperson – Non-Executive Independent Director

Mr. Rakesh Sethi age 62 years, former Chairman and Managing Director of Allahabad Bank and a veteran banker with over 38 years of experience in financial services.

Mr. Sethi is a Gold Medalist in Master of Commerce from the Osmania University, Hyderabad. He started his banking with Andhra Bank, where he rose to the position of General Manager, before being appointed by the Government of India as Executive Director with Punjab National Bank ("PNB") from January 1, 2011 to March 11, 2014. He was Chairman and Managing Director of Allahabad Bank from March 12, 2014 to April 30, 2017. During his career as a banker, he has worked in various positions and has acquired rich experience in banking. Besides handling varied assignments, including Corporate Banking, Foreign Exchange, Credit, Risk Management, Deposit Planning, Corporate Communications, Government Business.

Mr. Ashish Sharad Dalal – Non-Executive Director

Mr. Dalal was the founder and Managing Partner of Dalal & Shah, Chartered Accountants which was widely regarded as one of the country's top accounting and auditing firms prior.

Mr. Dalal's areas of expertise include corporate accounting, finance, audit, business evaluations, mergers, acquisitions, strategic alliances, and other fields of corporate consultancy. He is on the Advisory Board of the Piramal Group Company – Indiareit Fund Advisors Pvt. Limited. Mr. Dalal holds a Bachelor's Degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India since 1982.

Mr. Krishipal Tarachand Raghuvanshi – Non-Executive Independent Director

Mr. Raghuvanshi currently acts as a Strategic Security Advisor to the Reserve Bank of India and has previously served as Additional Director General of Police (Law & Order).

A 1980 Batch IPS Officer with varied experience of over 35 years in leadership roles across Administration, Collection of Intelligence Investigations, Security Management (Valued Assets, General & VIP), Prevention & Detection of Crime, Vigilance, Anti-Corruption, Maintenance of Law & Order, Counter Terrorism measures and Anti Naxal Operations.

Mrs. Manjari Ashok Kacker – Non-Executive Independent Director

Mrs. Manjari Kacker, was a Member of Indian Revenue Services batch of 1974 and retired as a Member of Central Board of Direct Taxes, in the rank of Special Secretary to the Government of India.

Mrs. Kacker holds a master's degree in Chemistry and a diploma in Business Administration. She has over 40 years of experience in taxation, finance, administration, and vigilance. She was a Member of Indian Revenue Services batch of 1974 and retired as a Member of Central Board of Direct Taxes, in the rank of Special Secretary to the Government of India. She held various assignments during her tenure in the tax department and was also a member of the Central Board of Direct Taxes. She has also served as the Functional Director (Vigilance and Security) in Air India and has also represented India in international conferences. She is presently on the Boards of Reliance Infrastructure Limited, EGK Foods, Hindustan Gum & Chemicals, Arshiya Limited, Hindustan Gum and Chemicals Limited, Water Systems & InfrastructureDevelopment Services Private Limited and Zaffiro Learning Private Limited.

Mr. Nirmal Vinod Momaya – Non-Executive Independent Director

Mr. Momaya is an Entrepreneur with over 30 years of experience in various industries including Specialty chemicals, FMCG, quick service Restaurants, Engineering and Retail.

He sits on the Boards of multiple reputed companies including Camlin Fine Sciences Limited. and Capital Foods Limited. Mr. Momaya cleared his B.Com with honours in the year 1986 and completed his Chartered Accountancy degree in 1987.

Mr. Rajiv Kapoor - Non-Executive Independent Director

Mr. Rajiv Kapoor, former Regional Head and Senior Vice President Cross Border for Asia Pacific at Visa Inc. from 2013-2016. Mr. Kapoor has over 38 years of experience in Marketing, Sales, Consulting and Corporate Advisory.

Mr. Kapoor is Post Graduate Diploma in Management from the Indian Institute of Management (IIM) – Calcutta and Bachelor of Technology in Chemical Engineering (B.Tech.) Indian Institute of Technology (IIT), New Delhi. Most recently, Mr. Kapoor spent 19 years at Visa Inc. as Regional Head and Senior Vice President Cross Border for Asia Pacific from 2013 2016. Prior to that he was Head of Marketing and Cross border for Asia Pacific, Central Europe Middle East Africa from 2010-2013 at Visa. Earlier, he was Executive Vice President and Regional Head at Visa Asia Pacific for Products, Marketing, Acceptance and Consulting Services. He was also associated with International Companies viz., Proctor and Gamble, Nestle, PepsiCo and Visa Inc. in multiple geographies including India, Switzerland, Australia, Singapore, United Kingdom, covering international geographies across Asia Pacific, Middle East, Eastern Europe, Russia and Africa. Mr. Kapoor is currently engaged as an Advisor and Consultant for Banks and start-ups in Fintech; Market Research & Data Analytics Companies and VR/AR Advisory for content creation.

Mr. Karan Neale Desai – Joint Managing Director

Mr. Desai serves as the Joint Managing Director of Dhanvarsha Finvest Ltd. and brings significant financing and operational experience to the company.

He has previously worked with reputed financial institutions including Bank of America, PwC and lastly as head of Corporate Finance at Centrum Capital Limited. He also served as the Chief Operating Officer of a PE fund backed healthcare services company prior to joining DFLTD. Mr. Desai is a Master's degree holder in International Business & Management from Westminster Business School, London and a commerce graduate from Narsee Monjee College, Mumbai.

Mr. Rohanjeet Singh Juneja – Joint Managing Director

Mr. Juneja was appointed as an Additional Director on the Board of the Company on December 17, 2019. He is an investment banker and hedge fund manager with over 17 years of experience in research, strategy, portfolio management, financial analysis and mergers & acquisitions. He started his career in 2002 as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He subsequently worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President from 2007 to 2011 where he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. He was associated with Seawolf Capital LLC from 2011 to 2017 as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India, China and USA, he also worked on companies in similar sectors located in Australia, Brazil and Canada. From 2017 to 2019 he was with WGC Management Services Private Limited as Head of Research & Strategy, where he was part of the core group that led strategy for and affordable housing and education finance company that are now part of Blackstone Group and Warburg Pincus, respectively. The remuneration and other terms and conditions of the appointment of Mr. Juneja as the Joint Managing Director as set out in the resolution are subject to your approval.

MANAGEMENT TEAM

Your Company has a strong management team with proven ability. Recruited for their expertise gained in financial sector, our team of executive leaders has diverse experiences, backgrounds, and world views.

Mr. Karan Neale Desai, Joint Managing Director

Mr. Desai serves as the Joint Managing Director of Dhanvarsha Finvest Ltd. and brings significant financing and operational experience to the company.

Mr. Rohanjeet Singh Juneja, Joint Managing Director

Mr. Rohanjeet Singh Juneja serves as the Joint Managing Director. He is a former investment banker and hedge fund manager with over 17 years of experience in research, strategy, portfolio management, financial analysis and mergers & acquisitions.

Mr. Fredrick M. Pinto, AVP – Legal and Company Secretary

Mr. Pinto is Head of Compliance and Legal at Dhanvarsha. He has over 15 years of experience having previously been associated with several large companies.

Mr. Sanjay Kukreja, Chief Financial Officer

Mr.Kukreja has 27 years of experience in Financial Planning and Control, Profit Center Operations, Taxation & Budgeting etc.

Mr. Mahendra Kumar Servaiya, Principal Officer & Credit Head

Mr. Servaiya is one of the most experienced members of the core team with over three decades of banking experience. He last served as an AGM in the Credit team of Union Bank.

At Dhanvarsha, Mr Servaiya has a dual responsibility; he takes care of communication and compliance filings with the Reserve Bank of India and heads the credit function of the company.

Mr. Sahil Lakshmanan, Chief Business Officer

Sahil Lakshmanan is our Chief Business Officer and is responsible for our digital and new business initiatives. Sahil has over 15 years of global experience across verticals like business development, product development, analytics and marketing. His versatile background comes from working across sectors such as Fintech, Insurance, Banking, Wealth Management etc. He has completed his M.B.A. (Finance and Strategy) from H.E.C. Paris.

Mrs. Rashmi Warange, Group Head – Human Capital

Ms. Warange is a seasoned HR professional, with over a decade of diverse experience across premium brands including Oberoi Realty, Lodha Developers, and ITC Hotels.

At Dhanvarsha, Rashmi has taken the lead in developing the Human Capital function and all its elements including talent identification and retention, performance enhancement and employee engagement and building Dhanvarsha as an aspirational brand to work for. Rashmi holds a Bachelor's degree in Arts (Literature) and is a postgraduate in Human Resources.

Mr. Sunil Ranpara, Senior Vice President – Collections

Mr. Ranpara heads the Collections vertical and has more than 15 years of experience in Collections, Recovery & Litigations at renowned institutions like Capital First Ltd.

He is an experienced mortgage specialist with a demonstrated history of working in financial services in India. He is a commerce graduate and has completed his LLB. Sunil has been consistently commended and awarded for his performance during his past stints.

Mr. Arvind Vasant Jirapure, Operations Head

Mr. Arvind Vasant Jirapure Vice President – Operations, has spent 21 years in various operational roles across top firms including Magma Fincorp Limited, Religare Finvest Limited.

Mr. Jirapure is responsible for handling operations team and nodal officer for customer grievances. He holds a bachelor's degree in management and MBA – Banking and Finance.

Management Discussion and Analysis

Indian Economic Overview

The Indian economy continued with a subdued phase in FY20 in the backdrop of a weakening global economy. Gross Domestic Product ("GDP") growth was the lowest in the last 11 years to 4.2% this year from 6.8% in FY19. FY2020 began with an expectation that the year would witness a slowdown in growth owing to a moderation in economic activity recognizing economic headwinds, the Government of India undertook variou s measures to boost growth — which included a substantial tax relief to the corporate sector to boost investments.

While economic growth was starting to improve towards the end of FY20, the impact of COVID -19 has caused a significant impact on the global economy including India Nationwide lockdowns in many parts of the world and India alike, have taken a substantial toll on the health of large and small companies who have encountered a severe set back with revenue shortfalls, production cuts, and significant downsizing of work force to contain costs. This had led to a sizeable impact on consumption thereby also impacting industrial demand.

To combat the impact of COVID - 19, global central banks including the Reserve Bank of India have provided unprecedented stimulus – much larger than what was provided during the global financial crisis of 2008. However, the negative impact on consumption and industrial demand will take time to dissipate and the next 12 - 18 months will be challenging for most economies including India to bring businesses back on track. Asset heavy and capital - intensive businesses will have to go through the pain of de-levering their balance sheet while business will remain soft for some time to come. Numerous financial institutions are raising capital in an effort to shield their balance sheet from rising NPA risk.

In spite of challenges faced, the silver lining for India and some other emerging markets in specific is the aftermath of the pandemic has brought to the fore a seemingly structural shift in the desire of several countries and companies wanting to potentially move manufacturing facilities out of China. This could lead to a 'once in a two decade' opportunity for a country like ours to create a virtuous cycle for manufacturing, job growth, self-reliance and hence consumption for the long term. In fact, we are already starting to see 'winds of change' with these companies starting to consider India as their potential manufacturing destination. This will provide substantial impetus to the Government's vision of 'Make in India'.

Sectoral Outlook

Industry Landscape

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31st March 2019, growth in advances of SCBs was 13.2%. By 30th September 2019, this had reduced to 8.7% and on 27th March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020.

The NBFC Sector

Non-Banking Financial Companies ("NBFCs") have come under financial stress in the last financial year especially post September 2018 which saw defaults from some large NBFCs in the country. As a result, NBFCs, large or small have had to pay a heavy price including Small Finance Banks especially due to rising Non-Performing Assets ("NPAs") and poor growth of book size owing to asset liability mismatch. Banks and mutual funds, the biggest sources of funding for the sector, cut down on their exposures to NBFCs and Housing Finance Companies (HFCs), while interest rates on commercial papers (CP) spiked. Banks and market borrowings account for over 70% of NBFCs' funding mix. The share of long- term market debt was 40.8% as at 3QFY20, and that of bank borrowings was 28.9%. The latest RBI's FSR expressed concern on the declining share of market funding for NBFCs as it has the potential to accentuate liquidity risks for both NBFCs and the financial system. Smaller/mid - sized and AA or lower rated/unrated NBFCs have been shunned by both banks and markets, accentuating the liquidity tensions faced by NBFCs, which was also reflected in the lackluster response to the TLTRO 2.0.

This jointly resulted in a higher cost of borrowing for NBFCs causing a liquidity squeeze forcing many NBFCs to sell assets and cut back on new loans. Subsequently, the credit raised by NBFCs was mostly deployed for building resilience capital on the balance sheets or fulfilling debt obligations instead of expanding loan books. The resultant impact has also been a spike in the NBFC sectors GNPA's despite the standstill classification benefit. While there are challenges to overcome for many NBFC's, capital adequacy for the sector is healthy with CRAR of the sector at 19.6% in March 2020, slightly higher from 19.3% in March 2019

The negative impact of COVID -19 has been a further blow to NBFC's in the last few months. To offset the negative impact of COVID-19 the Reserve Bank of India has provided unprecedented stimulus – much larger than what was provided during the global financial crisis of 2008. Many large NBFC's are raising capital in an effort to shield their balance sheet from rising NPA risk. However, it has been aptly said that "today's adversity is tomorrow's success". Only in times of adversity do true leaders shine! It is our belief that there will be a new crop of NBFC's who are innovative, nimble, and well capitalized that will not just survive but 'thrive' in this market where there will be substantial 'crowding out' of larger indebted players.

Micro, Small and Medium Enterprises ("MSME") Sector Outlook

The MSME sector, that has 90.19 lakh registered MSMEs in the country continues to be a significant contributor to the GDP growth. The sector provides employment to over 11 crore people, contribute to 29% of India's GDP .

During the Covid-19 pandemic, in May 2020, the Narendra Modi government announced the 'Atmanirbhar' stimulus package to reboot this sector, as well as reclassified the sector on the basis of turnover and investment. Under this 'abhiyan' (scheme) the government has decided to provide Rs 3 lakh crores in collateral- free automatic loans to MSMEs aimed at providing additional working capital to existing customers of banks and NBFCs. Additionally, on July 2, 2020 World Bank announced a US $750 million budget support to 15 crore MSMEs to increase liquidity access for viable small businesses impacted by COVID-19.

Going forward, to empower 'Make in India' and set the stage for growth and revival, the problems of MSMEs will have to be addressed. In this 'New Normal' it is going to be imperative to consider supporting domestic manufacturers to expand operations and cover the supply gap from overseas. Our country is blessed with immense resources and manpower that needs to be channelized in the right direction. Efforts here will prove to be a fillip for the millions of small and medium sized firms. Making in India and supporting those who 'Make in India' can build and boost the economy and place us closer to the idea of an 'Atmanirbhar Bharat'.

Business and Financial Performance

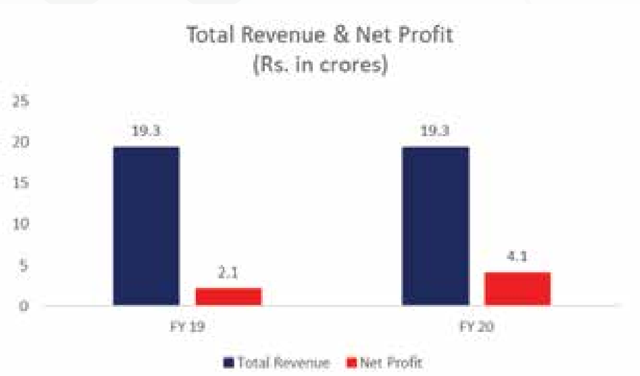
FY20 has been a year of consolidation for the industry and great learning for Dhanvarsha too. Industry headwinds did slowdown the overall pace of growth and the business strategies had to be realigned. That said, the business is insulated from the impending NPA pressure that is likely to emerge via real estate loans going bad since the company's focus remains on smaller ticket MSME loans that are backed by collateral and cash flow underwriting. Furthermore, being funded predominantly by proprietary capital is an added advantage along with having reputed lenders like HDFC Ltd and Bank of India

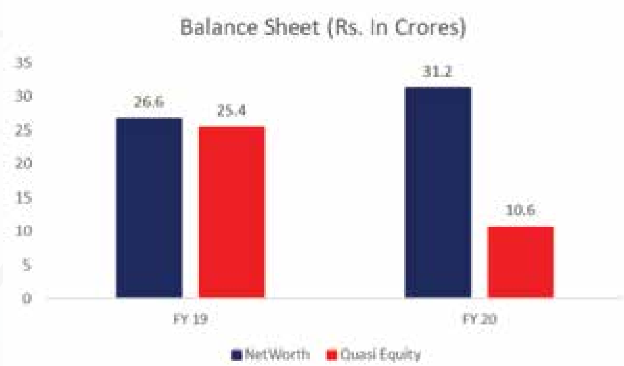
The key financial parameters for the Financial Year ended March 31, 2020 for Dhanvarsha are as follows:

- Assets under Management of Rs. 37.2 crore compared to Rs.4 9.3 crore as on March 31, 2019
- Gross income stood at Rs.19.3crore while Net Profit after tax is Rs.4.1 crore up 92% over previous year. This was on account of reducing finance cost and strong focus on our collection efforts to reduce our impairment cost .
- The Earning per share ended up at Rs. 2.86, higher than the Earning per share of Rs.1.70 the previous year

(Rupees in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total revenue	19.30	19.29
Profit before interest and depreciation	7.75	7.77
Less: Interest and finance charges	1.69	5.18
Less: Depreciation and amortization	0.49	0.17
Profit Before Tax	5.58	2.43
Less: Provision for taxation	1.48	0.29
Profit After Tax	4.10	2.13





Dhanvarsha believes in the power of Technology as the key driver of doing business at scale and has recognized the need to be investing in building its technology capabilities. With that as a view, Dhanvarsha has -

(1) Core lending system fully deployed – MiFiN

(2) State of the art IT infrastructure including Blackberry (Work), Independent Servers, Firewalls, etc.

(3) Continued investment in stronger technology led loan delivery systems

Outlook for lending to MSME & Low-Mid Income Segments

The share of Public Sector Banks lending to the MSME sector has reduced over time and the space has been taken up aggressively by private sector players and NBFCs which are nimbler in their turnaround times. NBFCs' share in MSME credit has increased from 13% to 21% from 2013 to 2018. The New To Credit ("NTC") numbers in the MSME space has also increased consistently; almost 500,000 new MSMEs entered the credit market in the second half of 2018 and this is only expected to rise given the headroom in the current Debt to GDP position in the country.

Dhanvarsha believes in the long-term growth potential of the Indian econ omy, anchored firmly on the country's demographic profile, consumption demand, digital economy, and the attractiveness to investors, both domestic and global. These factors would drive long -term growth of the Indian Banking and Financial Services sector

While COVID-19 and the ensuing lock -down has not been easy on the company or any of its employees, our teams used their time very judiciously to bolster technology, systems, processes, and collections. The company also made significant strides in collabora ting with various partners and stakeholders alike for future periods. At Dhanvarsha, having always prided ourselves on a complete in-house robust collections and risk monitoring platform, what we did first is reach out to our universe of 420+ MSME's. Dhanv arsha's credo of risk monitoring along with **building social capital** is at the core of its existence and also our current effort. We are happy to share that we structured programs that comprised of the following:

- MSME helps MSME.
- Dhanvarsha Colleagues helping MSME.
- Dhanvarsha Ecosystem helping MSME

Some of the examples include:

- Dhanvarsha MSME client offering free consultation to other Dhanvarsha MSMEs.
- Dhanvarsha Colleague + Limca Record Holder in Travel offering travel booking refund assistance to Dhanvarsha MSME.
- Dhanvarsha Colleague + Trained in Healing Modalities offering Emotional Healing to Dhanvarsha MSME.

We then put together a program called *#GettingBack* which was about putting together a team for a 90-day plan post opening up from the lock-down. *#GettingBack* had components of aiding our borrowers in their cashflow planning, understanding their product, and suggesting some strategies around sales or production for efficiency.

Embracing Digital

Internet penetration in India has accelerated to reach an average of 40 million new users every year — the fastest in the world. Low-cost smartphones, combined with affordable data packages, have propelled digital far beyond the big cities. The result — 400 million Indian consumers are now online. These online consumers view credit not as a product but as a service that allows them to consume experiences, grow their businesses and finance infrastructure and capital needs. When consumers access credit, they do not compare one financial services provider with another, instead they compare experiences.

Lending traditionally, the bastion of large banks, is being stormed by players like Google and Amazon. The entry of big tech companies focusing on simplifying customer experiences, while using cutting edge AI and ML techniques to assess risk is the single largest disruptive force in the lending industry. To survive the entry of technology giants into people's financial lives, NBFC's must have a digital first fra mework in place. Dhanvarsha's approach to putting in place such a framework is based on these primary pillars-Omni-channel access; Smart Lending; Phygital onboarding and Data driven collections management.

Omni-channel access

Consumers today choose how and when they want to interact with service providers. Consumer today rarely have a preferred channel of communication instead they use multiple channels to communicate often at the same time. Our customers can communicate with us across mobile, web, social media, call center and branches and we are able to manage all these channels through a central CRM.

Smart lending

The ability to hyper personalize i.e. deliver a product or a service that is tailored to an individual customer's need over the channel which is most suitable at that point in time will be the key to success for financial service providers. Honing this ability comes from being able to harness and leverage customer data from various sources and analyzing it to create actionable insights . We at Dhanvarsha understand that big data and machine learning are the engines that drive hyper personalization and we will continue to build, buy and partner to develop our skillset in this area.

Digital onboarding

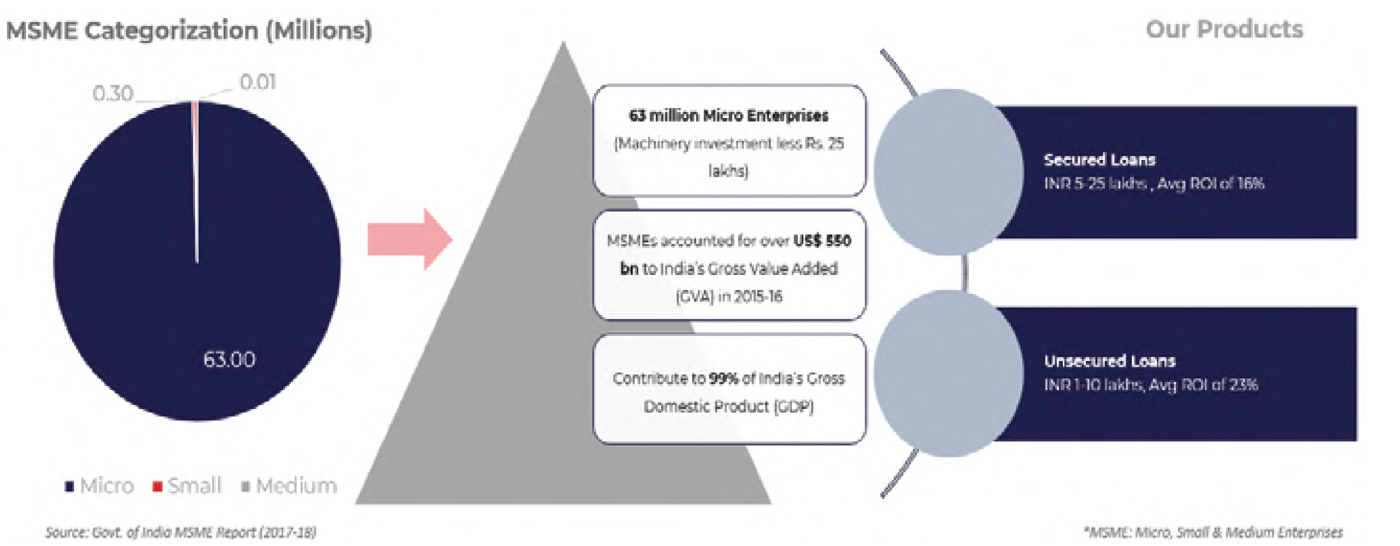
Post deciding to lend it is crucial to onboard the customer in the least frictionless manner while ensuring all the regulatory checkboxes are ticked. Digital onboarding allows lenders to minimize costs and reduce TAT to disbursal, Dhanvarsha has partnered with several credible partners in areas like KYC, document signing , etc. to give our customers a fast and efficient process.

Data driven collections

At Dhanvarsha we believe that most consumers are willing to repay their debts, however they often need reminders across multiple channels and payment integrations which allow them to take actions on the fly. Data also yields opportunities to pinpoint customers locations, identify changes in income and behavior which can serve as early warning indicators, these indicators allow lenders to be proactive and not reactive when it comes to collections. Our delinquency rates are testament that collections have always been a strong area for Dhanvarsha.

Business Strategy

During FY20, Dhanvarsha focused its strategy largely on the small business loans segment. The change in the focus saw Dhanvarsha launch new unsecured product lines specifically tailored to the small businesses over and above the primary secured product - Loan Against Property. In the tough market landscape, Dhanvarsha is among the few NBFCs to start lending again by turn of the calendar year with a shift infocus from high ticket, low yield loans to low ticket, high yield unsecured products. Specific products were also introduced for the salaried class.



The Micro Enterprises segment will continue to be important for Dhanvarsha in the **IMPACT STORY** it wants to chart out. The segment offers a balanced opportunity in terms of risk- reward profile as well.

- Based on the experience over the last 3 years, Dhanvarsha seeks Customers with small ticket underwriting in this segment (sub Rs.25 lakhs) which limits the risk per client, fund strong cash flow led and high integrity businesses.
- Dhanvarsha's strength lies in the specialized underwriting expertise that it developed for this segment, backed by a multi-pronged collection approach.
- The yields are significantly better than those that banks make in similar products, thereby compensating for the higher risk adequately.

Risk Management Framework

To identify, monitor and manage inherent risks in our operations, Dhanvarsha has a robust and comprehensive credit assessment and risk management framework. Dhanvarsha's Comprehensive Risk Management Framework covers not only Credit, Market and Interest rate risks of the Company but also includes Collections risk, Operational risk, Fraud risk, Vigilance risk, Asset liability risk, Foreign exchange risk, People Risk etc.

Judging the overall market scenario, it seemed prudent to tighten the risk assessment & due diligence in the underwriting process. Our Risk Management Framework comprise of:

- Deep understanding of the MSME market and experience of underwriting segments within this market.
- Policy and process-based approach to assist people in risk-mitigation with customized policies to cater to multiple customer requirements.
- A Centralized Credit Processing Centre with Committee Approach for sanction ensuring tight underwriting controls. Multi-layered system strengthens the credit assessment process.
- Multiple verifications and checks have been introduced to get a 360-degree risk assessment done before the final disbursement call.
- Major Risk Assessment tools deployed are Credit Bureau Checks, Satisfactory Banking Habits, Genuineness of Financial Statements, Decent Business/Residential Set-up, Personal/Surprise visits, Field Investigation, Fraud Control Unit Checks, etc.
- Specialized collections team manages overdue collections

Human Capital

At Dhanvarsha, we believe that our people are our most important asset. We are an institution built by passionate individuals who understand the personal and business aspirations of our customers. It has been our constant endeavor to provide our employees with a conducive environment to put forth their ideas and innovations. Our people are our biggest business differentiators whom we believe give us the winning edge. Just like the company's vision statement, we trust their ability to ensure that Dhanvarsha achieves its vision and mission of helping **build social capital.**

In an ever-evolving business environment, skill and capability landscape needs to match the fast pace of change today. This year, we focused our efforts on initiatives designed to upskill our talent to help them become the future leaders of Dhanvarsha. On an average every employee at Dhanvarsha attended over 3 days of tailor-made training programs spread over 280 hours.

Leadership Capability Building Program –the leadership team participated in a structured 6-month long Leadership engagement that helped them identify their strengths as leaders and chart out a development road map to make them future ready through various stimulations, assessment centers, and one on one coaching.

Learning is a continuous process and we want to ensure that our employees have uninterrupted access to learning and developmental opportunities. Coaching Key Potentials – to help our top talent identify their untapped potential, the company supported them with one on one coaching sessions by certified professionals.

Trainings and Knowledge Sharing Sessions

During this year, our workforce grew by 63% to 88 team members. We are proud to say that the Company has almost 30% women representation in its work force. To ensure that Dhanvarsha remains a future ready organization, we hired extensively in our IT and Credit department where the workforce grew by 400% and 46% respectively. With hiring partners like Michael Page, India, Propella Consulting, and top MBA campuses, we further strengthened our leadership team and simultaneously built a strong talent pool to support each function.

An organization that manages a good blend of work and fun at the workplace, observes higher employee engagement and productivity. We create ample opportunities for our employees to get together and celebrate the spirit of oneness with celebrations ranging from festivals to beating the Monday blues with great stress busters. Work and fun always go hand in hand at Dhanvarsha where there is never a dull moment.

Celebrations

Hierarchy is a matter of record keeping. Our employees are our equal partners at work and are always included and updated on everything business. Success is default when you work with a team that is informed and collaborates. Quarterly townhalls are conducted to ensure that our employees remain up to date with everything business and know that they are involved in every important decision-making process. Every townhall is hosted by the Joint Managing Directors along with departmental heads where all the employees of Dhanvarsha are addressed followed by an open Q & A session.

Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Dhanvarsha has a zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under for prevention and redressal of complaints of sexual harassment at workplace. Also, employees were sensitized about the policy and their rights as per the act guidelines.

Compliance Framework

Compliance function assumes great importance in Dhanvarsha . The Board of Directors and the Audit Committee are responsible for overseeing the implementation of the compliance and risk management framework across Dhanvarsha . The Compliance function not only approves all the new products to be launched to ensure that they are in line with regulatory guidelines, but also undertakes a constant monitoring of the portfolio to identify and mitigate any ongoing risks. The Compliance team also assesses corporate risks on an ongoing basis and keeps the Management/Board informed about important matters through regular updates and annual compliance reviews.

Internal Control Systems

Dhanvarsha believes in a robust and comprehensive internal control system is crucial for business. The Company's internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, and this is further improved by extensive internal audits, regular reviews by the management and standard policies and guidelines. Dhanvarsha's Internal Auditors performed regular reviews of business processes to assess the effectiveness of internal controls and compliance with laid down policies and procedures. The Internal Audit reports are periodically reviewed by the Audit Committee and any suggestions for improvement are implemented immediately. Dhanvarsha is continuously upgrading its organizational structure, documented policy guidelines, defined authority matrix and other processes and systems in line with the best available practices.

Cautionary Statement

Statements made in this Management Discussion and Analysis Report may contain certain forward -looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact Dhanvarsha's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Dhanvarsha does not undertake any obligation to update these statements. Dhanvarsha has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors (the **"Board"**) take pleasure in presenting the Twenty-Sixth Annual Report of Dhanvarsha Finvest Limited (the **"Company"**) together with the Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance of the Company is summarized below: **(Rs. in Lacs)**

Particulars	**FY 2019-20**	**FY 2018-19**
Total revenue	**1,929.52**	**1,929.32**
Profit before interest and depreciation	775.30	776.98
Less: Interest and finance charges	168.59	517.67
Less: Depreciation and amortization	48.65	16.60
Profit Before Tax	**558.06**	**242.71**
Less: Provision for taxation	148.17	29.28
Profit After Tax	**409.89**	**213.43**
Other Comprehensive Income	(1.20)	2.51
Total Comprehensive Income	**408.69**	**215.94**
Add: Balance brought forward from previous year	329.70	365.03
Balance available for appropriation	738.39	580.97
Statutory reserve	81.74	88.52
Balance carried to Balance Sheet	615.96	329.70
Basic Earnings Per Share (EPS) (Rs.)	3.04	1.77
Diluted EPS (Rs.)	2.86	1.70
Proposed Dividend on equity shares of Rs.10/ - each	33.75	135.00
Tax on Proposed Dividend	6.94	27.75

BUSINESS OVERVIEW

For the financial year ended March 31, 2020, your Company earned Profit Before Tax of Rs.558.06 Lakhs as against Rs.242.71 Lakhs in the previous financial year and the Profit After Tax of Rs.409.89 Lakhs as against Rs.213.43 Lakhs in the previous financial year. The total Income for the year under consideration was Rs. 1,929.52 Lakhs and total expenditure was Rs. 1,371.46 Lakhs. As of March 31, 2020, the Company had 403 Active Borrowers, operating out of two (2) Branches in Mumbai and Pune, with a gross loan portfolio of 3,723.81 Lakhs. The Company repaid a sum of Rs.1484.45 Lakhs of short - term loans.

Your Company's strategy had the following building blocks:

- Focus on Micro, Small, Medium Enterprises and Low to Mid Income Group.
- Offering sustainable financial products for the underserved and unbanked segment.
- Providing turnkey solutions across secured and unsecured lending to suit borrower needs.

Your Company currently offers Secured Loans - Loan against Property and Equipment Financing. Your company also offers Unsecured Loans - currently offering Business Loans for Working Capital Requirement and Business Expansion, Personal Loans and Loans through Digital platform. Your Company also offers loans for Medical & Educational purposes.

THE STATE OF COMPANY'S AFFAIRS

The Company continues to be categorised as a Non -Banking Financial Company – Non-Systemically Important Non-Deposit taking Company under the Reserve Bank of India (**"RBI"**) Regulations. The Company has met the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended.

SHARE CAPITAL

The issued, subscribed, and paid-up Equity Share Capital as on 31st March 2020 was Rs.13,50,77,560/- comprising of 1,35,07,756 Equity Shares of the face value of Rs. 10 each, fully paid -up.

There was a change in the Share Capital during the year under review on account of allotment of 7756 Equity Shares through ESOP allotment. During the year, the Company has not issued any sweate quity shares or equity shares with differential voting rights.

As on 31st March 2020, none of the Directors of the Company holds instruments convertible into Equity Shares of the Company .

IMPACT OF COVID-19

Details of the same is discussed in the Management Discussion & Analysis Report that forms part of the Annual Report.

MORATORIUM OF LOANS

In accordance with the guidelines issued by the RBI with regards to the COVID 19 Regulatory Package announced on 27th March 2020 & 22nd May 2020, Dhanvarsha Finvest Limited, with the approval from the Board and in compliance of the said guidelines, had initially granted a moratorium of three months from March 2020 to May 2020 and subsequently extended the benefit from June 2020 to August 2020, to eligible customers.

DIVIDEND

The Board at its meeting held on May 22, 2019 recommended a final Dividend of Rs. 0.25 per equity share of the face value of Rs.10/- each, aggregating to Rs.33,75,000/- on equity share capital of the Company for the year ended March 31, 2019 to be paid out of the profits of the Company and that the said dividend be paid subject to the approval of the Members of the Company in the Annual General Meeting.

Your Directors at their meeting held on June 15, 2020 considered and recommended Dividend for the FY20 of Rs. 0.10 (i.e.1%) per equity share subject to the approval of the Members of the Company at the ensuing Annual General Meeting. The dividend distribution will involve a cash outflow of Rs. 16.28 Lakhs including tax on dividend.

To preserve liquidity as much as possible during this circumstances and the contingencies created by Corona virus pandemic, the Board of Directors have recommended a lower % of dividend for the FY20.

DEPOSITS

During the year under review, your Company has not accepted any deposit from the public.

TRANSFER TO RESERVES

Your Company has transferred an amount of Rs. 81.74 Lakhs to the statutory reserve during FY20.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2020, stood at 64.21% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off balance sheet items, which is well above the regulatory minimum of 15%.

SHIFTING OF THE REGISTERED OFFICE FROM GUJARAT TO MAHARASHTRA

The Members vide Special Resolution dated April 8, 2019 passed through postal ballot, approved the shifting of the Registered Office from Gujarat to Maharashtra, by amendment to the Situation Clause of the Memorandum of Association of your Company.

The Registrar of Companies, Mumbai issued a Certificate of Registration of Regional Director order for Change of State with new Corporate Identification Number L24231MH1994PLC334457.

INCORPORATION OF WHOLLY OWNED SUBSIDIARY

The Board of Directors accorded its approval in the meeting held on August 13, 2019 for incorporating a Wholly owned Subsidiary in India as a Private Limited Company with the name and style of **"DFL Technologies Private Limited"**.

After the Board approval dated August 13, 2019, a wholly owned subsidiary of the Company, DFL Technologies Private Limited was incorporated on October 07, 2019 with the initial share capital of Rs. 5 Lakhs for carrying on the business of Digital Lending Solutions and distribution of various financial products, insurance etc.

The Authorised Share Capital of the Subsidiary Company was increased from present Rs.5,00,000/-(Rupees five lakhs only) divided into 50,000 Equity Shares of Rs. 10/- each to Rs.2,05,00,000/- (Rupees two crores five lakhs only) divided into 20,50,000 Equity shares Rs. 10/- each via board approval dated February 14, 2020.

DIRECTORS

Appointment of Directors

The Board appointed the following Directors:

Mr. Surendra Kumar Behera (DIN: 07480667) as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from May 22, 2019 for a period of five consecutive years, subject to approval of Members of the Company.

Mr. Rakesh Sethi (DIN: 02420709) as Additional Director in the category of Non - Executive Independent Director of the Company with effect from October 15, 2019 for a period of five consecutive years. Mr. Rakesh Sethi was also appointed as Chairman of the Board of Directors of the Company with effect from October 15, 2019 subject to approval of the members of the Company in the ensuing Twenty Sixth AGM of the Company.

Mr. Rajiv Kapoor (DIN: 08204049) as Additional Director in the category of Non- Executive Independent Director of the Company for a period of 5 years with effect from February 03, 2020, subject to approval of the members of the Company in the ensuing Twenty Sixth AGM of the Company.

Mr. Rohanjeet Singh Juneja (DIN: 08342094) as Additional Director and Whole Time Director in the capacity of Joint Managing Director for a period of 3 years with effect from December 17, 2019, subject to approval of the members of the Company in the ensuing Twenty Sixth AGM of the Company.

Cessation of Directorships

Consequent to the approval accorded by RBI for change in shareholding and management Mr. Nimir Kishore Mehta (DIN:00699993), Non-Executive Director and Chairman of the Company resigned from the directorship and Chairmanship of the Company with effect from October 15, 2019.

Subsequently, Mr. Surendra Kumar Behera (DIN:07480667) Non-Executive Independent Director of the Company resigned from the directorship of the Company with effect from December 17, 2019 to take up a larger assignment with the holding company of the Group.

RETIREMENT OF DIRECTOR BY ROTATION

Mr. Ashish Sharad Dalal (DIN:00024632), Non-Executive Non-Independent Director of the Company will retire by rotation at the ensuing Twenty - Sixth AGM and being eligible, offers himself for re - appointment.

All the above appointments/re-appointments by the Board are based on the recommendation of the Nomination and Remuneration Committee. The resolutions for appointment / reappointments together with requisite disclosures are set out in the Notice of the ensuing Twenty - Sixth AGM.

The Board recommends all the resolutions for your approval.

DECLARATION BY INDEPENDENT DIRECTORS

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

POLICIES ON SELECTION AND APPOINTMENT OF DIRECTORS

In compliance with the provisions of the Act and Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee had adopted the Policy for Selection and Appointment of Directors.

The aforesaid Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board to maintain an appropriate balance of skills and experience within the Board. The Policy also provides for selection criteria for appointment of directors, viz. educational and professional background, general understanding of the Company's business dynamics, Board diversity and payment of remuneration to the directors of the Company. The Nomination and Remuneration Committee considers the fit and proper criteria for appointment of directors as stipulated by RBI.

NUMBER OF MEETINGS OF THE BOARD

Five Board Meetings were held during the financial year ended March 31, 2020. The details of the Board and various Committee meetings are given in the Corporate Governance Report which forms part of the Annual Report.

PERFORMANCE EVALUATION OF DIRECTORS AT BOARD AND INDEPENDENT DIRECTORS' MEETINGS

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees for FY20. The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc.

The Independent directors met on June 10, 2020 without the presence of other directors or members of Management. All the Independent Directors were present at the meeting. In the meeting, the Independent Directors reviewed performance of Non-

Independent Directors, the Board as a whole and Chairperson. They assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board.

KEY MANAGERIAL PERSONNEL

As on the date of the report, Mr. Karan Neale Desai, Joint Managing Director; Mr. Rohanjeet Singh Juneja, Joint Managing Director; Mr. Sanjay Kukreja, Chief Financial Officer; and Mr. Fredrick Pinto, AVP - Legal and Secretarial - Company Secretary and Compliance Officer of the Company are the Key Managerial Personnel (**"KMP"**) of the Company.

Mr. Karan Neale Desai (DIN: 05285546) who was appointed as a Managing Director and Chief Executive Officer was redesignated as Joint Managing Director with effect from December 17, 2019 subject to necessary approvals.

Mr. Rohanjeet Singh Juneja was appointed as Joint Managing Director of the company with effect from December 17, 2019, subject to necessary approvals.

Mr. Vijay Mohan Reddy resigned as Company Secretary and Compliance Officer of the Company with effect from July 31, 2020. Mr. Narendra Kumar Tater resigned as Chief Financial Officer of the Company with effect from July 31, 2020.

Mr. Fredrick M. Pinto was appointed as Company Secretary and Compliance Officer of the Company with effect from August 01, 2020 and Mr. Sanjay Kukreja was appointed as Chief Financial Officer with effect from August 01, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Board, to the best of their knowledge and belief, confirm that:

1. in the preparation of the accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
2. they have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared annual accounts of the Company on a 'going concern' basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provision of all applicable laws, and that such systems were adequate and operating effectively.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the RBI, from time to time.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Act and rules framed there under regarding Corporate Social Responsibility do not apply to the Company and hence no disclosure have made in that regard.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of Subsidiary Company – DFL Technologies Private Limited and a statement on consolidated financial position of the Company with that of the Subsidiary of the Company is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. The annual report and the annual accounts of the Subsidiary and the related detailed information shall be made available to members of the Company seeking such information. The annual accounts of the Subsidiary shall also be kept for inspection by members at the Registered Office of the Company and of the Subsidiary and shall be available on the website of the Company viz. www.dfltd.in. The Company shall furnish hard copy of details of accounts of the Subsidiary to the member on demand.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134 (3a) and Section 92 (3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31, 2020 in form MGT-9 has been annexed as Annexure - I to the Directors' Report.

Extract of Annual Return is also available on the website of the Company viz. www.dfltd.in

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

The following are the material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2020 and the date of the Directors' Report. The following transactions are subject to shareholders approval in the ensuing "AGM"

1. Issue and allotment of Equity Shares on conversion of un-secured Loan ("Intercorporate deposit") of Rs.10,30,00,025/- (Rupees Ten crore Thirty lakhs and Twenty -five Only) into 925,427(Nine Lakhs Twenty-five Thousand Four Hundred and Twenty-seven only) Equity Shares on preferential basis to Wilson Holdings Private Limited (formerly known as 'Truvalue Agro Ventures Private Limited), Promoter of the Company ("Promoter") at a price of Rs.111.30 per Equity Share, subject to it being in compliance with the minimum price calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, subject to approval of the Members at the ensuing AGM and other requisite regulatory approvals, including execution of necessary documents to effect the same. Details with respect to the same is annexed to the Notice that forms part of the Annual Report;

2. Issuance of 40,43,127 (Forty Lakh Forty-Three Thousand and One Hundred And Twenty -Seven Only) unsecured compulsorily convertible debentures (CCDs) to the Promoter having face value of Rs.111.30 or minimum price calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Promoter of the Company in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, including execution of necessary documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such CCDs is Rs.45,00,00,000/- (Rupees Forty-five Crores Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share, subject to it being in compliance with the minimum price in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, within 18 months from the date of allotment of CCDs, subject to approval of the Members at the ensuing AGM and other requisite regulatory approvals. Details with respect to the same is annexed to the Notice that forms part of the Annual Report;

3. Issuance of up to 58,04,133 (Fifty-eight Lakh Four Thousand One Hundred and Thirty-Three Only) unsecured compulsorily convertible debentures (CCDs) to Turning Leaf Fund I Pte. Ltd. ("Investor") having face value of Rs.111.30, subject to it being in compliance with the minimum price to be calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Investor in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and of the applicable provision(s) of Companies Act, 2013, including execution of necessary

documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such CCDs is Rs.64,60,00,000/- (Rupees Sixty-four Crores Sixty Lakhs Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share within 18 months from the date of allotment of CCDs, subject to approval of the Members at the ensuing AGM and other requisite regulatory approvals. Details with respect to the same is annexed to the Notice that forms part of the Annual Report;

4. Issuance of up to 17,96,945 (Seventeen Lakh Ninety-Six Thousand Nine Hundred and Forty - Five Only) Convertible Warrants to Wilson Holdings Pvt. Ltd., Mrs. Minaxi Mehta, KMPs, and other investors of the Company having face value of Rs.111.30, subject to it being in compliance with the mi nimum price to be calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through preferential allotment to the Investor in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the applicable provision(s) of Companies Act, 2013, including execution of necessary documents to effect the same, such as subscription agreement, notice of postal ballot to be sent to the Members for their approval, etc. The aggregate Investment on such Convertible Warrants is Rs.20,00,00,000/- (Rupees Twenty Crores Only), which shall be convertible into equivalent number Equity Shares of the Company at a conversion price of Rs.111.30/- per Equity Share within 18 months from the date of allotment of Convertible Warrants, subject to approval of the Members at the ensuing AGM and requisite regulatory approvals. Details with respect to the same is annexed to the Notice that forms part of the Annual Report.

ALLOTMENT OF 7,75,200 FULLY PAID UP EQUITY SHARES ON CONVERSION OF WARRANTS

The Board of Directors of (**"the Company"**) at its meeting held on April 3, 2020, issued and allotted 7,75,200 (Seven Lakh Seventy - five Thousand Two Hundred) Equity Shares of face value of Rs.10/- each (the**"Equity Shares"**) at a premium of Rs. 54.50/- per Equity Share, to Wilson Holdings Private Limited (formerly known as **"Truvalue Agro Ventures Private Limited"**), Promoters of the Company on preferential basis, upon exercise of option for conversion of equivalent number of Warrants, which were allotted, pursuant to and in terms of shareholders' approval dated September 28, 2018 and In-principle approval of BSE Limited date October 29, 2018.

AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE COMPANY

As part of the Managements efforts to identify new avenues of income generation and expansion of revenue streams for the Company, the Board approved issue of semi - closed prepaid payment instruments, as post demonetization and in the current COVID-19 pandemic, Prepaid Payment Instruments (PPIs) are playing an important role in promoting digital payments.

Pursuant to RBI Master Direction on Issuance and Operation of Prepaid Payment Instruments for non-bank entity to be eligible to issue PPIs shall have one of the objects in the Memorandum of Association of such entity to cover the activity of operating as a PPI issuer. Further, as per the provisions of Section 13 of the Companies Act, 2013 (**''Act''**) and all other applicable provisions of the Act and rules made thereunder, the Board of Directors recommend an amendment to the Main Objects of the Memorandum of Association to undertake the following activities as main objects of the Company in addition to the present activities:

''To carry on business of Prepaid Payment Instruments (PPIs), offer semi-closed wallet that facilitate purchase of goods and services against the value stored on such instruments.''

Members of the Company approved the amendment to the MOA vide special resolution passed through remote e-voting the results of which were declared on Saturday, June 20, 2020.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3) (m) of the Act relating to conservation of energy and technology absorption do not apply to the Company. The Company has, however, used information technology extensively in its operations.

During the year under review, the Company's earning and outgo in foreign exchange were Nil and Rs. 14.56 Lakhs, respectively.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on https://www.dfltd.in/investor-relations.html All Related Party Transactions are placed before the Audit Committee for review and approval of the Committee on a quarterly basis.

All the related party transactions entered during the financial year were in ordinary course of business and were on an arm's length basis.

Details of the related party transactions are provided in Form AOC - 2, as annexed to this reportas **Annexure - II.**

RISK MANAGEMENT

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organization. Detailed information on risk management is provided in the Management Discussion and Analysis Report.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity, and ethical behaviour.

The Company has adopted the Whistle Blower Policy, and details of the same are explained in the Corporate Governance Report. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: https://www.dfltd.in/investor -relations.html.

FINANCIAL SUMMARY/HIGHLIGHTS

The details are spread over in the Annual Report as well as are provided in the beginning of this report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company is having one Wholly owned Subsidiary Company i.e. DFL Technologies Private Limited during the financial year ended March 31, 2020.

Wilson Financial Services Private Limited (Wholly Owned Subsidiary of Wilson Holdings Private Limited) is the fellow Subsidiary of the Company with effect from July 31, 2018.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

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

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The Company seeks to ensure that all such complaints are resolved within defined timelines. During FY20, the Company has not received any complaints. The Company has conducted awareness sessions on prevention of sexual harassment for its employees. The policy under the said Act is uploaded on the Company's website: https://www.dfltd.in/investor relations.html.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the preparation of financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-III**.

AUDITORS

(a) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 Haribhakti & Co. LLP, Chartered Accountants had been appointed as Statutory Auditors of the Company at the Twenty - Fifth AGM held on September 18, 2019 to hold office from the conclusion of Twenty - Fifth AGM till the conclusion of Thirtieth AGM of the Company. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of auditor by the shareholders at every AGM with effect from May 07, 2018. Hence, the approval of the members is not being sought for the re-appointment of the Statutory Auditors in line with the resolution passed for their appointment at the 25th AGM held on September 18, 2019.

The Report given by the Auditors on the Consolidated financial statements of the Company for the financial year ended on March 31, 2020 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Auditors of the Company.

(b) Secretarial Auditors and Secretarial Audit Report

The Board of Directors at their meeting held on June 15, 2020 appointed Bhandari & Associates, Company Secretaries as Secretarial Auditors of the Company for the FY20-21 on recommendations of the Audit Committee on remunerations as decided by the Board.

Secretarial Audit Report pursuant to the provisions of Section 204 of the Act for the FY20 issued by Bhandari & Associates, Company Secretaries is annexed to this report as **Annexure-IV.** There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. The observations and explanation are part of annexures that forms part of the secretarial Audit report.

(c) Internal Auditors

In terms of Section 138 of the Companies Act, 2013 and other applicable laws, Bansal Bansal & Co. were appointed as the Internal Auditors of the Company for the Financial Year 2019-20, to introduce adequate control and to conduct Internal Audit of functions and activities of the Company. The Board at its meeting held on June 15, 2020 had re-appointed Bansal Bansal & Co. as the Internal Auditors of the Company for the FY 20-21 on recommendations received from the Audit Committee upon fixation of remuneration as decided by the Board.

DETAILS OF FRAUDS REPORTED BY THE STATUTORY AUDITORS

During the year under review, the Statutory Auditors, the Internal Auditors, and the Secretarial Auditors of the Company have not reported any fraud as required under Section 143(12) of the Act.

PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

Pursuant to the clarification dated February 13, 2015 issued by the Ministry of Corporate Affairs and Section 186(11) of the Act, the provision of Section 134 (3)(g) of the Act requiring disclosure of particulars of the loans given, investments made or guarantees given or securities provided is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report for the year under review is given separately in the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to conducting its business in accordance with the applicable laws, rules, and regulations. A report on Corporate Governance (forming part of Directors' Report) is provided separately in this Annual Report, together with a certificate from Bhandari & Associates, Company Secretaries, on compliance with corporate governance norms under the Listing Regulations for FY20 is annexed to the Corporate Governance Report which is provided separately in the Annual Report.

Pursuant to Schedule V of the SEBI Regulations the following Reports/Certificates forms part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Joint Managing Director (s) and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2020 as submitted to the Board of Directors at their meeting held on June 15, 2020;
- the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this report.

EMPLOYEE STOCK OPTION PLAN (ESOP)

Your Company has instituted **"Dhanvarsha ESOP Plan - 2018"** (**"ESOP 2018"**) to motivate, incentivize and reward employees. The Nomination Remuneration Committee administers the ESOP 2018. The ESOP 2018 follows Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefits Regulations"). Disclosures on ESOP 2018, details of options granted, etc. as required under the Employee Benefits Regulations has been annexed as **Annexure - V** to the Directors' Report.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has systems which are adequate and are operating effectively.

STATUTORY DISCLAIMER

Your Company is having a valid Certificate of Registration dated March 11, 1998 issued by RBI under Section 45 - IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of your Company or for the correctness of any of the statements or representations made or opinions expressed by your Company and for discharge of any liability by your Company.

Neither there is any provision in law to keep, nor does your Company keep any part of the deposits with RBI and by issuing a Certificate of Registration to your Company, RBI neither accepts any responsibility nor guarantees the payment of deposits to any depositor or any person who has lent any sum to your Company.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities.The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Mumbai	**Joint Managing Director**	**Joint Managing Director**
August 22, 2020	**(DIN:08342094)**	**(DIN:05285546)**

Annexure – I to the Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS IN THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L24231MH1994PLC334457
ii.	Registration Date	NOVEMBER 9, 1994
iii.	Name of the Company	DHANVARSHA FINVEST LIMITED
iv.	Category/ Sub-Category of the Company	NON-GOVERNMENT PUBLIC COMPANY LIMITED BY SHARES
v.	Address of the Registered Office and contact details	**REGISTERED OFFICE:** **DHANVARSHA FINVEST LIMITED** 2nd Floor, Building No. 4, DJ House, Old Nagardas Road, Andheri (East), Mumbai – 400 069, Maharashtra **Phone:**+91 - 022 - 2826 4295 **Website**: www.dfltd.in
vi.	Whether listed company	YES – BSE Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	**MCS SHARE TRANSFER AGENT LIMITED** **UNIT: DHANVARSHA FINVEST LIMITED** 209-A, C Wing, 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-Op Industrial Area, B/H Times Square, Andheri (East), Mumbai – 400059 (MH). **Email**: subodh@mcsregistrars.com **Phone**: +91 - 022-28516020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Financial service activities – Secured Loans, Unsecured Loans, Investment,Advisory & others	66190	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Wilson Holdings Private Limited (formerly known as "TruvalueAgro Ventures Private Limited) 1st Floor Wilson House, Old Nagardas Road, Andheri (East), Mumbai – 400069 (MH).	U65100MH2014PTC260223	Holding Company	56.87	2 (46)
2.	DFL Technologies Private Limited	U67190MH2019PTC331368	Wholly Owned Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters #									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)		0			0	0	0	0	0
d) Bodies Corp.	7032200	0	7032200	52.09	7682200	0	7682200	56.87	0
e) Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other….	7032200	0	7032200	52.09	0	0	0	0	0
Sub-total (A) (1):-	**7032200**	**0**	**7032200**	**52.09**	**7682200**	**0**	**7682200**	**56.87**	**9.24**

(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
FII Sub Account	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance companies	0	0	0	0	0	0	0	0	0
g) Financial Institutional Investors	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corporate	953895	0	953895	7.66	897884	0	897884	6.65	-5.87
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	396630	149800	546430	4.05	321392	149800	471192	3.49	-13.77
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	4644254	250000	4894254	36.25	4152759	250000	4456480	32.99	-8.94
c) Others (specify)									
1. Trusts	0	0	0	0	0	0	0	0	0
2. HUF	0	0	0	0	0	0	0	0	0
3. Non-resident Indians	73221	0	73221	0.54	53721	0	53721	0.40	-26.63
4. Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	6068000	399800	6467800	47.91	5425756	399800	5825556	43.13	-9.93
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**6068000**	**399800**	**6467800**	**47.91**	**5425756**	**399800**	**5825556**	**43.13**	**-9.93**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**13100200**	**399800**	**13500000**	**100.00**	**13107956**	**399800**	**13507756**	**100**	**74.02**

#Wilson Holdings Private Limited (formerly known as "TruvalueAgro Ventures Private Limited") was categorised as Promoter of the Company on conclusion of Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Subsequently, Mrs. Aarti jagdishkumar Thakkar and Mr. Malay RohitkumarBhow have been re-classified from "Promoter Category" to "Public Category" pursuant to approval of BSE Limited under Regulation 31A of Listing Regulations vide its letter dated February 26, 2019.

(ii)Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)			Shareholding at the end of the Year (March 31, 2020)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Wilson Holdings Private Limited*	70,32,200	52.09	NIL	76,82200	56.87	NIL	4.78%

* Categorised as Promoter of the Company on conclusion of Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(iii) Change in Promoters' Shareholding (please specify if there is no change)

S No.	Shareholder's name	Shareholding at the beginning of the year (As on April 1, 2019)		Date@	Increase / Decrease In shareholding	Reason	Cumulative shareholding during the year FY 2019-20	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Wilson Holdings Private Limited*	70,32,200	52.09	21.08.2019	50000	Purchase	76,82,200	56.87
				27.08.2019	159650	Purchase		
				09.09.2019	30350	Purchase		
				13.09.2019	85407	Purchase		
				04.11.2019	34500	Purchase		
				06.11.2019 – 07.11.2019	60570	Purchase		
				11.11.2019	59850	Purchase		
				13.11.2019 - 14.11.2019	69673	Purchase		
				18.11.2019	40000	Purchase		
				18.11.2019	60000	Purchase		

* Categorised as Promoter of the Company on conclusion of Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	Shareholder's name	Shareholding at the beginning of the year (As on April 1, 2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year FY 2019-20	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Siddhi Jaiswal	0	0	31.05.2019	27499	Purchase	5,00,000	3.70
				07.06.2019	145172	Purchase		
				14.06.2019	257805	Purchase		
				21.06.2019	39404	Purchase		
				28.06.2019	10596	Purchase		
				05.07.2019	10707	Purchase		
				16.08.2019	8817	Purchase		
2.	Ramesh Chandra Biyani	3,75,000	2.78	0	0	0	3,75,000	2.77
3.	Manmohan Mimani	3,28,000	2.42	0	0	0	3,28,000	2.42
4.	Ajay Jalan	0	0	30.08.2019	35207	Purchase	2,60,207	1.93
				06.09.2019	25000	Purchase		
				13.09.2019	200000	Purchase		
5.	Raj Ratan Commodities Pvt.Ltd.	1,36,874	1.30	27.09.2019	9981	Purchase	2,30,656	1.70
				22.11.2019	1000	Purchase		
				29.11.2019	401	Purchase		
				06.12.2019	300	Purchase		
				13.12.2019	9041	Purchase		
				10.01.2020	27710	Purchase		
				24.01.2020	33844	Purchase		
				31.01.2020	12150	Purchase		
				06.03.2020	(645)	Sale		
6.	Arti Ashish Shah	1,99,489	1.48	05.07.2019	(2000)	Sale	1,97,489	1.46
7.	Reshma Biyani	0	0	31.05.2019	192315	Purchase	1,87,315	1.39
				30.09.2019	(5000)	Sale		
8.	Radhey Health Care Pvt.Ltd.	0	0	10.01.20	2464	Purchase	1,79,430	1.32
				17.01.20	51818	Purchase		
				24.06.20	50809	Purchase		
				31.01.20	9689	Purchase		
				07.02.20	9650	Purchase		
				14.02.20	18000	Purchase		
				06.03.20	37000	Purchase		

9.	Bhavik Prafulchandra Vora	6,00,000	4.44	0	0	0	6,00,000	4.44
10.	Ashwin Kamdar (HUF)	0	0	0	50000 (37700) 74264 (30) (2159) 5000 20098	Purchase Sale Purchase Sale Sale Purchase Purchase	1,34,873	0.99

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Director's / KMP name	Category of Directors/ KMP	Shareholding at the beginning of the year (As on April 1, 2019)		Date#	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year FY 2019-20	
			No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	*Mr. Nimir Kishore Mehta	Non-executive Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	**Mr. Surendra Kumar Behera	Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	Mr. Ashish Sharad Dalal	Non-executive Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4.	Mr. Nirmal Vinod Momaya	Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5.	Mr. K P Raghuvanshi	Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6.	Mrs. Manjari Ashok Kacker	Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7.	Mr. Karan Neale Desai	Joint Managing Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8.	Mr. Rohanjeet Singh Juneja	Joint Managing Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9.	Mr. Rajiv Kapoor	Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10.	Mr. Rakesh Sehi	Chairperson – Independent Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
11.	#Mr. Narendra Kumar Tater	Chief Financial Officer	NIL	NIL	NIL	NIL	NIL	NIL	NIL
12.	## Mr. M Vijay Mohan Reddy	Company Secretary	NIL	NIL	12.02.2019	100	Purchase	100	0.0007%
13.	$Mr. Fredrick M. Pinto	Company Secretary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14.	^Mr. Sanjay Kukreja	Chief Financial Officer	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*Resigned w.e.f October 15, 2019 **Resigned w.e.f December 17, 2019 #Resigned w.e.f. July 31, 2020 ##Resigned w.e.f July 31, 2020

$ Appointed w.e.f August 01, 2020 ^Appointed w.e.f. August 01, 2020

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

S No.	Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	-	24,50,00,000	-	24,50,00,000
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	1,01,46,151	-	91,31,536
	Total (i+ii+iii)	**-**	**25,51,46,151**	**-**	**25,41,31,536**
2	Change in Indebtedness during the financial year				
	o Addition (Only principal)	4,00,00,000	-	-	4,00,00,000

	o Reduction (Only principal)	4,83,251	14,20,00,000	-	14,24,83,251
	Net Change	**3,95,16,749**	**(14,20,00,000)**	**-**	**(10,24,83,251)**
3	Indebtedness at the end of the financial year				
	i) Principal Amount	3,95,16,749	10,30,00,000	-	14,25,16,749
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	29,84,973	-	29,84,973
	Total (i+ii+iii)	**3,95,16,749**	**10,59,84,973**	**-**	**14,55,01,722**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Rohanjeet Singh Juneja	**Karan Neale Desai**	
1	Gross salary	17,89,271	67,27,007	85,16,278
2	Stock Options*	6,00,000 shares	2,36,511 shares	7,36,511 shares
3	Sweat Equity	-	-	-
4	Commission - as % of profit / others, specify…	-	-	-
5	Others, please specify	1,55,403	8,17,750	9,73,153
	Total (A)	**19,44,674**	**75,44,757**	**94,89,431**
	Ceiling as per the Act	5% of the profits as computed under Section 197 of the Companies Act, 2013		

*Stock Options granted during FY19.

B. Remuneration to other Directors

A	Name of the Independent Director	Mr. Nirmal Vinod Momaya	Mr. Krishipal Tarachand Raghuvanshi	Mrs. Manjari Ashok Kacker	Mr. Surender K Behera	Mr. Rakesh Sethi	Mr. Rajiv Kapoor
1	Fee for attending Board/ committee meetings	7,00,000	8,25,000	9,25,000	5,00,000	4,25,000	1,00,000
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
B	Name of Non-executive Director	**Mr. Nimir Kishore Mehta**		**Mr. Ashish Sharad Dalal**			
1	Fee for attending Board/ committee meetings	1,00,000		7,00,000			
2	Commission	-		-			
3	Others, please specify	-		-			
	Total Managerial Remuneration - Amount (Rs.) (A+B)	**1,37,64,431**					
	Overall Ceiling as per the Act	6% of the profits as computed under Section 197 of the Companies Act, 2013					

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

S. No.	Particulars of Remuneration			
		Narendra Kumar Tater Chief Financial Officer#	**M Vijay Mohan Reddy Company Secretary$**	**Total**
1.	Gross salary	36,49,262	24,27,526	60,76,788
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit / - others, specify	-	-	-
5.	Others, please specify	4,76,341	5,93,139	10,69,480
	Total	**41,25,603**	**30,20,665**	**71,46,268**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Mumbai	**Joint Managing Director**	**Joint Managing Director**
August 22, 2020	**(DIN:08342094)**	**(DIN:05285546)**

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision there to

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   No such contracts /arrangements / transactions, as referred to in sub-section (1) of section 188 of the Companies Act,2013, has been entered into by the Company with related parties during FY20.

2. **Details of contracts or arrangements or transactions at arm's length basis**

   (a) Name(s) of the related party: Wilson Holdings Private Limited (formerly known as "Truvalue Agro Ventures Private Limited").

   (b) Nature of relationship: Entity in which one or more Directors have a significant influence / control.

   (c) Nature of the arrangements/transactions: Unsecured Loan.

   (d) Duration of the arrangements/transactions: 36 month i.e. ending on October 1, 2022.

   (e) Salient terms of the arrangements/transactions including the value, if any:

   (f) Date(s) of approval by the Board, if any: July 27, 2017.

   (g) Amount paid as advances, if any: Nil.

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	Rohanjeet Singh Juneja	**Karan Neale Desai**
Mumbai	**Joint Managing Director**	**Joint Managing Director**
August 22, 2020	**(DIN:08342094)**	**(DIN:05285546)**

Annexure – III to the Directors' Report

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S No.	Requirements	Disclosure	
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Ashish Dalal	0.093:1
		K P Raghuvanshi	0.10:1
		Nimir Mehta	0.01:1
		Nirmal Momaya	0.093:1
		Rajiv Kapoor	0.01:1
		Rakesh Sethi	0.05:1
		Karan Neale Desai	0.99 : 1
		Manjari Kacker	0.12:1
		Rohan Juneja	0.23 : 1
		Surendra Kumar Behera	0.066:1
ii.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year	NIL	
iii.	The percentage increase in the median remuneration of employees in the financial year	4%	
iv.	The number of permanent employees on the rolls of the Company	88 as of March 31, 2020	
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the salaries of employees other than the managerial personnel – 3.7% Average increase in the managerial remuneration – 3.8%	
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes	

.

For and on behalf of the Board of Directors

Sd/-
Rohanjeet Singh Juneja
Joint Managing Director
(DIN:08342094)

Sd/-
Karan Neale Desai
Joint Managing Director
(DIN:05285546)

Mumbai
August 22, 2020

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,
The Members,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanvarsha Finvest Limited (here in after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion,the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed here under and also that the Company has proper Board -processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008#;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non -systematic, Non-deposit taking Non-Banking Financial Company with Classification as 'investment & Credit Company' which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of:

i. Secretarial Standards issued by The Institute of Company Secretaries of India and
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has undertaken following events / actions -:

i. Members' approval has been obtained through postal ballot for shifting of the Registered Office of the Company from the State of Gujarat to the State of Maharashtra and consequent amendment to the Memorandum of Association of the Company and same has been approved by Regional Director, Northwestern Region, Ahmedabad vide its order dated November 28, 2019.
ii. Company has incorporated a wholly owned subsidiary as DFL Technologies Private Limited (CIN: U67190MH2019PTC331368).
iii. Members' approval has been obtained at the Annual General Meeting held on 18th September, 2019 for increase in threshold of loans/ guarantees, providing of securities and making of investments in securities in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs.100 crores.

For Bhandari & Associates
Company Secretaries

Sd/-
Manisha Maheshwari
Partner
ACS No. 30224 |C. P. No. 11031
Mumbai| August 22, 2020
UDIN: A030224B000723070

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

Annexure 'A'

To,
The Members,
DHANVARSHA FINVEST LIMITED
CIN: L24231MH1994PLC334457

Our Secretarial Audit Report for the Financial Year ended on March 31st March, 2020 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 test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.

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

4. 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 management. Our examination was limited to the verification of procedures on test basis.

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

For Bhandari & Associates
Company Secretaries

Sd/-
Manisha Maheshwari
Partner
ACS No. 30224 |C. P. No. 11031
Mumbai| August 22, 2020
UDIN: A030224B000723070

ANNEXURE – V TO THE DIRECTORS' REPORT

DISCLOSURES PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014.

A. Relevant disclosures in terms of the "Guidance Note on accounting for employee share - based payments" issued by ICAI has been appropriately disclosed in the note 34 of the financial statements for the year ended March 31, 2020 mentioned in the Annual Report 2019-20.

B. Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with AS-20, has been appropriately disclosed in the note 26 of the financial statements for the year ended March 31, 2020 mentioned in the Annual Report 2019-20.

C. Details relating to Employee Stock Option Scheme

Particulars	**Dhanvarsha ESOP Plan 2018**
Date of shareholders' approval	September 28, 2018
Total number of options approved under the Scheme	1,890,000
Vesting requirements	Minimum vesting period of one year from the date of grant.
Exercise price or pricing formula	Rs.30/- plus applicable taxes, as may be levied on the Company.
Maximum term of options granted	Eight (8) years from the date of grant.
Source of shares (primary, secondary or combination)	Primary
Variation in terms of option	None
Method used to account for the Scheme	Fair Value Method
Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not Applicable
Option movement during FY20	
Number of options outstanding at the beginning of FY20	10,61,299
Number of options granted during FY20	9,50,252
Number of options for feited / lapsed during FY20	1,65,234
Number of options vested during FY20	92,026
Number of options exercised during FY20	7,756
Number of shares arising because of exercise of options	7,756
Money realized by exercise of options (Rs) if scheme is implemented directly by the Company	Rs. 2,32,680/-
Loan repaid by Trust from exercise price received	Nil
Number of options outstanding at the end of FY20	18,42,283
Number of options exercisable at the end of FY20	84,270

Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to		
i.	senior managerial personnel	Details provided in Note A.
ii.	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during FY19	Details provided in Note B.
iii.	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Details provided in Note C.

A description of the method and significant assumptions used during FY20 to estimate the fair value of options including the following information:		
a)	The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends; the risk-free interest rate and any other inputs to the model	Please refer Note to financial statements mentioned in the Annual Report 2018-19.
b)	The method used and the assumptions made to incorporate the effects of expected early exercise	
c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

Note A: Details of Stock Options Granted to Senior Management Personnel during FY20

Name of Employee	**Karan Neale Desai**	**Rohanjeet Singh Juneja**
Designation	Joint Managing Director	Joint Managing Director
No. of Options	2,36,511	6,00,000
Exercise Price (Rs.)	50/-	50/-

Note B: Details of Employees who have been received grant amounting to 5% or more of Options Granted during FY20

Name of Employee	**Karan Neale Desai**	**Rohanjeet Singh Juneja**
Designation	Joint Managing Director	Joint Managing Director
No. of Options	2,36,511	6,00,000
Percentage	24.89	63.14

Note C: Details of Employees who have been Granted Options equal to or exceeding 1% of the issued capital of the company at the time of grant

Name of Employee	**Karan Neale Desai**	**Rohanjeet Singh Juneja**
Designation	Joint Managing Director	Joint Managing Director
No. of Options	2,36,511	6,00,000
Percentage (%)	1.75	4.44

CORPORATE GOVERNANCE REPORT

The Report for the financial year ended March 31, 2020 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) is given below.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to conducting its business in accordance with applicable laws, rules, and regulations . Your Company believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates, and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders. The Company aims at enhancing long term shareholder value through assisting the business heads in taking sound decisions. Further, it aims at achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements

Your Company follows the provision of Corporate Governance specified in the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

BOARD OF DIRECTORS

COMPOSITION AND CATEGORY OF THE BOARD

As on March 31, 2020, the Company's Board of Directors (**"Board"**) comprises of the following:

1. Mr. Rakesh Sethi - Non-Executive - Independent Director-Chairman
2. Mr. Ashish Sharad Dalal - Non-Executive - Non-Independent Director
3. Mrs. Manjari Ashok Kacker - Non-Executive - Independent Director
4. Mr. Nirmal Vinod Momaya - Non-Executive - Independent Director
5. Mr. K. P. Raghuvanshi - Non-Executive - Independent Director
6. Mr. Rajiv Kapoor - Non-Executive - Independent Director
7. Mr. Karan Neale Desai - Executive Director
8. Mr. Rohanjeet Singh Juneja - Executive Director

The composition of the Board is in conformity with Regulations 17 of Listing Regulations, which stipulates that the Board should have an optimum combination of executive and non - executive directors with at least one (1) woman director and not less than fifty per cent (50%) of the Board should consist of non - executive directors. It further stipulates that where the regular non-executive chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors.

The Board appointed:

(i) Mr. Rajiv Kapoor (DIN:08204049) as an Additional Director in the category of independent director of the Company with effect from February 03, 2020 for a period of five consecutive years up to February 02 , 2025 subject to approval of members at the ensuing AGM ; and

(ii) Mr. Rakesh Sethi (DIN: 02420709) as an Additional Director Non-Executive - Independent Director -Chairperson with effect from October 15, 2019 for a period of five consecutive years up to October 14, 2024 subject to approval of members at the ensuing AGM; and

(iii) *Mr. Surendra Kumar Behera (DIN: 07480667) as an Additional Director in the category of independent director of the Company with effect from May 22, 2019 for a period of five consecutive years up to May 21, 2024, subject to approval of members at the ensuing Twenty -fifth Annual General Meeting ("AGM").

*Mr. Surendra Kumar Behera (DIN: 07480667) resigned as Additional Director in the category of independent director with effect from December 17, 2019 in order to take up a larger assignment with the holding company of the Group .

The proposal on appointment of new Directors along with terms and conditions of their appointment is being included in the notice of the Twenty -Sixth AGM, seeking approval of Members for their appointment.

The Board met five (5) times during the year - on May 22, 2019, August 13, 2019, October 15, 2019, December 17, 2019 and February 03, 2020. The time gap between any two meetings was less than four months.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, number of other Directorships and Committee membership(s)/ Chairpersonship(s) of each Director are as under:

Name of Director	Category of Directors	No. of meetings held in FY20	No. of Board Meetings attended during the FY20	Whether attended last AGM	No. of Director-ships held in other public companies	No. of other Board Committee Member-ships	No. of Chairper son-ships of other Board Committees	Category of director-ship and Names of listed entities where person is a director.
*Mr. Nimir Kishore Mehta	Non-Executive Chairperson	5	1	No	NIL	NIL	NIL	NIL
#Mr. Rakesh Sethi	Non-Executive Chairperson	5	3	No	NIL	1	NIL	NIL
Mr. Surendra Kumar Behera	Independent Director	5	4	Yes	NIL	NIL	NIL	NIL
Mr. Ashish Sharad Dalal	Non-Executive Director	5	4	Yes	NIL	1	1	NIL
Mr. Nirmal Vinod Momaya	Independent Director	5	4	No	4	2	1	Camlin Fine Sciences Limited – Non-Executive Non Independent Director
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	5	5	Yes	NIL	1	NIL	NIL
Mrs. Manjari Ashok Kacker	Independent Director	5	5	No	3	2	1	Arshiya Limited – Non-Executive Director
Mr. Karan Neale Desai	Joint Managing Director	5	5	Yes	NIL	1	NIL	NIL
Mr. Rohanjeet Singh Juneja	Joint Managing Director	5	2	No	NIL	1	NIL	NIL

*Resigned as Non -Executive Director and Chairman with effect from October 15, 2019.
Appointed as Non - Executive Director and Chairman with effect from October 15, 2019

Notes:
1. None of the Directors of the Company were members in more than ten (10) committees nor acted as Chairperson of more than five (5) committees across all public limited companies in which they were Directors. For the purpose of reckoning the limit, Chairpersonship/ membership of the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.
2. None of the Directors held directorship in more than ten (10) public limited companies;
3. None of the Director is related to any Director or is a member of an extended family;
4. None of the employee of the Company is related to any of the Director;
5. None of the Director has any business relationship with the Company;
6. None of the Director has received any loans and advances from the Company during the year.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations the Board of Directors has identified the following requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

Sr No.	Name of the Director & Designation	Core skills / Expertise / Competencies
1.	*Mr. Nimir Kishore Mehta Non-Executive Chairperson	Mr. Nimir Kishore Mehta has diverse business experience across a range of sectors including retail and wholesale lending, real estate investments, agro commodities and investing in sustainable infrastructure projects.
2.	Mr. Ashish Sharad Dalal Non- Executive Director Non Independent Director	Mr. Dalal was the founder and Managing Partner of Dalal & Shah, Chartered Accountants which was widely regarded as one of the country's top accounting and auditing firms prior. Mr. Dalal's areas of expertise include corporate accounting, finance, audit, business evaluations, mergers, acquisitions, strategic alliances and other fields of corporate consultancy. He is on the Advisory Board of the Piramal Group Company – Indiareit Fund Advisors Pvt. Limited. Mr. Dalal holds a bachelor's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India since 1982.
3.	Mr. Nirmal Vinod Momaya Independent Director	Mr. Nirmal Vinod Momaya, possess over 27 years of professional experience in finance, taxation, audit and management consultancy. He holds a bachelor's degree in Commerce and is a Chartered Accountant.
4.	Mrs. Manjari Ashok Kacker Independent Director	Mrs. Manjari Kacker, was a Member of Indian Revenue Services batch of 1974 and retired as a Member of Central Board of Direct Taxes, in the rank of Special Secretary to the Government of India. Mrs. Kacker holds a master's degree in Chemistry and a diploma in Business Administration. She has over 40 years of experience in taxation, finance, administration, and vigilance. She was a Member of Indian Revenue Services batch of 1974 and retired as a Member of Central Board of Direct Taxes, in the rank of Special Secretary to the Government of India. She held various assignments during her tenure in the tax department and was also a member of the Central Board of Direct Taxes. She has also served as the Functional Director (Vigilance and Security) in Air India and has also represented India in international conferences. She is presently on the Boards of Reliance Infrastructure Limited, EGK Foods, Hindustan Gum & Chemicals, Arshiya Limited, Hindustan Gum and Chemicals Limited, Water Systems & Infrastructure Development Services Private Limited and Zaffiro Learning Private Limited.
5.	Mr. Krishipal Tarachand Raghuvanshi Independent Director	Mr. Raghuvanshi currently acts as a Strategic Security Advisor to the Reserve Bank of India and has previously served as Additional Director General of Police (Law & Order). A 1980 Batch IPS Officer with varied experience of over 35 years in leadership roles across Administration, Collection of Intelligence Investigations, Security Management (Valued Assets, General & VIP), Prevention & Detection of Crime, Vigilance, Anti-Corruption, Maintenance of Law & Order, Counter Terrorism measures and Anti Naxal Operations .
6.	**Mr. Surendra Kumar Behera Independent Director	Mr. Surendra Kumar Behera started his professional career as Banker in 1983 with Bank of India and retired as Dy. General Manager. During his career spanning 36 years in the Banking Industry, Mr. Behera held top and significant decision-making positions in Banks, Financial Institutions & NBFCs. He holds a bachelor's degree in

Agriculture and Diploma in Banking and Finance. In addition to this, he is a Certificated Associate of the Indian Institute of Bankers (CAIIB).

7.	Mr. Karan Neale Desai Joint Managing Director	Mr. Desai serves as the Joint Managing Director of Dhanvarsha Finvest Ltd. and brings significant financing and operational experience to the company. He has previously worked with reputed financial institutions including Bank of America, PwC and lastly as head of Corporate Finance at Centrum Capital Limited. He also served as the Chief Operating Officer of a PE fund backed healthcare services company prior to joining Dhanvarsha. Mr. Desai is a Master's degree holder in International Business & Management from Westminster Business School, London and a commerce graduate from Narsee Monjee College, Mumbai.
8.	Mr. Rohanjeet Singh Juneja Joint Managing Director	Mr. Juneja was appointed as an Additional Director on the Board of the Company on December 17, 2019. He is an investment banker and hedge fund manager with over 17 years of experience in research, strategy, portfolio management, financial analysis and mergers & acquisitions. He started his career in 2002 as Equity Research Associate with Keefe Bruyette & Woods and was elevated to the position of Assistant Vice President. He subsequently worked with FrontPoint Partners, L.P. as Financial Analyst and Vice President from 2007 to 2011 were he extensively worked on analysis, research and investment in financial services and real estate companies in India and USA. He was associated with Seawolf Capital LLC from 2011 to 2017 as Vice President, responsible for investing and managing a portfolio of listed equities within financial services companies in India, China and USA, he also worked on companies in similar sectors located in Australia, Brazil and Canada. From 2017 to 2019 he was with WGC Management Services Private Limited as Head of Research & Strategy, where he was part of the core group that led strategy for and affordable housing and education finance company that are now part of Blackstone Group and Warburg Pincus, respectively. The remuneration and other terms and conditions of the appointment of Mr. Juneja as the Joint Managing Director as set out in the resolution are subject to your approval.
9.	Mr. Rajiv Kapoor Independ ent Director	Mr. Rajiv Kapoor, former Regional Head and Senior Vice President Cross Border for Asia Pacific at Visa Inc. from 2013-2016. Mr. Kapoor has over 38 years of experience in Marketing, Sales, Consulting and Corporate Advisory. Mr. Kapoor is Post Graduate Diploma in Management from the Indian Institute of Management (IIM) – Calcutta and Bachelor of Technology in Chemical Engineering (B.Tech.) Indian Institute of Technology (IIT), New Delhi. Most recently, Mr. Kapoor spent 19 years at Visa Inc. as Regional Head and Senior Vice President Cross Border for Asia Pacific from 2013-2016. Prior to that he was Head of Marketing and Cross border for Asia Pacific, Central Europe Middle East Africa from 2010-2013 at Visa. Earlier, he was Executive Vice President and Regional Head at Visa Asia Pacific for Products, Marketing, Acceptance and Consulting Services. He was also associated with International Companies viz., Proctor and Gamble, Nestle, PepsiCo and Visa Inc. in multiple geographies including India, Switzerland, Australia, Singapore, United Kingdom, covering international geographies across Asia Pacific, Middle East, Eastern Europe, Russia and Africa. Mr. Kapoor is currently engaged as an Advisor and Consultant for Banks and start-ups in Fintech; Market Research & Data Analytics Companies and VR/AR Advisory for content creation.
10.	#Rakesh Sethi Chairperson and Independent Director	Mr. Rakesh Sethi age 62 years, former Chairman and Managing Director of Allahabad Bank and a veteran banker with over 38 years of experience in financial services.

Mr. Sethi is a Gold Medalist in Master of Commerce from the Osmania University, Hyderabad. He started his banking with Andhra Bank, where he rose to the position of General Manager, before being appointed by the Government of India as Executive Director with Punjab National Bank ("PNB") from January 1, 2011 to March 11, 2014. He was Chairman and Managing Director of Allahabad Bank from March 12, 2014 to April 30, 2017. During his career as a banker, he has worked in various positions and has acquired rich experience in banking. Besides handling varied assignments, including Corporate Banking, Foreign Exchange, Credit, Risk Management, Deposit Planning, Corporate Communications, Government Business.

Resigned as Non-Executive Director and Chairman with effect from October 15, 2019.
**Resigned as Non-Executive Director with effect from December 17, 2019
Appointed as Non-Executive Director and Chairman with effect from October 15, 2019

The brief profiles of Directors are also available on website of the Company website: **https://www.dfltd.in/board.html**

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfil the conditions as specified in the Listing Regulations and are independent of the management.

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board, Chairperson, and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board.

NO. OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS

None of the non-executive Directors hold any shares and convertible instruments of the Company.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all relevant information of the Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated in Regulation 17 (7) of the Listing Regulations. All information, except critical unpublished price sensitive information (which is circulated at a shorter notice than the period prescribed under Secretarial Standard on Meetings of the Board of Directors), is given to the Directors well in advance of the Board and the Committee meetings.

FAMILIARIZATION PROGRAMME

The Board has been apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis.

Weblink of familiarization programme is **https://www.dfltd.in/investor relations.html**

POLICY FOR PROHIBITION OF INSIDER TRADING

Vide notification No. EBI/LAD -NRO/GN/2018/59 Securities and Exchange Board of India ("SEBI") has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information vide approval from the directors through Circular resolution dated April 3, 2019 and has taken necessary initiative to implement the same. The Code also provides for pre-clearance of transactions by designated persons.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct.

COMMITTEES OF THE BOARD

The Board has constituted committees to delegate matters that require greater and more focussed attention in the affairs of the Company. These committees prepare the groundwork for decision - making and reports to the Board.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

The Board has constituted the following Committees:

A. Audit Committee
B. Asset Liability Management Committee*
C. Finance Committee
D. Nomination and Remuneration Committee
E. Risk Management Committee*
F. Stakeholders' Relationship Committee
G. Capital Raising Committee

* Dissolved by the Board, to be reconstituted once the portfolio of the Company reaches Rs.500 crore.

A. AUDIT COMMITTEE

The Audit Committee ("the Committee") currently comprises four (4) members including four (4) Independent Directors. The composition of the Committee is given in the Table A.

During the year, Mr. Surender Kumar Behera was appointed as member of the Audit Committee with effect from May 22, 2019 and ceased to be a Member of the Audit Committee with effect from December 17, 2019.

Mr. Rajiv Kapoor was appointed as member of the Audit Committee with effect from February 3, 2020.

The Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Committee also reviews performance of Statutory Auditors, internal auditors, adequacy of the internal control system and whistle -blower mechanism.

The powers of the Audit Committee include the following:

– to investigate any activity within its terms of reference;
– to seek information from any employee;
– to obtain outside legal or other professional advise; and
– to secure attendance of outsiders with relevant expertise, if it considers necessary.

Chairperson	The Chairperson of the Audit Committee shall be an Independent Director and who is elected by the members of the Audit Committee.
Composition	The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two Independent members present.

Terms of reference

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; - review and monitor the auditor's independence and performance, and effectiveness of audit process;
2. Examination of the financial statement and the auditors' report thereon;
3. Approval or any subsequent modification of transactions of the Company, if any, with related parties;
4. Scrutiny of inter-corporate loans and investments, if any;
5. Valuation of undertakings or assets of the company, wherever it is necessary;
6. Evaluation of internal financial controls and risk management systems;
7. Monitoring the end use of funds, if raised through public offers and related matters.
8. Ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks, if any, faced by the Company.
9. Approval or any subsequent modification of transactions of the listed entity with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. To discussion with internal auditors of any significant findings and follow up there on;
12. Review findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
13. Review functioning of Whistle- Blower Mechanism;
14. Perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

The Audit Committee shall meet in person. However, in case of extraordinary circumstances, the Committee may meet through video conferencing or other audio-visual means.

The minutes of the meetings of the Audit Committee shall be duly recorded and maintained properly.

The Audit Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

During the year under review, the Committee met five (5) times. These meetings were held - on May 22, 2019, August 13, 2019, October 15, 2019, December 17, 2019 and February 03, 2020. The time gap between any two meetings was less than four months. The details of the attendance of the members at the Committee meetings are given below:

Table A - Attendance record of the Audit Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mr. Nirmal Vinod Momaya	Independent Director	Chairperson	5	4
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	Member	5	5
Mrs. Manjari Ashok Kacker	Independent Director	Member	5	5
Mr. Surendra Kumar Behera*	Independent Director	Member	5	2
Mr. Rajiv Prem Kapoor**	Independent Director	Member	5	1

*upto December 17, 2019 **w.e.f February 03, 2020

The Board of Directors reconstituted the committee on May 2, 2019 on appointed of Mr. Surendra Kumar Behera and again on February 03, 2020 on appointment of Mr. Rajiv Kapoor.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC Committee") comprised four (4) members including two (2) Independent Directors. The composition of the Committee is given in the Table B.

During the year, Mr.Nimir Mehta ceased to be a member of the NRC Committee with effect from October 15, 2019. The Committee was reconstituted upon appointment of Mr. Rakesh Sethi as member of the NRC Committee with effect from October 15, 2019.

The NRC Committee's charter is as follows:

The Board has set up the Nomination and Remuneration Committee with all Non- Executive Directors to ensure that the general character of the management or the proposed management of the non - banking financial company shall not be prejudicial to the interest of its present and future stakeholders and to ensure 'fit and proper' credentials/ status of proposed/ existing Directors of the Company.

The Committee also discharges the Board's responsibilities relating to the compensation of the Company's Executive Directors and senior management. The Committee has the overall responsibility of evaluating and approving the compensation plans, policies and programs for Executive Directors and senior management of the Company.The Committee shall have the same powers, functions and duties as laid down in Section 178 of the Act.

Chairperson	The Board shall appoint a Chairperson of NRC Committee. The Chairperson of the Company shall not be appointed as the Chairperson of NRC Committee.
Composition	The NRC Committee shall consist of three or more Non - Executive Directors out of which not less than one - half shall be Independent Directors.
Company Secretary	The Company Secretary shall act as the Secretary to the NRC Committee.
Meetings and Quorum	The NRC Committee shall meet as and when required. The quorum shall be at least two Directors.
Terms of reference	1. To formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employee;

2. To identify the persons who are qua lified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
3. To ensure 'fit and proper' status and credentials of proposed/existing directors;
4. To formulate criteria for evaluation of performance of independent directors and the board of directors;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

The NRC Committee shall meet in person. However, in case of extraordinary circumstances, the Committee may meet through video conferencing or other audio - visual means.

The minutes of the meetings of the NRC Committee shall be duly recorded and maintained properly

The NRC Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

During the year under review, the NRC Committee met four (4) times. These meetings were held on May 22, 2019, October 15, 2019, December 17, 2019 and February 03, 2020. The details of the attendance of the Directors at the NRC Committee meetings are given below:

Table B - Attendance record of the NRC Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mrs, Manjari Ashok Kacker	Independent Director	Chairperson	4	4
Mr. Nirmal Vinod Momaya	Independent Director	Member	4	3
Mr. Ashish Sharad Dalal	Non-Executive Director	Member	4	4
Mr. Nimir Kishore Mehta*	Non-Executive Director	Member	4	0
Mr. Rakesh Sethi**	Independent Director	Member	4	3

*upto October 15, 2019 ** w.e.f. October 15, 2019

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria for performance evaluation of Independent Directors provide certain parameters like commitment to the commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualificatio ns & liabilities as an independent director, up -to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., which is in compliance with applicable laws, regulations and guidelines.

REMUNERATION TO DIRECTORS:

I. Joint Managing Director(s)

Following is the Remuneration details of the Managing Director for the financial year ended March 31, 2020 :

Nature of Transaction	Year ended March 31, 2020 Amount (Rs. Lakhs)	Year ended March 31, 2019 Amount (Rs. Lakhs)
Remuneration to key management personnel*		
Mr. Karan Neale Desai	67.27	47.99
Mr. Narendra Kumar Tater	36.49	39.24
Mr. Vijay Mohan Reddy	24.28	25.29
Mr. Dhairya Kumar Thakkar	-	1.04
Mr. Rohanjeet Singh Juneja	17.89	-

The Joint Managing Director (s) are also entitled to Company's contribution to provident fund, superannuation, gratuity and encashment of leave at the end of tenure as per the rules of the Company & variable pay / incentive upto 50% of Salary p.a. based on the performance of the Company.

II. Non-Executive Directors / Independent Directors

The Company pays sitting fees to Non-Executive Directors / Independent Directors for attending the meetings of the Board / Committees of the Board and reimbursement of conveyance for attending such meetings.

Additionally, we pay commission to Non-Executive Directors / Independent Directors subject to profitability. Details of remuneration (including sitting fees and commission) of the Non - Executive Directors / Independent Directors during FY20 are given below:

Name	Category	Commission	Sitting Fee	Total
Mr. Ashish Sharad Dalal	Non-Executive Director	-	Rs.7,00,000	Rs. 7,00,000
Mr. Nimir Kishore Mehta	Non-Executive Director	-	Rs.1,00,000	Rs. 1,00,000
Mrs. Manjari Ashok Kacker	Independent Director	-	Rs.9,25,000	Rs. 9,25,000
Mr. Nirmal Vinod Momaya	Independent Director	-	Rs.7,00,000	Rs. 7,00,000
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	-	Rs.8,25,000	Rs. 8,25,000
Mr. Rajiv Kapoor	Independent Director	-	Rs. 1,00,000	Rs. 1,00,000
Mr. Rakesh Sethi	Independent Director	-	Rs, 4,25,000	Rs, 4,25,000
Mr. Surendra Kumar Behera	Independent Director	-	Rs. 5,00,000	Rs. 5,00,000

C. Finance Committee

The Finance Committee comprises six (6) members including four (4) Independent Directors, Managing Director & CEO and Chief Financial Officer.

The Finance Committee has been constituted by the Board on May 22, 2019 to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company. Following are the members of the Finance Committee. The Board subsequently on December 17, 2019 appointed Mr. Rohanjeet Singh Juneja as member of the Committee in place of Mr. Surendra Kumar Behera.

1. Mr. Karan Neale Desai, Joint Managing Director;
2. Mr. Nirmal Vinod Momaya, Independent Director;

3. Mr. K. P. Raghuvanshi, Independent Director;
4. Mrs. Manjari Kacker, Independent Director;
5. *Mr. Surendra K. Behera, Independent Director;
6. $Mr. Narendra Tater, Chief Financial Officer.
7. **Mr. Rohanjeet Singh Juneja, Joint Managing Director

*Resigned as Non-Executive Director w.e.f December 17, 2019
**Appointed as member of the Committee w.e.f December 17, 2019
$Resigned with effect from July 31st 2020
The Finance Committee charter is as follows:

Chairperson	The Members of the Committee may elect one of them to chair and conduct the meeting.
Composition	The Committee shall consist of members as may be determined by the Board.
Secretary	The Company Secretary shall act as the Secretary to the Committee.
Meetings and Quorum	The meeting(s) of the Committee shall be convened to review and approve the facilities / transactions, as and when the need arises. Minimum of 3 members including at least one (1) Independent Director, shall form quorum.
Terms of reference	1. Review and approve the loan facilities (on -balance sheet and/ or off-balance sheet) and borrowings within the limits specified; 2. Review the facilities beyond their limits and thereafter propose to the Board; 3. Nominate and designate representative(s) to carry out the required documentation for the facilities approved by the Committee; 4. Review and approve placement of the Company's funds as per Investment Policy approved by the Board, from time to time; 5. Review the annual budget and revisions made to the Business Plan, and make specific recommendations to the Board on its adoption, including where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of the proposed funding levels as also adequacy of provision for reserves; 6. Review the funding mix from time to time to ensure mitigation of risk concentration in terms of specific lender or lender class; 7. Review of cash flows in comparison to the liquidity metric; 8. Review authorities to open, operate and close bank accounts; 9. Review authorities to open, operate and close escrow accounts with banks; 10. Review authorities to open, operate and close special accounts with banks; 11. Review authorities to open, operate and close safe custody accounts with banks; 12. Review authorities to open, operate and close time deposit accounts with banks; 13. Review authorities to open, operate and close depository accounts with registered intermediary / depository participants of National Securities Depository Limited or Central Depository Services (India) Limited; 14. Review and approve execution / signing of indemnities and such other documents as may be necessary in favour of banks; 15. Acquire / lease vehicles required for use of staff in the operations of the Company; 16. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

The Finance Committee shall meet in person.

The minutes of the meetings of the Finance Committee shall be duly recorded and maintained properly.

The Finance Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

During the year under review, the Finance Committee met once (1) on March 23, 2020 and the details of the attendance are given below:

Table C - Attendance record of the Finance Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mr. Rakesh Sethi	Independent Director	Chairperson	1	1
Mrs. Manjari Ashok Kacker	Independent Director	Member	1	1
Mr. Nirmal Vinod Momaya	Independent Director	Member	1	0
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	Member	1	1
Mr. Rajiv Kapoor	Independent Director	Member	1	1
Mr. Karan Desai	Executive Director	Member	1	1
Mr. Rohan Juneja	Executive Director	Member	1	1
Mr. Narendra Tater	Chief Financial Officer	Member	1	1

D. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC Committee') currently comprises Four (4) members including two (2) Independent Directors. The composition of the Committee is given in the Table C.

During the year Mr. Rajiv Kapoor was appointed as the member of the Committee w.e.f February 03, 2020.

The functions and powers of the SRC Committee include review and resolution of grievances of shareholders, debenture holders and other security holders; dealing with all aspects relating to the issue and allotment of shares, debentures and other securities; approve sub-division, consolidation, transfer and issue of duplicate share and debentures.

The SRC Committee charter is as follows:

Chairperson	The Board shall appoint a Chairperson of the Committee.
Composition	The Committee shall consist of members as may be determined by the Board.
Secretary	The Company Secretary shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall meet as and when required in consonance with the frequency of investor grievances received. The quorum shall be at least two Members.
Terms of reference	1. To consider, review and redress grievances of shareholders, debenture-holders and other security holders of the Company; 2. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends; 3. To deal with all aspects relating to the issue and allotment of shares and debentures and/ or other securities of the Company; 4. To consider and approve sub-division, consolidation, transfer and issue of duplicate share and debenture certificates; 5. Authority to take a decision in any other matter in relation to the above functions/ powers; 6. To delegate any of the powers mentioned above to the Executives of the Company; and 7. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

The SRC Committee shall meet in person. However, in case of extraordinary circumstances, the SRC Committee may meet through video conferencing or other audio-visual means.

The minutes of the meetings of the SRC Committee shall be duly recorded and maintained properly.

The SRC Committee may invite non-members and such other persons as it may deem appropriate to be present at its meetings.

During the year under review, the SRC Committee met once (1) on May 22, 2019 and the details of the attendance are given below:

Table C - Attendance record of the SRC Committee

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mr. Ashish Sharad Dalal	Independent Director	Chairperson	1	1
Mr. Krishipal Tarachand Raghuvanshi	Independent Director	Member	1	1
Mr. Karan Neale Desai	Joint Managing Director	Member	1	1

MANAGEMENT

Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGM).

FY	Category	Location of the meeting	Date	Time	No. of Resolutions
2018-19	AGM	Comfort Inn Sunset, Airport Circle, Hansol, Ahmedabad – 382475 Gujarat	18.09.2019	10.00 a.m.	4 Ordinary and 5 Special resolutions
2017-18	AGM	The Fern An Ecotel Hotel, Thaltej, Ahmedabad	28.09.2018	11.00 a.m.	9 Ordinary and 10 Special Business
2016-17	AGM	Registered Office, Ahmedabad	28.08.2017	10.00 a.m.	2 Ordinary and 5 Special Business
2015-16	AGM	Registered Office, Ahmedabad	30.09.2016	10.00 a.m.	2 Ordinary Business

The Board of Directors of the Company at its Meeting held on February 27, 2019 accorded approval to the proposal to conduct Postal Ballot pursuant to applicable laws and regulations, to is seek consent / approval of the shareholders for the following proposals to be transacted through Postal Ballot, which include voting by electronic means:

a. Shifting of the Registered Office of the Company from the State of Gujarat to the State of Maharashtra and consequent amendment to the Memorandum of Association of the Company;
b. Keeping registers, returns, etc. at a place other than Registered Office of the Company.

Accordingly, the Company had on March 8, 2019 completed the dispatch of the Postal Ballot Notice and Explanatory Statement thereto dated February 27, 2019 (the “Notice”), along with Postal Ballot Form.

Ms. Manish Maheshwari, Practicing Company Secretary was appointed as Scrutinizer, who carried out scrutiny of all the Postal Ballot forms and votes cast under remote e-Voting facility received up to 5.00 p.m. (IST) on Monday, April 8, 2019 and prepared a consolidated Scrutinizer’s Report containing the combined results of e-Voting and the Postal Ballot forms on the basis of data received by her.

No. of shareholders voted either through e-voting or through postal ballot	31
Promoters and Promoter Group	1
Public	30

DISCLOSURES

Materially significant related party transactions

No materially significant related party transactions that may have potential conflict with the interests of the Company at large were reported during FY19. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed in the notes to the financial statements in the Annual Report.

Weblink of policy on related party transactions is https://www.dfltd.in/pdf/new-pdf/policy-related-party-transactions.pdf

COMPLIANCE WITH REGULATIONS

The Company has complied with the requirements of Listing Regulations with the Stock Exchange as well as the regulations and guidelines of SEBI. No penalties/ strictures were imposed on the Company by stock exchanges or the SEBI or any statutory authority on any matter related to capital market during the last three years.

FEES PAID STATUTORY AUDITOR

Following is the total fees for all services paid by the Company to the Statutory Auditor:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit of Company	5,50,000	3,00,000
Limited Review	3,50,000	2,00,000
Taxation matters	1,00,000	50,000
In other capacity	60,000	50,000
Reimbursement of expenses	-	14,538
Total	**10,60,000**	**6,14,538**

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - Nil
b. number of complaints disposed of during the financial year – Not applicable
c. number of complaints pending as on end of the financial year - Not applicable

WHISTLE BLOWER MECHANISM

The Company has adopted the Whistle-Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees who avail of such a mechanism.

CEO / CFO CERTIFICATION

Joint Managing Directors and Chief Financial Officer of the Company have furnished the requisite Compliance Certificates to the Board of Directors under Regulation 17 of the Listing Regulations.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the mandatory corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. As required under the Listing Regulations, Certificate on compliance with Corporate Governance is enclosed as Annexure to this report.

MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the Listing Regulations and also have adopted some of the non-mandatory requirements of the Listing Regulations viz. Non-executive Chairperson to the Board, reporting of internal auditor to the Audit Committee and separate posts for Chairperson and Managing Director(s).

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 on prevention of insider trading, the Company has adopted a revised Code of Conduct for prevention of Insider Trading to regulate, monitor and report trading; and preserve confidentiality of unpublished price sensitive information to prevent misuse of such information by its employees and other connected persons. The Code of Conduct lays down guidelines which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

MEANS OF COMMUNICATION WITH SHAREHOLDERS

All important information relating to the Company, including financial results and shareholding pattern are posted on the website: https://www.dfltd.in/investor-relations.html. The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers like The Financial Express (English) and Gujrat Today (Gujrati) and Mumbai Lakshadeep (Marathi).

Note: The Members vide Special Resolution dated April 8, 2019 passed through postal ballot, approved the shifting of the Registered Office from Gujarat to Maharashtra, by amendment to the Situation Clause of the Memorandum of Association of your Company.

The Registrar of Companies, Mumbai issued a Certificate of Registration of Regional Director order for Change of State with new Corporate Identification Number L24231MH1994PLC334457

General Shareholder Information

i. **ANNUAL GENERAL MEETING**

Date & Time: September 21, 2020 Time: 10.00 a.m.

ii. **FINANCIAL CALENDAR**

Financial year: April 1 to March 31

For the year ended March 31, 2020, results were announced on:

- August 13, 2019: First quarter
- October 15, 2019: Half yearly
- February 03, 2020: Third quarter
- June 15, 2020: Fourth quarter and annual.

iii. **DATES OF DIVIDEND PAYMENT**

Dividend payment will be made on or after September 21, 2020 subject to Members approval.

iv. **LISTING ON STOCK EXCHANGES AND STOCK CODES**

At present, the equity shares of the Company are listed on BSE Limited. The annual listing fees for FY19 to BSE Limited has been paid.

Name of the Stock Exchange	Stock Code
BSE Limited, Mumbai	540268

v. **MARKET PRICE DATA AND PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES**

High, lows and volumes of the Company's shares for FY20 at BSE Limited

	High	Low	Volume
Apr 2019	75.00	48.15	3,08,849
May 2019	67.95	60.05	3,01,256
Jun 2019	70.00	46.50	7,32,185
July 2019	65.40	51.00	7,93,463
Aug 2019	64.00	45.50	6,29,965
Sep 2019	73.70	49.05	8,26,111
Oct 2019	83.90	57.00	1,62,398
Nov 2019	80.00	56.30	5,78,571
Dec 2019	100.00	64.10	3,38,334
Jan 2020	88.10	75.00	25,86,989
Feb 2020	80.70	75.15	19,14,780
Mar 2020	80.00	58.00	6,47,935

Note: High - low are in rupees per traded share and volumes is the total monthly volume of trade in number of shares

vi. **DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020**

High, lows and volumes of the Company's shares for FY20 at BSE Limited

No. of Equity Share Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	394	65.7763	45534	0.3371
501 – 1000	38	6.3439	27176	0.2012
1001 – 2000	66	11.0184	105767	0.783
2001 – 3000	1	0.1669	3000	0.0222
3001 – 4000	4	0.6678	14050	0.104
4001 – 5000	8	1.3356	39559	0.2929
5001 – 10000	10	1.6694	73594	0.5448
10000 and above	78	13.0217	13199076	97.7148
Total	599	100	13507756	100

vii. **OUTSTANDING GDRS/ ADRS/ WARRANTS/ OPTIONS**

As of date, the Company has not issued GDRs/ADRs.

The Members of the Company at the TwentyA-fourth Annual General Meeting held on September 28, 2018 had passed a Special Resolution for issue of up to 1,16,00,000 Warrants (Convertible into equivalent number of Equity Shares) not exceeding an amount of up to Rs.75 crore (Rupees Seventy-five crore only) to Wilson Holdings Private Limited ("WHPL") (formerly known as "Truvalue Agro Ventures Private Limited"), Promoters of the Company on preferential basis, at an Issue Price of Rs.64.50 per Warrant (including Rs.54.50 towards share premium), which has been arrived at in accordance with the Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board, at its Meeting held on November 5, 2018 had allotted 7,75,200 (Seven Lakh Seventy-five Thousand Two Hundred) Warrants (convertible into equivalent number of Equity Shares) to WHPL, consequent to receipt of "In-principle Approval" for the issue of aforesaid Warrants from BSE Limited vide on October 29, 2018 vide letter no. DCS/PREF/JR/PRE/3270/2018-19 and subscription amount equivalent to 25% of the Issue Price (Issue Price being Rs.64.50 per warrant) from WHPL. Fully paid-up equity shares of the face value of Re.10/- each of the Company will be allotted on receipt of balance 75% Issue Price on each Warrant within eighteen months from November 5, 2018 i.e., on or before May 4, 2020.

The Company had received Warrant Exercise Notice from WHPL along with the balance subscript amount of Rs. 37500300.00 being 75% of the total consideration was received in "Dhanvarsha Finvest Ltd Application Money Account".

The Board of Directors at their meeting held on April 03, 2020 allotted 7,75,200 equity shares of face value of Rs.10/- each (the "Equity Shares") at a premium of Rs. 54.50/- per share on conversion of 7,75,200 Convertible Warrants (the "Warrants"), against receipt of full payment of application monies in the share application account, aggregating to Rs.5,00,00,400/- (Rupees Five Crores Four Hundred only).

viii. **REGISTRAR AND SHARE TRANSFER AGENTS**

Accurate Securities and Registry Private Limited was the Registrar and Transfer Agent ("RTA") for physical shares upto January 11, 2019. Thereafter MCS Share Transfer Agent Limited was appointed as the RTA w.e.f. January 12, 2019. MCS Share Transfer Agent Limited is also the depository interface of the Company with both National Securities Depository Limited and Central Depository Services (India) Limited.

Contact details of RTA for share transfers and other communications relating to share certificates, dividends and change of address, etc.:

MCS Share Transfer Agent Limited

209-A, C Wing, 2nd Floor, Gokul Industrial Estate, Sagbaug, Marol Co-op Industrial Area,

B/H Times Square, Andheri (East), Mumbai – 400059 (MH).

Email: subodh@mcsregistrars.com

Phone: 022-28516020/23

iX. SHARE TRANSFER SYSTEM

The Company's Equity Shares are held in dematerialised form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN No. INE615R01011. As at March 31, 2020, over 97.04% shares of the Company were held in dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be sent at the office of MCS Share Transfer Agent Limited, RTA of the Company.

Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

Details of Share Transfer during the Financial Year 2019-20			
Transfer period (in Days)	No. of Transfers	No. of Shares	Cumulative Total %
0	0	0	0

As on March 31, 2020, no transfer of share was pending.

During the year, there were no major legal proceedings relating to transfer of shares.

x. SHIFTING OF REGISTERED OFFICE

The Members vide Special Resolution dated April 8, 2019 passed through postal ballot, approved the shifting of the Registered Office from Gujarat to Maharashtra, by amendment to the Situation Clause of the Memorandum of Association of your Company.

The Registrar of Companies, Mumbai issued a Certificate of Registration of Regional Director order for Change of State with new Corporate Identification Number L24231MH1994PLC334457.

xi. BRANCH OFFICES

As on March 31, 2019, the Company has 2 branches in the state of Maharashtra and in Pune.

xii. SUBSIDIARY COMPANY

During the year under review, the Company is having one Wholly Owned Subsidiary i.e. DFL Technologies Private Limited that is an unlisted Indian Private Company.

In order to comply with the provisions of Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Manjari Ashok Kacker who is an Independent Director in Dhanvarsha Finvest Limited is appointed on the Board of the subsidiary company with effect from May 13, 2020.

xiii. ADDRESS FOR CORRESPONDENCE

Shareholders/ Investors may write to the Company Secretary at the following address:

Mr. Fredrick M. Pinto

Company Secretary and Compliance Officer

Dhanvarsha Finvest Limited

Registered Office Address:

2nd Floor, Bldg. No.4, DJ House,

Old Nagardas Road, Andheri (East)

Mumbai – 400069.

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	-Rohanjeet Singh Juneja	**Karan Neale Desai**
Mumbai	**Joint Managing Director**	**Joint Managing Director**
August 22, 2020	**(DIN:08342094)**	**(DIN:05285546)**

CEO/CFO CERTIFICATION

To,
The Board of Directors of Dhanvarsha Finvest Limited

We Karan Neale Desai, Joint Managing Director and Rohanjeet Singh Juneja, Joint Managing Director and Narendra Tater, Chief Financial Officer of Dhanvarsha Finvest Limited ("the Company") certify that-

A. We have reviewed the Annual financial statements and the cash flow statements (Standalone and Consolidated) for the year ended March 31, 2020 and that to the best of our knowledge and belief;
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
   1. significant changes, if any, in internal controls over financial reporting during the year;
   2. significant changes, if any, in accounting policies during the year, and that the same have been disclosed in the notes to the financial statements;
   3. instances of significant fraud of which we are aware and the in volvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-	**Sd/-**	**Sd/-**
Karan Neale Desai	**Rohanjeet Singh Juneja**	**Narendra Kumar Tater**
Joint Managing Director	**Joint Managing Director**	**Chief Financial Officer**

Mumbai
June 15, 2020

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Dhanvarsha Finvest Limited

We have examined the compliance of conditions of Corporate Governance by Dhanvarsha Finvest Limited ("the Company") for the year ended on 31st March, 2020, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations.

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

For Bhandari & Associates
Company Secretaries

Sd/
Manisha Maheshwari
Partner
ACS No: 30224; C P No. : 11031
Mumbai|August 22, 2020
UDIN: A030224B000723070

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
DHANVARSHA FINVEST LIMITED
2nd Floor, Bldg. No. 4, DJ House,
Old Nagardas Road,
Andheri (East),
Mumbai- 400069

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dhanvarsha Finvest Limited having CIN: L24231MH1994PLC3344 57 and having registered office at 2nd Floor, Bldg. No. 4, DJ House, Old Nagardas Road, Andheri (East), Mumbai -400069 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para- C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1	Mr. Ashish Sharad Dalal	00024632	10/08/2018
2	Mr. Nirmal Vinod Momaya	01641934	10/08/2018
3	Mr. Rakesh Sethi	02420709	15/10/2019
4	Mr. Karan Neale Desai	05285546	03/06/2017
5	Ms. Manjari Ashok Kacker	06945359	28/09/2018
6	Mr. Krishipal Tarachand Raghuvanshi	07529826	24/08/2018
7	Mr. Rajiv Kapoor	08204049	03/02/2020
8	Mr. Rohanjeet Singh Juneja	08342094	17/12/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries

Sd/-
Manisha Maheshwari
Partner
ACS No: 30224; C P No. : 11031
Mumbai| August 22,2020
UDIN: A030224B000723070

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhanvarsha Finvest Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Dhanvarsha Finvest Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	**Transition to Ind AS accounting framework *(as described in note 54 of the standalone Ind AS financial statements)*** The Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Company had prepared and presented its standalone financial statements in accordance with Accounting Standards prescribed under the section 133 of the Act (Indian GAAP). Accordingly, for transition to Ind AS, the Company has prepared its standalone financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 1, 2018 under Ind AS. The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting. In view of the significant degree of management judgment involved in implementation of the Ind AS framework and significance of the various disclosures, the transition to Ind AS accounting framework has been identified as an area of key focus in our audit of the standalone Ind AS financial statements**.**	Our audit procedures included but were not limited to the following: Assessed the Company's process to identify the impact of adoption and transition to Ind AS; Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of standalone Ind AS financial statements, Reviewed the mandatory and optional exemptions and exceptions allowed by Ind AS and availed by the Company in applying the first-time adoption principles of Ind AS 101; Evaluated and tested the key assumptions and judgments adopted by management in line with principles under Ind AS; Assessed the disclosures made as required by the relevant Ind AS; and
2	**Loan Assets and Impairment Loss Allowance of Loans and Advances** ***(Refer Notes 7 and 49 to the standalone Ind AS financial statements)***	With respect to assessment of impairment loss allowance and audit of loan assets, we performed particularly the following procedures: We tested the reliability of key data inputs and related management

	The Company's portfolio of advances to customers amounts to Rs 3,723.81 lakhs as at March 31, 2020. Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the loan portfolio which constitutes a significant value on the Balance sheet and there is a high degree of complexity and judgment involved in estimating credit impairment, loss allowance against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and impairment loss allowance. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	controls; We checked the stage classification as at the balance sheet date as per the definition of Default of the Company; We have also recalculated the ECL provision manually for selected samples; We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided in accordance with RBI COVID-19 Regulatory Package; We have broadly reviewed the underlying assumptions and estimates used by the management for the impairment loss allowance under Ind AS 109 considering the COVID-19 pandemic but the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and For new Loan Assets disbursed during the year, we tested on sample basis, whether the credit appraisals, credit sanctioning and credit disbursements are as per Company's policy

Emphasis of Matter – Assessment of COVID 19 Impact

We draw attention to Note 40 to the standalone Ind AS financial statements, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Directors' Report and Corporate Governance Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2018 and March 31, 2019 dated May 30, 2018 and May 22, 2019 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

(2) As required by section 143(3) of the Act, we report that:

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

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

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

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 on Contingent Liabilities to the standalone Ind AS financial statements;

(ii) The Company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN: 20118970AAAACV9129

Place: Mumbai

Date: June 15, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Dhanvarsha Finvest Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

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

(i)

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

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

(c) The Company does not hold any immovable property. Accordingly, clause 3 (i) (c) of the Order is not applicable to the Company.

(ii) The Company is a Non-Banking Finance Company ("NBFC") and hence, does not have any inventory. Accordingly, clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act. Further, the provisions of section 186 [except for sub-section (1)] of the Act are not applicable to the Company as it is engaged in the business of financing of loans and advances.

(v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, goods and services tax (GST) and any other material statutory dues applicable to it. At present, the provisions of employees' state insurance and customs duty are not applicable to the Company. During the year 2017-2018, sales tax, value added tax and service tax subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, income tax, GST and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, which have not been deposited on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount Rs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	52,78,966 *	AY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	83,29,116	AY 2018-19	Assessing Officer

Net of Rs.13,19,742 paid under protest

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to the bank. The Company has not taken any loans or borrowings from any financial institution or government nor has it issued any debentures.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) of equity shares during the year. In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is engaged in the principal business of granting loans and advances however income from financial assets is lower than 50% as required under criteria of principal business defined in terms of asset-income criteria to be as an NBFC due to the lack of credit availability as disclosed in Note 38 to the standalone Ind AS financial statements. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 20118970AAAACV9129

Place: Mumbai
Date: June 15, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of Dhanvarsha Finvest Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Dhanvarsha Finvest Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN: 20118970AAAACV9129

Place: Mumbai
Date: June 15, 2020

Dhanvarsha Finvest Limited
Standalone Balance sheet as at March 31, 2020

(Rs in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Assets				
Financials Assets				
(a) Cash and cash equivalents	4	169.52	362.04	250.58
(b) Bank balances other than cash and cash equivalents	5	177.94	17.55	-
(c) Receivables	6			
(i) Trade Receivables		117.64	0.65	38.39
(ii) Other Receivables		-	-	-
(d) Loans	7	3,285.52	4,516.47	4,630.02
(e) Investments	8	133.41	-	257.91
(f) Other Financials Assets	9	339.89	1.54	0.08
Non Financials Assets				
(a) Current Tax Assets (Net)	10	41.67	37.71	-
(b) Deferred Tax Assets (Net)	11	188.24	222.90	131.16
(c) Investment Property	12	-	-	56.25
(d) Property,Plant and Equipment	13	188.53	29.65	8.09
(e) Capital Work in Progress		25.84	-	-
(f) Intangible assets under development		11.51	65.07	34.36
(g) Other Intangible assets	14	142.87	46.97	3.49
(h) Other non-financials assets	15	27.24	22.32	7.59
(i) Non-current assets held for sale	16	-	55.33	-
Total Assets		**4,849.82**	**5,378.20**	**5,417.92**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Payables	17			
I) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises				
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8.12	6.10	-
II) Other payables		26.65	17.27	24.71
- Total outstanding dues of micro enterprises and small enterprises				
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Borrowings (Other than Debt Securities)				
(c) Other financial liabilities		-	-	-
	18	1,560.75	2,541.32	4,015.04
Non-Financial Liabilities	19	36.26	48.19	32.96
(a) Current tax liabilities(Net)				
(b) Provisions				
(c) Deferred tax liabilities (Net)	10	33.29	-	72.06
(d) Other non-financial liabilities	20	24.84	12.97	7.00
	11	-	-	-
	21	40.79	87.61	18.22
Total Liabilities		**1,730.70**	**2,713.46**	**4,169.99**
EQUITY				
(a) Equity Share capital	22	1,350.78	1,350.00	775.78
(b) Other Equity	23	1,768.34	1,314.74	472.15
Total Equity		**3,119.12**	**2,664.74**	**1,247.93**
Total Liabilities and Equity		**4,849.82**	**5,378.20**	**5,417.92**
Significant accounting policies and notes to the standalone Financial Statements	1 to 56			

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Purshottam Nyati
Partner
Membership No. 118970

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Mumbai
Date : June 15, 2020

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited

Standalone Statement of profit and loss for the year ended March 31, 2020

(Rs in Lakhs)

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	**Revenue from operations**			
(i)	Interest Income	24	612.80	928.37
(ii)	Fees and commission income	25	1,260.10	861.38
(iii)	Net gain on fair value changes	26	8.16	96.69
(iv)	Others	27	28.98	16.80
	Total Revenue from operations		**1,910.04**	**1,903.24**
II.	Other Income	28	19.48	26.08
III.	**Total Income(I+II)**		**1,929.52**	**1,929.32**
IV.	**Expenses**			
(i)	Finance costs	29	168.59	517.67
(ii)	Fees and commission expense	30	0.79	0.96
(iii)	Impairment on financial instruments	31	33.67	290.22
(iv)	Employee Benefits Expenses	32	701.84	516.44
(v)	Depreciation, amortization and impairment	33	48.65	16.60
(vi)	Others expenses	34	417.92	344.72
	Total Expenses(IV)		**1,371.46**	**1,686.61**
V.	**Profit / (loss) before exceptional items and tax (III-IV)**		**558.06**	**242.71**
	Exceptional Items			
VI.	**Profit/(loss) before tax (III-IV)**		**558.06**	**242.71**
VII.	**Tax expense:**	35		
	Current tax		165.20	106.63
	Deferred tax		(17.03)	(77.35)
	Total Tax Expense		**148.17**	**29.28**
VIII.	**Profit/(loss) for the period (VI-VII)**		**409.89**	**213.43**
IX.	Other Comprehensive Income			
A.	**Items that will not be reclassified to profit or loss**			
i)	Remeasurement gain / (loss) on defined benefit plan		(1.66)	3.48
	Income tax impact	35	0.46	(0.97)
	Total (A)		(1.20)	2.51
B.	**Items that will reclassified to profit or loss**			
	Other comprehensive income/(loss) (A+B)		(1.20)	2.51
X.	**Total comprehensive income(VIII+IX)**		**408.69**	**215.94**
XI.	**Earnings per equity share**	36		
	Basic (INR.)		3.04	1.77
	Diluted (INR)		2.86	1.70
	Significant accounting policies and notes to the standalone Financial Statements	1 to 56		

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Purshottam Nyati
Partner
Membership No. 118970

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
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M Vijaymohan Reddy
Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Mumbai
Date : June 15, 2020

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited
Standalone Statement of cash flows for the year ended March 31, 2020

(Rs in Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit Before Taxes	**558.06**	**242.71**
	Adjustment for:		
	Interest Income from Fixed Deposits	(10.50)	(0.01)
	Profit on sale of Investment property	(4.67)	-
	Depreciation / Amortisation	48.65	16.60
	Impairment on financial instruments	33.67	290.22
	Realised gain on investments	(7.11)	(96.69)
	Unrealised gain on investments	(1.05)	-
	Fee Income Recognition per EIR	7.08	(70.86)
	Employee share based payment expenses	82.30	37.86
	Unrealised foreign exchange gain/loss	(0.04)	0.02
	Operating (loss)/ profit before working capital changes	**706.40**	**419.85**
	Movement in working capital		
	(Increase)/decrease in Loans	1,190.19	(105.81)
	(Increase)/Decrease in other financial assets	(343.10)	(1.45)
	(Increase)/Decrease in other assets	-	(14.73)
	(Increase)/Decrease in Trade Receivable	(117.10)	37.74
	Increase/(Decrease) in Other payables	11.46	(1.36)
	Increase/(Decrease) in Other Financial liabilities	(58.75)	84.59
	Increase/(Decrease) in provisions	11.87	9.44
	Cash generated from operations	**1,400.97**	**428.27**
	Income taxes paid	(83.72)	(231.75)
	Net cash from/(utilised in) operating activities	**1,317.25**	**196.52**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, plant and equipment and Intangible Assets	(160.15)	(112.81)
	Proceeds from sale of Property, plant and equipment and Intangible Assets	-	1.37
	Purchase of investment at fair value through profit and loss account	(1,995.00)	(2,245.40)
	Proceeds from sale of investment at fair value through profit and loss account	1,874.74	2,600.00
	Investment in subsidiary	(5.00)	-
	Proceeds from sale of investment at amortised cost	60.00	-
	Investment in Fixed Deposit having original maturity more than three years	(160.39)	-
	Interest Income from Fixed Deposits	10.50	0.01
	Net cash from/(utilised in) investing activities	**(375.32)**	**243.17**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Issue of Shares or Other Equity	2.34	1,325.79
	Proceeds from / (repayment of) borrowings	(1,093.66)	(1,473.72)
	Payment of Lease Liability	(2.43)	-
	Dividends paid including DDT	(40.69)	(180.30)
	Net Cash from financing activities	**(1,134.45)**	**(328.23)**
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(192.52)**	**111.46**
	Cash and cash equivalents at the beginning of the financial year	362.04	250.58
	Cash and cash equivalents at end of the year	**169.52**	**362.04**

Reconciliation of cash and cash equivalents as per the cash flow statement
Cash and cash equivalents as per above comprise of the following

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balances with banks in Current accounts	168.16	361.25
Cash on hand (including foreign currencies)	1.36	0.79
Bank deposits with maturity of less than 3 months	-	-
Total	**169.52**	**362.04**

The above standalone statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, refer note 46
Significant accounting policies and notes to the standalone financial statements 1 to 56

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited
Standalone Statement of changes in equity as at March 31, 2020

A. Equity share capital

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance at the beginning of the year	**1,350.00**	**775.78**	**775.78**
Changes in Equity Share capital during the year	0.78	574.22	-
Balance at the end of the year	**1,350.78**	**1,350.00**	**775.78**

B. Other Equity

(Rs in Lakhs)

Particulars	Reserve and Surplus				Money received against share warrants	Total
	Securities Premium	Employee stock option outstanding	Retained Earnings	Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934		
Balance at April 1, 2018	-	-	**365.03**	**107.12**	-	**472.15**
Profit for the year	-	-	213.43	-	-	213.43
Additions for the year	631.64	-	-	-	125.00	756.64
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(88.52)	88.52	-	-
Share based payment expense		37.86	-	-	-	37.86
Share Issue Expenses	(5.08)	-	-	-	-	(5.08)
Remeasurement of defined benefit plans (net of tax)	-	-	2.51	-	-	2.51
Total comprehensiveincome	626.56	37.86	492.45	195.64	125.00	1,477.49
Cash dividends	-	-	(135.00)	-	-	(135.00)
Dividend distribution tax	-	-	(27.75)	-	-	(27.75)
At March 31, 2019	**626.56**	**37.86**	**329.70**	**195.64**	**125.00**	**1,314.74**
Profit for the year						-
Additions for the year	1.56	-	409.89	-	-	411.45
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(81.74)	81.74	-	-
Share based payment expense	-	84.03	-	-	-	84.03
Utlisation of securities premium	1.73	(1.73)	-	-	-	-
Remeasurement of defined benefit plans (net of tax)	-	-	(1.20)	-	-	(1.20)
Total comprehensiveincome	629.85	120.16	656.64	277.38	125.00	1,809.03
						-
Cash dividends	-	-	(33.75)	-	-	(33.75)
Dividend distribution tax	-	-	(6.94)	-	-	(6.94)
At March 31, 2020	**629.85**	**120.16**	**615.96**	**277.38**	**125.00**	**1,768.34**

Significant accounting policies and notes to the Financial Statements 1 to 56

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
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Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Notes to Standalone Financial Statements for the year ended March 31, 2020

1. Nature of operations

Dhanvarsha Finvest Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged primarily in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business, Personal Loans and and in providing ancillary services related to the said business activities. The Company is Non-Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 11th March, 1998 and its shares are listed on the BSE Limited.

2. Basis of preparation

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The Company has adopted Ind AS from April 1, 2019 with effective transition date of April 1, 2018 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the lnd AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018 and the comparative previous year has been restated / reclassified. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the balance sheet, statement of profit and loss and cash flow statement are provided in Note 54.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements, including the preparation of the opening Ind AS balance sheet as at April 1, 2018 being the 'date of transition to Ind AS'.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NonBanking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on June 15, 2020.

B. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

Notes to Standalone Financial Statements for the year ended March 31, 2020

C. Basis of Measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

Financial instruments – measured at fair value
Employees Stock Option plan as per fair value of the option
Employee's Defined Benefit Plan as per actuarial valuation.

D. Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

i. Business model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support and supported by independent assessment by professionals.

iii. Recognition and Measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 41.

iv. Recognition of deferred tax assets:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

v. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

vi. 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. Refer Note 48 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

vii. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

E. Standards issued but not effective:

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Transition date:
The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Depreciation on plant, property and equipment

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Notes to Standalone Financial Statements for the year ended March 31, 2020

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3
Networks and Servers	6
Furniture and fixtures	10
Office equipment	5

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company’s intangible assets is as below:

Particulars	Useful life (years)
Computer software	5

Transition Date:
On the date of transition to Ind AS, the Company has elected to continue with the net carrying value of intangible assets recognised as at April 01, 2018 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

C. Impairment of property, plant and equipment and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

D. Revenue recognition

i. Interest Income

Interest income for all financial instruments except for those measured or designated as at FVTPL are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

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

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Processing Fee and Application Fee:

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

iii. Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges :

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

iv. Dividends:

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

v. Fees & Commission Income:

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model.

vi. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of profit and loss.
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

E. Investments in subsidiaries, associates and joint ventures

The investments in subsidiaries, are carried in these financial statements at historical ‘cost’. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

F. Leases

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.

As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

G.Financial Instruments

i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets at Amortised Cost:

The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

iii. Financial assets at Fair value through Other Comprehensive Income (FVOCI):

The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iv. Financial Instruments at Fair Value through Profit and Loss Account (FVTPL)

Items at fair value through profit or loss comprise:

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

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or

- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

v. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

vi. Derecognition of financial assets and financial liabilities

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification :

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

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

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

vii. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

viii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

H. Impairment of Financial Assets:

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

Based on the above, the company categorises its loans in to Stage 1, Stage 2 and Stage 3 as under:
Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

Stage 3: When a loan is credit impaired, the Company records an allowance for the life time expected credit loss.

Calculation of Expected Credit Losses (ECL)

The Company calculates ECL to measure the expected cash shortfall, discounted at the Effective Interest Rate (EIR). Expected cash shortfall is the difference between the cash flows that are contractually due to the Company and cash flows that the Company expects to receive.

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults experience in the past have been taken into account.

Exposure at Default (EAD): 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 repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

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

ECL is calculated as under:

Stage 1: The Company calculates the 12 months' ECL based on the expectation of a default occurring within 12 months from the reporting date. The expected 12-month PD is applied to the EAD and multiplied by the expected LGD and discounted at the EIR.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for life time expected credit loss as above, but the PD and LGD is estimated over the lifetime of the loan.

Stage 3: For loans considered credit impaired, life time ECL is recognised. The method is similar to that for Stage 2 loans / assets, with the PD set at 100%.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

I. Determination of Fair Value

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

J. Retirement and other employee benefits

Defined Contribution schemes

The employees of the Company who have opted, are entitled to receive benefits under the Provident Fund Scheme and Employee Pension Scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined benefit plans

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The calculation of defined benefit obligations 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss. Net interest expense / (income) on the defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and 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 or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Long Term Employee Benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

K. Share based payments

Employees Stock Options Plans ("ESOPs") - Equity settled

The Company grants share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in statement profit and loss, together with a corresponding increase in other equity, representing contribution received from the shareholders, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

L. Income taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary timing differences. Deferred tax assets are recognized for deductible temporary timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum Alternate Tax

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

M. Finance Costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

N. Foreign currency transactions and balances

i. **Initial recognition:**

Foreign currency transactions are recorded in the reporting currency (which is Indian Rupees), by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. **Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. **Exchange differences:**

All exchange differences arising on settlement or translation of monetary items are recognized as income or as expenses in the period in which they arise.

O. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

P. Segmental Reporting

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

The Joint Managing Directors of the Company assesses the financial performance and position of the Company and make strategic decisions and hence has been identified as being chief operating decision maker.

Q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

R. Contingent liabilities and Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

S. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to Standalone Financial Statements for the year ended March 31, 2020

T. Good and Service Tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The Company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the statement of profit and loss as per applicable provisions.

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

4 Cash and cash equivalents

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand	0.08	0.04	2.12
Foreign currency on hand	1.28	0.75	0.45
Balance with Bank (of the nature of cash and cash equivalents)	1.78	361.25	143.52
Cheques on hand *	166.38	-	104.49
Total	**169.52**	**362.04**	**250.58**
* These have been subsequently cleared			

5 Bank balances other than cash and cash equivalents

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unclaimed dividend accounts	18.55	17.55	-
Bank deposit with original maturity for more than three months	159.39	-	-
Total	**177.94**	**17.55**	**-**
Note: Fixed deposit earns interest at a fixed interest rate.			

6 Receivables

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Trade Receivable			
Considered good - secured	-	-	-
Considered good - unsecured- From related parties (Refer Note 47)	0.12	-	-
Considered good - unsecured	117.52	0.65	38.39
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit impaired	-	-	-
Total	**117.64**	**0.65**	**38.39**
Less: Allowances for impairment losses	-	-	-
Total (Refer Note 49)	**117.64**	**0.65**	**38.39**
(ii) Other Receivables			
Considered good - secured	-	-	-
Considered good - unsecured	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit impaired	-	-	-
Total	-	-	-
Less: Allowances for impairment losses	-	-	-
Total	**-**	**-**	**-**

6.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private Companies respectively in which any director is a partner,a director or a member.

7 **Loans and Advances**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Amortised Cost			
Term Loans			
Secured Loans	2,889.60	3,838.48	4,423.78
Unsecured Loans	834.21	1,095.01	481.63
Total Gross (A) (Refer Note 7.2 and 49)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance (Refer Note 7.2 and 49)	(438.29)	(417.02)	(275.39)
Total Net (A)	**3,285.52**	**4,516.47**	**4,630.02**
(i) Secured by tangible assets	2,889.59	3,838.48	4,423.78
(ii)Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-
(iv) Unsecured	834.22	1,095.01	481.63
Total Gross (B)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance	(438.29)	(417.02)	(275.39)
Total Net (B)	**3,285.52**	**4,516.47**	**4,630.02**
Loans in India			
(i) Public Sector	-	0	0
(ii) Others	3,723.81	4,933.49	4,905.41
Loans outside India	-	-	-
Total Gross (C)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance	(438.29)	(417.02)	(275.39)
Total Net (C)	**3,285.52**	**4,516.47**	**4,630.02**

7.1 The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

	Stage 1	Stage 2	Stage 3
	Low Credit Risk	Significant ncrease in credit risk	Credit Impaired
	0-30 DPD	30-90 DPD	More than 90 DPD
March 31, 2020			
Secured Loan	2,222.04	465.04	201.88
Unsecured Loan	773.82	35.94	25.09
Total	**2,995.86**	**500.98**	**226.97**
March 31, 2019			
Secured Loan	3,466.95	77.32	294.22
Unsecured Loan	1,095.00	-	-
Total	**4,561.95**	**77.32**	**294.22**
April 1, 2018			
Secured Loan	4,423.79	-	-
Unsecured Loan	444.36	-	37.26
Total	**4,868.15**	**-**	**37.26**

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model -

	Stage 1	Stage 2	Stage 3
	Low Credit Risk	Significant ncrease in credit risk	Credit Impaired
	0-30 DPD	30-90 DPD	More than 90 DPD
ECL Allowance -			
March 31, 2020			
Secured Loan	106.40	148.39	101.29
Unsecured Loan	59.80	2.97	19.44
Total	**166.20**	**151.36**	**120.73**
March 31, 2019			
Secured Loan	165.99	25.97	145.04
Unsecured Loan	80.03	-	-
Total	**246.02**	**25.97**	**145.04**
April 1, 2018			
Secured Loan	214.92	-	-
Unsecured Loan	32.53	-	27.95
Total	**247.45**	**-**	**27.95**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

8. Investments **(Rs in Lakhs)**

Particulars	31-Mar-20						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	128.41	-	128.41	-	128.41
(ii) Subsidiaries (Refer Note 8.1)	-	-	-	-	-	5.00	5.00
(iii) Equity Instruments	-	-	-	-	-	-	-
Total Gross (A)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	128.41	-	128.41	5.00	133.41
Total (B)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**128.41**	**-**	**128.41**	**5.00**	**133.41**

8.1 In compliance with Ind AS 27 " Separate Financial Statements" the required information is as under:

Name of entity	Principal place of business/ country of origin	Subsidiary/ Associate/ Joint Venture	Percentage of ownership Interest as on		
			March 31, 2020	March 31, 2019	April 01, 2018
			%	%	%
DFL Technologies Private Limited	India	Subsidiary	100	NA	NA

(Rs in Lakhs)

Particulars	31-Mar-19						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	-	-	-	-	-
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Particulars	31-Mar-18						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	-	-	-	-	-
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	257.91	-	257.91	-	257.91
Total Gross (A)	**-**	**-**	**257.91**	**-**	**257.91**	**-**	**257.91**
(i) Investment outside India	-	-		-		-	-
(ii) Investment in India	-	-	257.91	-	257.91	-	257.91
Total (B)	**-**	**-**	**257.91**	**-**	**257.91**	**-**	**257.91**
Less: Impairment allowance (C')							
Total Net (A-C)	**-**	**-**	**257.91**	**-**	**257.91**	**-**	**257.91**

9 Other Financials Assets

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposits	5.68	1.53	0.03
Other loans and advances	-	0.01	0.05
Accrued Income	334.21	-	-
Total	**339.89**	**1.54**	**0.08**

10 Tax Assets/(Liabilities)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Tax assets			
Advance income tax(Net of provisions of Rs. 223.49 lakhs (March 31, 2019 Rs.96.25 lakhs (March 31, 2018 : NIL))	41.67	37.71	-
Tax Liabilities			
Provision for current tax(Net of advance tax of Rs. 87.22 lakhs (March 31, 2019 NIL (March 31, 2018 : Rs. 33.82 lakhs))	(33.29)	-	72.06
Total	**8.38**	**37.71**	**72.06**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

11 Deferred tax assets/(liabilities) (net)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax asset on account of:			
Timing difference between tax depreciation and depreciation charged in the books	-	-	0.52
Expected Credit Loss on Loans and advances	116.02	116.02	76.61
Emplyoee Stock Option	33.43	10.53	
Gratuity	2.02	1.56	1.14
Leave Encashment	4.89	2.05	0.80
Loan upfront fees recognition as per EIR model	1.44	2.87	4.60
Fair Value of deposits	0.01	-	-
Deferred tax liability on account of:			
Fair Valuation of Investment	(0.17)	-	(28.91)
Interest Recognition on Credit impaired assets	0.42	(1.25)	-
Timing difference between tax depreciation and depreciation charged in the books	(8.19)	(0.63)	-
Loan upfomt fees recognition as per EIR model	(1.22)	-	-
MAT Entitlement Credit	39.59	91.75	76.4
Net deferred tax assets	**188.24**	**222.90**	**131.16**

11.1 Note (a): Summary of deferred tax assets/(liabilities)

(Rs in Lakhs)

Particulars	As at April 1, 2018	(Charged) / Credited to P & L	(Charged) / Credited to OCI	As at March 31, 2019	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Utilised	As at March 31, 2020
Timing difference between tax depreciation and depreciation charged in the books	0.52	(1.15)	-	(0.63)	(7.57)	-	-	(8.19)
Expected Credit Loss on Loans and advances	76.61	39.40	-	116.02	0.00	-	-	116.02
Gratuity	1.14	1.38	(0.97)	1.56	0.00	0.46	-	2.02
Leave Encashment	0.80	1.25	-	2.05	2.84	-	-	4.89
Loan upfomt fees recognition as per EIR model	4.60	(1.72)	-	2.87	(1.44)	-	-	1.44
Loan processing fees recognition as per EIR model	-	-	-	-	(1.22)	-	-	(1.22)
Fair Value of deposits	-	-	-	-	0.01	-	-	0.01
Interest Recognition on Credit impaired assets	-	(1.25)	-	(1.25)	1.68	-	-	0.42
Fair Valuation of Investment	(28.91)	28.91	-	-	(0.17)	-	-	(0.17)
Emplyoee Stock Option	-	10.53	-	10.53	22.90	-	-	33.43
MAT Entitlement Credit	76.4	15.35	-	91.75	-	-	(52.15)	39.59
			-					
Net Net deferred tax assets/(liability)	**131.16**	**92.70**	**(0.97)**	**222.90**	**17.03**	**0.46**	**(52.15)**	**188.24**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

12 Investment Property

(Rs in Lakhs)

Particulars	Investment Property
For the year ended March 31, 2020	
Gross Carrying Amount	
Cost as at April 1, 2019	-
Additions	-
Disposals - Classified as held for sale	-
Gross carrying value as of March 31, 2020	**-**
Accumulated Depreciation	
Accumulated Depreciation as at April 1, 2019	-
Depreciation charge during the year	-
Disposals-Classified as held for sale	-
Accumulated depreciation as of March 31, 2020	**-**
Net carrying value as of March 31, 2020	-
For the year ended March 31, 2019	
Gross Carrying Amount	
Deemed cost as at April 1, 2018	**56.25**
Additions	-
Disposals	(56.25)
Gross carrying value as of March 31, 2019	**-**
Accumulated Depreciation	
Depreciation charge during the year	0.92
Disposals	(0.92)
Accumulated depreciation as of March 31, 2019	**-**
Net carrying value as of March 31, 2019	**-**

12.1 Amount recognised in profit and loss account

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i).Rental Income	-	-
ii).Direct operating expenses (including R& M)from property that generated rental income	-	-
iii).Direct operating expense (including R& M)from property other than above	-	-
iv.) Depreciation	-	0.92
v.) Profit/(Loss) frominvestment property	-	(0.92)

12.2 Contractual obligations

There are no contractual obligation inrelation to investment property

12.3 Fair value of investment properties

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Building	-	-	60.00

12.4 Estimation of Fair value

In view of the recent sale of investment property and similar assets, the management is of the opinion that the fair value of the investment property can be considered as Level 3 valuation based on market value as per sale deed.

12.5 Deemed Cost

On transition to Ind AS, the Company has elected to continue with the carrying value of its Investment Property recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the Investment Property.

(Rs in Lakhs)

Particulars	Software	Total
Gross Block	58.17	58.17
Accumulated Depreciation	1.92	1.92
Net Block	**56.25**	**56.25**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

13 Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Right to Use	Total
For the year ended March 31, 2020							
Gross Carrying Amount							
Cost as at April 1, 2019	29.37	0.17	3.97	1.08	7.62	-	42.22
Additions	16.52	-	13.99	2.80	23.40	115.53	172.25
Disposals	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	**45.89**	**0.17**	**17.96**	**3.88**	**31.02**	**115.53**	**214.46**
Accumulated Depreciation							
Accumulated Depreciation as at April 1, 2019	4.40	-	0.48	0.06	7.63	-	12.57
Depreciation charge during the year	9.09	-	1.22	0.20	0.43	2.43	13.37
Disposals	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2020	13.49	-	1.70	0.26	8.06	2.43	25.94
Net carrying value as of March 31, 2020	**32.41**	**0.17**	**16.26**	**3.62**	**22.97**	**113.10**	**188.53**
For the year ended March 31, 2019							
Gross Carrying Amount							
Deemed cost as at April 1, 2018	**5.50**	**0.17**	**1.12**	**0.36**	**0.94**	-	**8.09**
Additions	25.08	-	3.01	0.72	6.68	-	35.50
Disposals	(1.21)	-	(0.16)	-	-	-	(1.37)
Gross carrying value as of March 31, 2019	**29.37**	**0.17**	**3.97**	**1.08**	**7.62**	-	**42.22**
Accumulated Depreciation							
Depreciation charge during the year	4.40	-	0.48	0.06	7.63	-	12.57
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2019	**4.40**	**-**	**0.48**	**0.06**	**7.63**	**-**	**12.57**
Net carrying value as of March 31, 2019	**24.97**	**0.17**	**3.49**	**1.02**	**-0.01**	**-**	**29.65**

16R x 1C

Deemed Cost

On transition to Ind AS, the group has elected to continue with the carrying value of its Property, plant and equipment recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the Property,plant and equipment

(Rs in Lakhs)

Particulars	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Gross Block	6.28	3.45	1.21	0.38	3.70	15.02
Accumulated Depreciation	0.78	3.28	0.09	0.02	2.76	6.93
Net Block	**5.50**	**0.17**	**1.12**	**0.36**	**0.94**	**8.09**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

14 Other Intangible assets

(Rs in Lakhs)

Particulars	Computer software	Total
For the year ended March 31, 2020		
Gross Carrying Amount		
Cost as at April 1, 2019	50.08	50.08
Additions	131.18	-
Disposals	-	-
Gross carrying value as of March 31, 2020	**181.26**	**50.08**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2019	3.11	3.11
Depreciation charge during the year	35.28	-
Disposals	-	-
Impairment loss	-	-
Accumulated depreciation as of March 31, 2020	**38.39**	**3.11**
Net carrying value as of March 31, 2020	**142.87**	**46.97**
For the year ended March 31, 2019		
Gross Carrying Amount		
Deemed cost as at April 1, 2018	**3.49**	**3.49**
Additions	46.59	46.59
Disposals	-	-
Gross carrying value as of March 31, 2019	**50.08**	**50.08**
Accumulated Depreciation		
Depreciation charge during the year	3.11	3.11
Disposals	-	-
Accumulated depreciation as of March 31, 2019	**3.11**	**3.11**
Net carrying value as of March 31, 2019	**46.97**	**46.97**

Deemed Cost

On transition to Ind AS, the group has elected to continue with the carrying value of its intangible assets recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the intangible assets

(Rs in Lakhs)

Particulars	Software	Total
Gross Block	3.83	3.83
Accumulated Depreciation	0.34	0.34
Net Block	**3.49**	**3.49**

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

15 Other non-financials assets

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Prepaid expense	25.91	12.10	6.51
Advance to vendors	1.33	0.25	1.08
Balances with statutory/government authorities	-	9.97	-
Total	**27.24**	**22.32**	**7.59**

16 Non-current assets held for sale

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investment Property	-	55.33	
Total	**-**	**55.33**	**-**

16.1 As at March 31, 2019 ,the entity has identified assets to be disposed off its investment property. The entity is in the process of discussion with various potential buyers and expects the same to be disposed off within next 12 months.

17 Payables

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	8.12	6.10	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	26.65	17.27	24.71
Total	**34.77**	**23.37**	**24.71**
Other Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total	**-**	**-**	**-**

17.1 Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company, which has been relied upon by the auditors. The outstanding balance on account of principal and interest as on remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is Rs. March 31 2020 : Rs. 8.12 lakhs (March 31 , 2019 : 6.10 lakhs ; April 1 , 2018: Rs. NIL). The Company has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.

18 Borrowings (Other than Debt Securities)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Secured			
Term Loan from Banks (Refer Note 18.1 and 18.2)	390.79	-	-
Unsecured			
Loans repayable on demand from other parties	1,056.86	2,541.32	4,015.04
Financial Lease Liability	113.10	-	-
Total (A)	**1,560.75**	**2,541.32**	**4,015.04**
Borrowings India	1,560.75	2,541.32	4,015.04
Borrowings outside India	-	-	-
Total (B)	**1,560.75**	**2,541.32**	**4,015.04**

18.1 **Maturity profile of Term loans from banks**

Term loans from Bank are repayable in 60 Equated monthly installments commencing from March, 2020 upto February, 2025. This loan carries an interest of 12.50% per annum.(Retail Prime Lending Non- Housing Rate + 260 bps rate)

18.2 **Details about the nature of the security**

i) First and exclusive charge by way of deed of hypothecation on specific book debts/receivables to be received from existing and prospective customer funded out of the term loans.

ii) Corporate Guarantee from Wilson Holding Private Limited (Formerly known as Truvalue Agro Ventures Private Limited)

iii) All hypothecated receivables have Tobe standard loans. Any receivables that is more than 90 days ,will needs to be replaced by standard receivables , so as to ensure that entire 1.1x security comprises of standard loans

iv) Irrevocable power of attorney in favor of HDFC to create mortgage/hypothecation charge in favour of HDFC over specific assets and to collect book debts directly from Company in event of default by the Company.

18.3 The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

19 Other financial liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unpaid dividends	18.55	17.55	-
Employee liabilities	4.41	13.34	6.75
Creditors for Capital Expenditure	13.30	14.15	24.00
Other Financial Liabilities	-	3.15	2.21
Total	**36.26**	**48.19**	**32.96**

20 Provisions

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gratuity (Refer Note 41)	7.25	5.60	4.11
Leave Encashment (Refer Note 41)	17.59	7.37	2.89
Total	**24.84**	**12.97**	**7.00**

21 Other non-financial liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Revenue received in advance	3.70	3.30	0.42
Advance from Customers and Others	0.07	18.32	3.30
Creditors for Statutory dues	37.02	35.99	13.78
Unearned Income	-	-	0.72
Advance for sale of investment property	-	30.00	-
Total	**40.79**	**87.61**	**18.22**

22 Equity Share capital

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a. Authorised Share Capital			
5,00,00,000 (March 31, 2019: 5,00,00,000 and April 1, 2018:1,00,00,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00	1,000.00
Total	**5,000.00**	**5,000.00**	**1,000.00**
b. Issued, Subscribed and Paid-up:			
1,35,07,756 (March 31, 2019: 1,35,00,000 and April 1, 2018:77,57,800) Equity Shares of Rs. 10 each	1,350.78	1,350.00	775.78
Total	**1,350.78**	**1,350.00**	**775.78**

c. Reconciliation of number of equity shares: (Rs in Lakhs)

Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	**1,35,00,000**	**1,350.00**	**77,57,800**	**775.78**	**77,57,800**	**775.78**
Issued during the year	7,756	0.78	57,42,200	574.22	-	-
Balance as at the end of the year	**1,35,07,756**	**1,350.78**	**1,35,00,000**	**1,350.00**	**77,57,800**	**775.78**

d. Details of shareholders holding more than 5% shares in the Company (Rs in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01 ,2018	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Dahiben Dwarkadas Patel	-	0.00%	4,02,000	2.98%	4,94,000	6.37%
Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	76,82,200	56.87%	70,32,200	52.09%	-	0.00%
Total	**76,82,200**	56.87%	**4,02,000**	55.07%	**4,94,000**	**6.37%**

e. Shares of the Company held by the Holding Company

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	76,82,200	70,32,200	-
Total	**76,82,200.00**	**70,32,200**	**-**

Subsequent to approval from Board of Directors and Shareholders of Dhanvarsha Finvest Limited on July 27, 2017, BSE Limited accorded in-principle approval on October 13, 2017 and Reserve Bank of India has accorded approval for the change in shareholding and management on June 18, 2018, a preferential issue of 57,42,200 Equity Shares has been made to Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') on June 29, 2018.

f.Shares reseved for issues under options (Rs in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity shares of Rs. 10 each reserved for issue under employee stock option scheme	18,38,562.00	183.86	11,17,710.00	111.77

g. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be proportional to the number of equity shares held by the shareholders.

h. The Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2020.

i. Refer note 44- Capital for the Company's objectives, policies and processes for managing capital

23 Other Equity

(Rs in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium	(i)	629.85	626.56	-
Retained Earnings	(ii)	602.34	329.70	365.03
Employee stock option outstanding reserve	(iii)	120.16	37.86	-
Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(iv)	273.97	195.64	107.12
Money received against share warrants	(v)	125.00	125.00	-
Total		**1,751.32**	**1,314.74**	**472.15**

(i) **Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,2013.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**626.56**	**-**
Add: premium received on issue of shares	1.56	631.64
Add: Utilisation on account of exercise option	1.73	-
Share Issue Expenses	-	(5.08)
Balance at the end of the year	**629.85**	**626.56**

(ii) **Retained Earnings**

Retained Earnings are the profits of the Company earned till date net of appropriations.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**329.70**	**365.03**
Profit for the year	392.86	213.43
Remeasurement of defined benefit plans (net of tax)	(1.20)	2.51
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(78.33)	(88.52)
Dividends	(33.75)	(135.00)
Dividend distribution tax	(6.94)	(27.75)
Balance at the end of the year	**602.34**	**329.70**

(iii) **Employee stock option outstanding reserves**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**37.86**	**-**
Add:Share based payment expense	84.03	37.86
Less:Transfer to securities premium on account of exercise of Options	(1.73)	-
Balance at the end of the year	**120.16**	**37.86**

(iv) **Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934**

The Company maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	195.64	107.12
Movement During the year	78.33	88.52
Balance at the end of the year	**273.97**	**195.64**

(V) **Money received against share warrants**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	125.00	-
Movement During the year	-	125.00
Balance at the end of the year	**125.00**	**125.00**

24 Interest Income

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Borrowings (at amortised cost)	602.30	928.36
Other interest Income (at amortised cost)	10.50	0.01
Total	**612.80**	**928.37**

25 Fees and commission Income

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from Loan Services	31.40	94.28
Income from Other Services	1,228.70	767.10
Total	**1,260.10**	**861.38**

Revenue from contracts with customers
Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Type of Services		
Fee and commission income	1,260.10	861.38
Total revenue from contract with customers	**1,260.10**	**861.38**
Geographical markets		
India	1,260.10	861.38
Outside India	-	-
Total revenue from contract with customers	**1,260.10**	**861.38**
Timing of revenue recognition		
Services transferred at a point in time	1,253.02	790.52
Services transferred over time	7.08	70.86
Total revenue from contracts with customers	**1,260.10**	**861.38**

Contract balance

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Receivables	117.64	0.65	38.39

26 Net gain on fair value changes

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
Investment in Mutual funds	8.16	-
Investment in equity instruments	-	96.69
Total Net gain	**8.16**	**96.69**
Fair Value changes:		
Realised	7.11	96.69
Unrealised	1.05	-
Total Net gain	**8.16**	**96.69**

27 Other

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Penal Interest	25.49	13.46
Bouncing Charges	1.95	-
Other Charges	1.54	3.34
Total	**28.98**	**16.80**

28 Other Income

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Income	1.77	7.30
Net gain/(loss) on derecognition of property, plant and equipment and investment property	4.67	0.00
Gain on Foreign Currency Transactions	0.04	-
Recovery from written off accounts	13.00	-
Miscellaneous Income	-	18.78
Total	**19.48**	**26.08**

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Notes to Standalone Financial Statements for the year ended March 31, 2020

29 Finance costs

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Loans	163.61	507.92
Interest on Lease Liabilities	2.17	-
Interest on taxes	2.81	9.75
Total	**168.59**	**517.67**

30 Fees and commission expense

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission	0.79	0.96
Total	**0.79**	**0.96**

31 Impairment on financial instruments

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loans	21.27	141.63
Bad Debts	12.40	148.59
Total	**33.67**	**290.22**

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

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Debt instruments measured at Amorised Cost (Loans)	(79.82)	125.40	(24.31)	21.27
Total impairment loss	**(79.82)**	**125.40**	**(24.31)**	**21.27**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Debt instruments measured at Amorised Cost (Loans)	(1.43)	25.97	117.09	141.63
Total impairment loss	**(1.43)**	**25.97**	**117.09**	**141.63**

32 Employee Benefits Expenses

(Rs in Lakhs)

Salaries and wages	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	576.85	453.84
Gratuity Expenses (Refer Note 41)	5.60	4.96
Contribution to provident and other funds	25.59	13.86
Share Based Payments to employees	84.03	37.86
Staff welfare expenses	9.77	5.92
Total	**701.84**	**516.44**

33 Depreciation, amortization and impairment

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (Refer Note 13)	13.37	12.57
Depreciation of Investment Properties (Refer Note 12)	-	0.92
Amortization of intangible assets (Refer Note 14)	35.28	3.11
Total	**48.65**	**16.60**

34 Others expenses

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and Professional Fee	147.71	107.85
Power and Fuel	6.65	4.91
Rent , Rates and Taxes	68.54	97.74
Director's Sitting Fee	40.05	35.65
Brokerage and Service Charge	2.68	0.43
Repairs	4.36	0.86
Travelling and Conveyance	26.78	19.90
Insurance	13.29	7.27
Loss on Foreign Currency Transactions	-	0.02
Printing and Stationery	4.13	3.38
GST Expenses	32.10	24.28
Auditor fees and expenses (Refer Note 34.1)	10.60	6.15
Annual Maintenance Charges	15.26	16.44
Other expenditure	45.77	19.84
Total	**417.92**	**344.72**

34.1 Auditor fees and expenses

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit	5.50	3.00
Limited Review	3.50	2.00
Taxation matters	1.00	0.50
In other capacity	0.60	0.50
Reimbursement of expenses	-	0.15
Total	**10.60**	**6.15**

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35 Income tax expense

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current tax on profits for the period	172.52	121.98
Adjustments for current tax of prior periods	(7.32)	-
Mat credit entitlement (Refer Note11)	-	(15.35)
Total Current Tax	**165.20**	**106.63**
Deferred tax expense (income)		
Decrease in deferred tax assets (Refer Note11)	(17.03)	(77.35)
Total deferred tax expense/(benefit)	**(17.03)**	**(77.35)**
Total tax expense	**148.17**	**29.28**

35.1 Reconciliation of effective tax rate:

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) before income tax expense	558.06	242.71
Enacted income tax rate in India applicable to the Company 27.82% (2018-2019 – 27.82%)	155.25	67.52
Tax effect of:		
Permanent Disallowances	-	(11.12)
Deferred tax assets not created on OCI	(0.46)	0.97
Long term capital gain on sale of property	(1.30)	-
Difference in tax rates for short term capital gains	(0.81)	(28.49)
Others	2.80	0.39
Tax in respect of earlier period	(7.32)	-
Total tax expense	**148.17**	**29.28**
Effective tax rate	26.55	12.06

35.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

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36 **Earnings per share**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders of the Company (A) (INR in Crores)	392.86	213.43
Weighted Average number of shares issued for Basic EPS (B)	1,35,01,208	1,20,84,115
Adjustment for calculation of Diluted EPS on account of ESOP (c)	8,41,431	4,60,966
Weighted Average number of shares issued for Diluted EPS (D= B+C)	1,43,42,638	1,25,45,081
Basic EPS in Rs.	2.91	1.77
Diluted EPS in Rs.	2.74	1.70

During the previous year, the Company has allotted 7,75,200 Warrants of face value of Rs.10/- each at a price of Rs.64.50 per Warrant (including Rs.54.50 towards share premium), to M/s. Wilson Holdings Private Limited, against receipt of 25% of the Warrant subscription amount. The remaining 75% of the Warrant subscription amount can be paid within a period of eighteen (18) months from the date of allotment of Warrants. These warrants are not counted in Weighted average number of Equity Shares used for calculation of diluted Earning per Share, as they are anti-diluitive.

37 **Contingent liabilities & commitments**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Claims against the Company not aknowledged as debts			
Income Tax matters under dispute	65.99	65.99	-
Commitments			
a) Capital commitments	18.97	65.95	27.30
(Estimated amount of contracts remaining to be executed on capital account and not provided for)			
Total Commitments	**18.97**	**65.95**	**27.30**

38 The Reserve Bank of India has issued Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and various other circulars, where-in criteria of principal business was defined in terms of asset-income criteria to be as an NBFC. During the year, the Company has financial assets which is more than 50% of its total assets and income from financial asset is lower than 50%. There reason for interest income being less than required threshold is mainly due to the lack of credit availability in the NBFC space since the NBFC Credit crisis in September 2018 due to which the Company developed streams of income from sell down and syndication which contributed to fee income. While non-interest income increased significantly in this time frame, the Company also emphasized on reducing the ticket size of loans and increasing borrowing count significantly which is evident in the number of borrowers that has almost doubled from 225 in March 2019 to 403 in March 2020. With sanctioning of debt lines from Jan 2020 coupled with the recent infusion of equity capital from the promoter group in April 2020, the Company is confident of achieving much higher income from the Financial Assets going forward.

39 **Derivatives**

The Company has no transactions / exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on March 31, 2020 (March 31, 2019: Nil)(April 01, 2018 : Nil).

40 **Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")**

COVID-19 which has been declared a global pandemic continues to spread across the globe and has led to an unprecedented level of disruption on socio-economic activities. The Government of India had announced a series of lock-down from March 24, 2020 which was extended until early June 2020. Because of economic disruption, RBI released guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020, and May 23 2020. In accordance with those guidelines, the Company is granting a moratorium to borrowers on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers based on the requests. Accordingly, for all such accounts where moratorium has been granted, the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms as well as for staging of those accounts for impairment loss allowance under Ind AS.

The recent directions from the Government allows for gradual withdrawal of lockdown and partial resumption of economic activity. However, major economic centres are still continuing to be under partial lockdown. There is a high level of uncertainty about the duration of the time required for life and business to get normal. The extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on the future developments, which are highly uncertain, including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

In preparing the accompanying financial statements, the Company's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for impairment loss allowance under Ind AS 109 of the Company's loans, are based on historical experience and various other factors including the possible effects that may result from the pandemic. These estimates and associated assumptions are believed to be reasonable under the current circumstances. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the loans, the financial position and performance of the Company.

41 Employee benefits

(a) **Long term employee benefit obligations**

The compensated absences charge for the year ended March 31, 2020 of Rs 12.77 lakhs (March 31, 2019 Rs 5.24 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2020 is 17.58 lakhs (March 31, 2019 : Rs. 7.37 lakhs ; April 01, 2018: Rs 2.89 lakhs)

(b) Post Employment Obligations

I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

a. Provident Fund

b. Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner . Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan -

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to Provident Fund	18.85	9.02
Contribution to Employees' Pension Scheme 1995	6.75	4.84

II. Defined benefit plans

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of Rs 20 lakhs. The gratuity plan is a funded plan.

The Company has a defined benefit plan in India (Funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The Fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by Rule 103 of Income Tax Rules, 1962

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Rs in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2020	For the year ended March 31, 2019
		Gratuity (funded)	Gratuity (Unfunded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	5.20	4.64
	Past service cost	-	-
	Expected return on plan assets	-	-
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.39	0.32
	Total expenses	**5.59**	**4.96**
II	**Expenses recognised in other comprehensive income**		
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	-	(2.58)
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	1.09	0.35
	Actuarial (gains) / losses due to experience on defined benefit obligations	0.64	(1.25)
	Return on plan assets excluding Interest income	(0.08)	
	Total expenses	**1.65**	**(3.48)**
III	**Net asset / (liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	(12.92)	(5.60)
	Fair value of plan assets	5.67	-
	Funded status [surplus / (deficit)]	**(7.25)**	**(5.60)**
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	5.60	4.11
	Current service cost	5.20	4.65
	Past service cost	-	-
	Interest cost	0.39	0.32
	Actuarial (gains) / loss	1.73	(3.48)
	Benefits paid		
	Present value of defined benefit obligation at the end of the year	**12.92**	**5.60**
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	-	-
	Expected returns on plan assets		
	Expected returns on plan assets excluding Interest income	0.07	-
	Actuarial (gains) / loss on plan assets		
	Contribution from employer	5.60	-
	Benefits paid		
	Closing fair value of the plan asset	**5.67**	**-**
VI	**Maturity profile of defined benefit obligation**		
a	**Funding arrangements and funding policy**		
	The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company		
b			
	The average outstanding term of the obligations (years) as at valuation date is 4 years		
	Expected cash flows over the next (valued on undiscounted basis):		
	1st Following Year	0.03	-
	2nd Following Year	0.02	-
	3rd Following Year	0.89	-
	4th Following Year	1.89	-
	5th Following Year	1.98	-
	Sum of Years 6 To 10	7.32	-
	Sum of Years 11 and above	9.10	-

VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
1		12.92	5.60
	Increase / (decrease) on present value of defined benefit obligation at the end of the year		
	(i) +1% increase in discount rate	(0.92)	(0.42)
	(ii) -1% decrease in discount rate	1.04	0.47
	(iii) +1% increase in rate of salary increase	0.96	0.45
	(iv) -1% decrease in rate of salary increase	(0.88)	(0.41)
	(v) +1% increase in rate of Emplyoee Turnover	(0.56)	(0.28)
	(vi) -1% decrease in rate of Emplyoee Turnover	0.60	0.30

2 **Sensitivity analysis method**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VIII **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 G.Sec. 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 will 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 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.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

X	**Composition of plan assets**		
	Qualifying policy with Tata AIA Life Insurance Company Limited	100%	NA

XI **Asset liability matching strategies**

The Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

XII	**Actuarial assumptions:**	**As at March 31, 2020**	**As at March 31, 2019**
1	Expected Return on Plan Assets	5.76%	NA
2	Discount rate	5.76%	6.96%
3	Expected rate of salary increase	10.00%	10.00%
4	Rate of Employee Turnover	18.00%	18.00%
5	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
6	Mortality	NA	NA

Notes:

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Company expects to make a contribution of Rs.17.41 lakhs to the defined benefit plans (gratuity - funded) during the next financial year.

e) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9 years.

42 Segment Reporting

The Company has primarily two reportable business segments namely Fund based Activities and Advisory services for the quarter and period ended March 31, 2020. In accordance with Ind AS 108 - Operating Segments, the Company has disclosed the segment information in the consolidated financial statements of the Company.

43 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(Rs in Lakhs)

Assets	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financials Assets									
Cash and cash equivalents	169.52	-	169.52	362.04	-	362.04	250.58	-	250.58
Bank balances other than cash and cash equivalents	177.94	-	177.94	17.55	-	17.55	-	-	-
Receivables									
(i)Trade Receivables	117.64	-	117.64	0.65	-	0.65	38.39	-	38.39
(ii)Other Receivables	-	-	-	-	-	-	-	-	-
Loans*	562.03	2,723.49	3,285.52	1,015.35	3,501.12	4,516.47	835.39	3,794.63	4,630.02
Investments	128.41	5.00	133.41	-	-	-	257.91	-	257.91
Other Financials Assets	334.52	5.37	339.89	0.01	1.53	1.54	0.05	0.03	0.08
Non Financials Assets									
Current Tax Assets (Net)	-	41.67	41.67	-	37.71	37.71	-	-	-
Deferred Tax Assets (Net)	-	188.24	188.24	-	222.90	222.90	-	131.16	131.16
Investment Property	-	-	-	-	-	-	-	56.25	56.25
Property,Plant and Equipment	-	188.53	188.53	-	29.65	29.65	-	8.09	8.09
Capital work -in- progress	-	25.84	25.84	-	-	-	-	-	-
Intangible assets under development	-	11.51	11.51	-	65.07	65.07	-	34.36	34.36
Other Intangible assets	-	142.87	142.87	-	46.97	46.97	-	3.49	3.49
Other non-financials assets	24.55	2.69	27.24	22.32	-	22.32	7.59	-	7.59
Non-current assets and disposal group held for sale	-	-	-	55.33	-	55.33	-	-	-
Total Assets	**1,514.61**	**3,335.21**	**4,849.82**	**1,473.25**	**3,904.95**	**5,378.20**	**1,389.92**	**4,028.00**	**5,417.92**

* The maturity profile disclosed above does not factor in the effect of changes due to postponement of cash flows on account of loans under moratorium period as permitted under RBI's COVID-19 Regulatory Package notified on 27 March, 2020 and May 23, 2020

(Rs in Lakhs)

Liabilities	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
Payables									
I)Trade payables	34.77	-	34.77	23.37	-	23.37	24.71	-	24.71
II)Other payables	-	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	1,126.20	434.55	1,560.75	2,541.32	-	2,541.32	4,015.04	-	4,015.04
Other financial liabilities	36.26	-	36.26	48.19	-	48.19	32.96	-	32.96
Non-Financial Liabilities									
Current tax liabilities(Net)	33.29	-	33.29	-	-	-	72.06	-	72.06
Provisions	11.74	13.10	24.84	2.08	10.89	12.97	0.40	6.60	7.00
Other non-financial liabilities	40.79	-	40.79	87.61	-	87.61	18.22	-	18.22
Total Liabilities	**1,283.05**	**447.65**	**1,730.70**	**2,702.57**	**10.89**	**2,713.46**	**4,163.39**	**6.60**	**4,169.99**
Net	**231.57**	**2,887.56**	**3,119.12**	**(1,229.32)**	**3,894.06**	**2,664.74**	**(2,773.47)**	**4,021.40**	**1,247.93**

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44 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020, March 31, 2019 and as at April 1, 2018.The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Debt	1,560.75	2,541.32	4,015.04
Less: cash and cash equivalents	(169.52)	(362.04)	(250.58)
Less: Bank balances other than cash and cash equivalents	(177.94)	(17.55)	-
Adjusted net debt	**1,213.29**	**2,161.73**	**3,764.46**
Total Equity	3,102.09	2,664.74	1,247.93
Adjusted net debt to adjusted equity ratio	0.39	0.81	3.02

45 Events after reporting date

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

Dhanvarsha Finvest Limited
Notes to standalone financial statements for the year ended March 31, 2020

46 Change in liabilities arising from financing activities

(Rs in Lakhs)

Particulars	April 1,2019	Cash Flows	Changes in fair values	Exchange difference	Other	March 31,2020
Debt securities Borrowings other than debt securities Deposits	2,541.32	(1,096.10)	-	-	115.53	1,560.75
Total liabilities from financing activities	**2,541.32**	**(1,096.10)**	-	-	**115.53**	**1,560.75**

(Rs in Lakhs)

Particulars	April 1,2018	Cash Flows	Changes in fair values	Exchange difference	Other	March 31,2019
Debt securities Borrowings other than debt securities Deposits	4,015.04	(1,473.72)	-	-	-	2,541.32
Total liabilities from financing activities	**4,015.04**	**(1,473.72)**	-	-	-	**2,541.32**

Other column includes creation of finance lease liabilities

47 Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Parent Company	M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)
Subsidiary	M/s. DFL Technologies Private Limited (from October 07, 2019) (Wholly owned Subsidiary of Dhanvarsha Finvest Limited)
Fellow Subsidiary:	Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)
Key Management Personnel (KMP)	Mrs. Arunaben Girishkumar Shah, Independent Director (upto August 24, 2018)
	Mr. Dharmil Shah, Independent Director (upto August 24, 2018)
	Mr. Malay Rohitkumar Bhow, Whole-time Director (upto August 10, 2018)
	Mr. Karan Neale Desai, Joint Managing Director
	Mr. Ashish Sharad Dalal, Non-Executive Director
	Mr. Nirmal Vinod Momaya, Independent Director
	Mr. K. P. Raghuvanshi, Independent Director
	Mrs. Manjari Kacker, Independent Director
	Mr. Rakesh Sethi, Chairman and Independent Director (w.e.f. Ocotber 15, 2019)
	Mr. Rajiv Kapoor, Independent Director (w.e.f. Febuary 03, 2020)
	Mr. Surender K Behera, Independent Director (upto December 17, 2019)
	Mr. Rohanjeet Singh Juneja, Joint Managing Director (w.e.f. December 17, 2019)
	Mr. Narendra Kumar Tater, Chief Financial Officer
	Mr. M Vijay Mohan Reddy, Company Secretary
	Mr. Dhairya Kumar Thakkar, Company Secretary (upto August 10, 2018)
	Mr. Nimir Kishore Mehta, Non-Executive Chairman (upto December 15, 2019)
Other Related Parties	Mr. Nimir Kishore Mehta (Promoter of Wilson Holdings Private Limited)
	Prolific Ventures Pvt Ltd (Relative of Promoter Having Significant Influence)

B. Details of related party transactions:

(Rs in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Key Management Personnel (KMP)			
Mr. Karan Neale Desai	Remuneration to key management personnel*	67.27	47.99
	Reimbursement of expenses	8.18	4.25
Mr. Narendra Kumar Tater	Remuneration to key management personnel*	36.49	39.24
	Reimbursement of expenses	4.76	1.84
Mr. Vijay Mohan Reddy	Remuneration to key management personnel*	24.28	25.29
	Reimbursement of expenses	5.93	2.16
Mr. Dhairya Kumar Thakkar	Remuneration to key management personnel*	-	1.04
Mr. Rohanjeet Singh Juneja	Remuneration to key management personnel*	17.89	-
	Reimbursement of expenses	1.55	-
Mr. Ashish Sharad Dalal	Sitting Fees and Commission	7.00	7.63
Mr. Nirmal Vinod Momaya	Sitting Fees and Commission	7.00	8.63
Mr. K. P. Raghuvanshi	Sitting Fees and Commission	8.25	8.13
Mrs. Manjari Kacker	Sitting Fees and Commission	9.25	6.13
Mr. Dharmil Shah	Sitting Fees and Commission	(1.35)	1.50
Ms. Arunaben Girishkumar Shah	Sitting Fees and Commission	(1.35)	1.50
Mr. Surender K Behera	Sitting Fees and Commission	5.00	-
Mr. Rakesh Sethi	Sitting Fees and Commission	4.25	-
Mr. Rajiv Kapoor	Sitting Fees and Commission	1.00	-
Mr. Nimir Kishore Mehta	Sitting Fees and Commission	1.00	2.13
Other Related Parties			
Mr. Nimir Kishore Mehta	Rent paid	60.00	60.00
	Reimbursement of expenses	0.72	0.72
Prolific Ventures Pvt Ltd	Rent paid	4.60	-
	Security Deposit	6.90	-
Parent Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Interest expense	156.80	507.93
	Issuance of share warrants	-	125.00
	Loans given	-	1,910.00
	Loans Repaid	1,420.00	3,365.00
Fellow Subsidiary			
Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)	Rent income	1.20	7.30
	Sale of fixed Assets	-	1.21
	Reimbursement of expenses	-	0.26
Subsidairy			
M/s. DFL Technologies Private Limited	Rent income	0.57	-
	Investments	5.00	-

C. Details of balances outstanding for related party transactions: (Rs in Lakhs)

Name of the related party	Nature of Transaction	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Parent Company				
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Short Term borrowing	1,030.00	2,450.00	-
Subsidiary				
M/s. DFL Technologies Private Limited	Rent income	0.12	-	-
Key Management Personnel (KMP)				
Mr. Ashish Sharad Dalal	Sitting Fees and Commission	-	0.63	-
Mr. Nirmal Vinod Momaya	Sitting Fees and Commission	-	0.63	-
Mr. K. P. Raghuvanshi	Sitting Fees and Commission	-	0.63	-
Mrs. Manjari Kacker	Sitting Fees and Commission	-	0.63	-
Mr. Karan Neale Desai	Reimbursement of expenses	1.12	-	-
Mr. Rohanjeet Singh Juneja	Reimbursement of expenses	0.46	-	-
	Sitting Fees and Commission	-	0.63	-
Mr. Nimir Kishore Mehta	Reimbursement of expenses	-	0.06	-

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

D. Key management personnel compensation: (Rs in Lakhs)

Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term Employee Benefits *	-	-
Share Based Payment	76.99	21.51
Total	**76.99**	**21.51**

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

E The options granted and outstanding for the key managerial personnel as of March 31, 2020 and March 31, 2019 is as provided below:

Name of the KMP	Grant Date	Expiry date	Exercise Price	Shares outstanding	
				Mar-20	Mar-19
Mr. Karan Neale Desai	05/11/18	04/11/25	30.00	3,63,489	3,63,489
Mr. Narendra Kumar Tater	05/11/18	04/11/25	30.00	1,93,861	1,93,861
Mr. Vijay Mohan Reddy	05/11/18	04/11/25	30.00	69,799	77,555
Mr. Karan Neale Desai	17/12/19	16/12/26	50.00	2,36,511	-
Mr. Rohanjeet Singh Juneja	17/12/19	16/12/26	50.00	6,00,000	-
Total				**14,63,660**	**6,34,905**

F. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Dhanvarsha Finvest Limited

Notes to Standalone Financial Statements for the year ended March 31, 2020

48 Fair Value Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								-
Cash and cash equivalents	-	-	169.52	169.52	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	177.94	177.94	-	-	-	-
Receivables								
Trade Receivables	-	-	117.64	117.64	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	3,285.52	3,285.52	-	-	-	-
Investments	128.41	-	-	128.41	128.41	-	-	128.41
Other Financials Assets	-	-	339.89	339.89	-	-	-	-
	128.41	**-**	**4,090.51**	**4,218.92**	**128.41**	**-**	**-**	**128.41**
Financial Liabilities								
Payables								-
Trade payables	-	-	34.77	34.77	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	1,560.75	1,560.75	-	-	-	-
Other financial liabilities	-	-	36.26	36.26	-	-	-	-
	-	**-**	**1,631.78**	**1,631.78**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Financial Assets and Liabilities as at April 1, 2018	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	250.58	250.58	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-			-	-
Receivables				-			-	-
Trade Receivables	-	-	38.39	38.39	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	4,630.02	4,630.02	-	-	-	-
Investments	257.91	-	-	257.91	257.91	-	-	257.91
Other Financials Assets			0.08	0.08	-	-	-	-
	257.91	**-**	**4,919.07**	**5,176.98**	**257.91**	**-**	**-**	**257.91**
Financial Liabilities								
Payables								
Trade payables	-	-	24.71	24.71	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	4,015.04	4,015.04	-	-	-	-
Other financial liabilities	-	-	32.96	32.96	-	-	-	-
	-	-	**4,072.71**	**4,072.71**	-	-	-	-

B. Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances , other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-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.

49 Financial Risk Management

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure

i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of busines.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1 , 2018
Outstanding for a period not exceeding six months	117.64	0.65	38.39
Outstanding for a period exceeding six months	-	-	-
Gross Trade Receivables	**117.64**	**0.65**	**38.39**
Less: Impairment Loss	-	-	-
Net Trade Receivables	**117.64**	**0.65**	**38.39**

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

ii) Loans and financial assets measured at amortized cost

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
0-30 Days Past Due			
Secured	2,222.04	3,466.95	4,423.79
Unsecured	773.82	1,095.00	444.36
30-90 Days Past due			
Secured	465.04	77.32	-
Unsecured	35.94	-	-
More than 90 Days Past Due			
Secured	201.88	-	-
Unsecured	25.09	294.22	37.26
Total	**3,723.81**	**4,933.49**	**4,905.41**

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is into small ticket loan business, there is no significant credit risk of any individual customer that may impact Company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days past due

(i) RBI COVID-19 regulatory package

In accordance with the Reserve Bank of India (RBI) notification no. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th March, 2020 and RBI/2019-20/220 DOR.No.BP. BC.63/21.04.048/2020-21 dated April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Company, as per its board approved policy and ICAI advisories, has granted moratorium upto three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. And in respect of accounts overdue but standard (i.e. stage 1 and stage 2) at 29 February 2020 where moratorium benefit has been granted, for the purpose of staging of those accounts and for determination of impairment loss allowance as at 31 March 2020, the days past due status as on 29 February 2020 has been considered.

(ii) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(iii) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

(iv) Estimations and assumptions considered in the ECL mode

An impairment analysis is performed at each reporting date. Impairment loss has been calculated based on EAD* Probability of Default (PDs)* Loss given Default (LGDs).

Internal rating model incorporates both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour.

Probability of Default (PDs): As there is no established past trend available with the Company for its own portfolio for calculation of probability of default, the Company has computed PD's from risk assessment of borrowers and default history. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure. For the purpose of Stage 3, PDs are taken as 100%.

Loss given Default (LGDs): For the purpose of LGD calculation, the Company does not have its own default and recovery history. Hence, In case of Secured loan portfolio, LGD has been considered based on Minimum LGD prescribed on real estate property security in RBI Circular RBI/2011-12/311 DBOD.No.BP.BC.67/21.06.202/2011-12 dated December 22, 2011 . Currently, all loan portfolio are secured by property has been taken as 50% for the same.

In case of unsecured investments, LGD is considered at 75%, since there is no past history of recovery available and forward looking information of no circumstances of recovery in future based on current position of such investee Companies.

(v) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income " in Statement of profit and loss.

An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :

Gross exposure reconciliation

(Rs. In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2018	**4,868.15**	**-**	**37.26**	**4,905.41**
New loans originated during the year	1,894.91	-	-	1,894.91
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(75.50)	75.50	-	-
Transfers to Stage 3	(280.89)	-	280.89	-
Write-offs	(103.17)	-	(35.91)	(139.08)
Net remeasurement of exposure	(1,741.56)	1.82	11.98	(1,727.76)
Gross carrying amount balance as at March 31, 2019	**4,561.95**	**77.32**	**294.22**	**4,933.49**
New loans originated during the year	874.33	-	-	874.33
Transfers to Stage 1	40.11	(40.11)	-	-
Transfers to Stage 2	(451.92)	506.08	(54.16)	-
Transfers to Stage 3	(86.77)	(34.24)	121.01	-
Write-offs	(2.81)	-	(9.58)	(12.40)
Net remeasurement of exposure	(1,939.04)	(8.09)	(124.50)	(2,071.63)
Gross carrying amount balance as at March 31, 2020	**2,995.86**	**500.98**	**226.97**	**3,723.81**

Reconciliation of ECL balance

(Rs. In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance- Opening Balance as at April 1, 2018	**247.45**	**-**	**27.95**	**275.39**
New loans originated during the year	110.42	-	-	110.42
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3.61)	3.61	-	-
Transfers to Stage 3	(13.41)	-	13.41	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(94.83)	22.36	103.68	31.21
ECL Allowance- Closing Balances as on March 31, 2019	**246.02**	**25.96**	**145.04**	**417.02**
New loans originated during the year	60.28	-	-	60.28
Transfers to Stage 1	14.02	(14.02)	-	-
Transfers to Stage 2	(22.74)	49.82	(27.08)	-
Transfers to Stage 3	(4.86)	(11.95)	16.80	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(126.53)	101.55	(14.04)	(39.01)
ECL Allowance- Closing Balances as on March 31, 2020	**166.20**	**151.36**	**120.73**	**438.29**

iii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of Rs. 347.46 lakhs at March 31, 2020 (March 31, 2019: Rs. 379.59 lakhs; April 1, 2018: Rs 250.58 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

iv. Others

Apart from trade receivables ,loans, cash and bank balances and Investment measured at amortised cost , the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(Rs. In lakhs)

Contractual maturities of financial assets March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	169.52	-	-	169.52
Bank balances other than cash and cash equivalents	177.94	-	-	177.94
Receivables				
Trade Receivables	117.64	-	-	117.64
Other Receivables	-	-	-	-
Loans	616.91	901.88	2,210.17	3,728.96
Investments	128.41	-	5.00	133.41
Other Financials Assets	334.52	8.45	0.19	343.16
Total	**1,544.95**	**910.33**	**2,215.36**	**4,670.64**
Contractual maturities of financial liabilities March 31, 2020	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	34.77	-	-	34.77
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	1,185.55	271.18	285.18	1,741.91
Other financial liabilities	36.26	-	-	36.26
Total	**1,256.58**	**271.18**	**285.18**	**1,812.94**

(Rs. In lakhs)

Contractual maturities of financial assets March 31, 2019	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	362.04	-	-	362.04
Bank balances other than cash and cash equivalents	17.55	-	-	17.55
Receivables				
Trade Receivables	0.65	-	-	0.65
Other Receivables	-	-	-	-
Loans	1,091.16	1,428.52	2,424.45	4,944.13
Investments		-	-	-
Other Financials Assets	0.01	1.50	0.03	1.54
Total	**1,471.40**	**1,430.02**	**2,424.48**	**5,325.91**
Contractual maturities of financial liabilities March 31, 2019	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	23.37	-	-	23.37
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	2,541.32	-	-	2,541.32
Other financial liabilities	48.19	-	-	48.19
Total	**2,612.88**	**-**	**-**	**2,612.88**

(Rs. In lakhs)

Contractual maturities of financial assets April 1, 2018	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	250.58	-	-	250.58
Bank balances other than cash and cash equivalents		-	-	-
Receivables				
Trade Receivables	38.39	-	-	38.39
Other Receivables		-	-	-
Loans	900.00	2,209.08	1,812.14	4,921.22
Investments	257.91	-	-	257.91
Other Financials Assets	0.05	-	0.03	0.08
Total	**1,446.94**	**2,209.08**	**1,812.17**	**5,468.19**
Contractual maturities of financial liabilities April 1, 2018	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	24.71	-	-	24.71
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	4,015.04	-	-	4,015.04
Other financial liabilities	32.96	-	-	32.96
Total	**4,072.71**	**-**	**-**	**4,072.71**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Company's exposure to, and management of, these risks is explained below

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company caters mainly to the Indian Market . Most of the transactions are denominated in the Company's functional currency i.e. Rupees. Hence the Company is not materially exposed to Foreign Currency Risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting year are as follows:

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed rate borrowings	1,169.97	2,541.32	4,015.04
Floating rate borrowings	390.79	-	-

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	For the year ended March 31, 2020	
Particulars	100bp Increase	100bp decrease
Financial Liability		
Variable rate Instrument		
Floating Rate Borrowings	3.91	(3.91)

(iii) Price Risk

The Company's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs. 1.28 lakhs (March 31, 2019: NIL). A similar percentage decrease would have resulted equivalent opposite impact.

50 **Disclosure in notes to Financial statements as required under paragraph 2 (a) of RBI Notification No RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020**

For the year ended March 31, 2020 **(Rs in Lakhs)**

Asset Classification as per RBI	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind As 109	Net Carrying Amount	Provisions required as per IRACP norms *	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5	6	7
Performing Assets						
Standard	Stage 1	2,995.86	162.74	2,833.12	22.61	140.13
	Stage 2	476.63	143.78	332.85	1.81	141.97
	Stage 3	62.47	35.82	26.65	0.28	35.54
Subtotal						
		3,534.95	**342.34**	**3,192.61**	**24.70**	**317.64**
Non-Performing Assets						
Substandard	Stage 2	24.35	7.58	16.77	2.32	5.26
	Stage 3	164.50	84.91	79.61	16.02	68.89
Subtotal		**188.86**	**92.48**	**96.37**	**18.34**	**74.14**
Other items such as guarantees, loan commitments, etc. which are in the scope of ind as 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	48.25	3.46	44.79	-	3.46
Subtotal						
Total	**Stage 1**	3,044.11	166.20	2,877.91	22.61	143.59
	Stage 2	500.98	151.36	349.62	4.13	147.23
	Stage 3	226.97	120.73	106.26	16.30	104.43
	Total	**3,772.06**	**438.29**	**3,333.79**	**43.05**	**395.25**

* In the case of provision on standard advances in previous years, the Company had adopted a more stringent policy of maintaining provision on specified unsecured standard loans and advances, at rates that are higher than those prescribed by RBI (2.25% as against 0.25% prescribed by RBI). Hence computation of provision as per IRACP norms has been computed under earlier policy of the Company.

51 **Asset Classification and Provisioning Disclosure**
Disclosure as per the circular no DOR.NO.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID -19 regulatory package - Asset Classification and provisioning"

For the year ended March 31, 2020

1) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(Rs in Lakhs)

SMA Category	Amount
SMA-0	525.46
SMA-1	4.81
SMA-2	19.07
Total	**549.34**

2) Respective amount where asset classification benefit is extended : Rs. Nil

3) Provisions made during quarter ended March 31, 2020 in terms of paragraph 5 of the above circular
The provision made by the Company as per the ECL model is more than the provision required as per IRAC norms as per the above circular.

Notes to Standalone Financial Statements for the year ended March 31, 2020

52 Disclosure related to Leases

(A) Additions to Right to Use

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease hold Property	115.53	-	-

(B) Carrying value of right of use assets at the end of the reporting year

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance at the beginning of the year	-	-	-
Additions	115.53	-	-
Depreciation charge for the year	2.43	-	-
Balance at the end of the year	**113.10**	-	-

(C) Maturity analysis of lease liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Less than one year	20.70	-	-
One to five years	110.40	-	-
More than five years	23.00	-	-
Total undiscounted lease liabilities at reporting period	**154.10**	-	-
Lease liabilities included in the statement of financial position at the year ended	**113.10**	-	-

(D) Amounts recognised in statement of profit or loss

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest on lease liabilities	2.17	-
Expenses relating to short-term leases	65.29	67.63
Expenses relating to leases of low-value assets	-	-
Total	67.46	67.63

(E) Amounts recognised in the statement of cash flows

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Operating Activity	65.29	67.63
Financial Activity	2.43	-
Total Cash outflow for leases	**67.72**	**67.63**

Sub Lease

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the rightof- use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to Rs. 1.77 Lakhs (March 31, 2019 Rs. 7.30 Lakhs). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties.

53 Employee Stock Options Scheme (ESOP)

The Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to employees of the Company . These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service.Vesting of options is subject to continued employment with the Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2020. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

ESOP Scheme	Particulars	Date of Grant	Date of Board Approval	Total options granted
ESOP Scheme 2018	Grant 1	05-Nov-18	05-Nov-18	11,17,710
ESOP Scheme 2018	Grant 2	22-May-19	22-May-19	1,13,742
ESOP Scheme 2018	Grant 3	17-Dec-19	17-Dec-19	8,36,511

Series Reference	2019-2023		2020-2024		2020-2024	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	T-1		T-2		T-3	
Fair value of the option range	23.39 - 23.98		31.44 - 34.87		41.36 - 44.82	
Exercise price	30		50		50	
Vesting period (see table below)	12 to 48 months		12 to 48 months		12 to 48 months	
Method of settlement	Equity		Equity		Equity	
Options outstanding as at beginning of reporting period	**11,17,710**	**-**	**-**	**-**	**-**	**-**
Options granted during the year		11,17,710	1,13,742	-	8,36,511	-
Options lapse during the year	1,97,451	-	24,194	-	-	-
Options exercised during the year	7,756	-	-	-	-	-
Options outstanding as at end of reporting period	**9,12,503**	**11,17,710**	**89,548**	**-**	**8,36,511**	**-**

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Company's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2019-20 is Rs. 84.03 lakhs (2018-2019 Rs. 37.86 lakhs)

53.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of Underlying share at the time of option grant
05-Nov-18	7.35%-7.46%	4.5 to 6 years	46.1%-47.9%	2.29%	43.8
22-May-19	6.86%-7.41%	4.5 to 6 years	46.50%	0.73%	61.5
17-Dec-19	6.86%-7.41%	4.5 to 6 years	46.50%	0.73%	73.9

53.2 Details of the liabilities arising from the share based payments were as follows

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total carrying amount	120.16	37.86

54 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet at April 1, 2018 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.
The Company has opted to consider the carrying value of property, plant and equipments, Intangible assets as deemed cost as at the transition date.

ii. Estimates

An Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

iii. Classification and measurement of financial assets

Ind AS 101 requires an Company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv. Derecognition of financial assets and liabilities

The Company has applied the derecognition requirement of finanical assets and financial liabilities prospectively for transaction occurring on or after the transition date.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an Company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. **Reconciliation of Balance sheet as at date of transition (April 1, 2018)**

(Rs in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		250.57	0.01	250.58
Bank balances other than cash and cash equivalents		-	-	-
Receivables				
Trade Receivables		38.39	-	38.39
Other Receivables				-
Loans	a,c,f	4,921.22	(291.20)	4,630.02
Investments	b	74.68	183.23	257.91
Other Financials Assets		0.08	-	0.08
Non Financials Assets				
Current Tax Assets (Net)		-	-	-
Deferred Tax Assets (Net)	e	93.70	37.46	131.16
Investment Property		56.25	-	56.25
Property,Plant and Equipment		8.09	-	8.09
Intangible assets under development		34.355	-	34.36
Other Intangible assets		3.49	-	3.49
Other non-financials assets (to be specified)		7.58	0.01	7.59
Total Assets		**5,488.41**	**(70.49)**	**5,417.92**
LIABILITIES AND EQUITY				
Liabilites				
Financial Liabilities				
Payables				
Trade payables		24.71	-	24.71
Other payables		-	-	-
Borrowings (Other than Debt Securities)		4,015.04	-	4,015.04
Other financial liabilities		32.98	(0.02)	32.96
Non-Financial Liabilities				
Current tax liabilities(Net)		72.06	-	72.06
Provisions	f	56.32	(49.31)	7.00
Other non-financial liabilities	d	17.50	0.72	18.22
Total Liabilities		**4,218.61**	**(48.62)**	**4,169.99**
EQUITY				
Equity Share capital		775.78	-	775.78
Other Equity	a,b,c,d, e	494.04	(21.89)	472.15
Total Equity		**1,269.82**	**(21.89)**	**1,247.93**
Total Liabilities and Equity		**5,488.43**	**(70.51)**	**5,417.92**

ii. **Reconciliation of Balance sheet as at March 31, 2019**

(Rs in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		362.04	-	362.04
Bank balances other than cash and cash equivalents		17.55	-	17.55
Receivables				
Trade Receivables		0.65	-	0.65
Other Receivables				-
Loans	a,c,f,g	4,939.33	(422.86)	4,516.47
Investments		-	-	-
Other Financials Assets		1.54	-	1.54
Non Financials Assets				
Current Tax Assets (Net)		37.71	-	37.71
Deferred Tax Assets (Net)	e,k	85.66	137.24	222.90
Investment Property				-
Property,Plant and Equipment		29.65	0.00	29.65
Intangible assets under development		65.07	-	65.07
Other Intangible assets		46.97	-	46.97
Other non-financials assets		22.32	-	22.32
Non-current assets held for sale		55.33	-	55.33
Total Assets		**5,663.82**	**(285.62)**	**5,378.20**
LIABILITIES AND EQUITY				
Liabilites				
Financial Liabilities				
Payables				
Trade payables		23.37	-	23.37
Other payables		-	-	-
Borrowings (Other than Debt Securities)		2,541.32	-	2,541.32
Other financial liabilities		48.19	-	48.19
Non-Financial Liabilities				
Current tax liabilities(Net)		-	-	-
Provision	f	44.93	(31.96)	12.97
Deferred tax liabilities (Net)			-	-
Other non-financial liabilities		87.61	-	87.61
Total Liabilities		**2,745.42**	**(31.96)**	**2,713.46**
EQUITY				
Equity Share capital		1,350.00	-	1,350.00
Other Equity	a,b,c,g, e,k	1,568.40	(253.66)	1,314.74
Total Equity		**2,918.40**	**(253.66)**	**2,664.74**
Total Liabilities and Equity		**5,663.83**	**(285.61)**	**5,378.20**

iii. **Reconciliation of total comprehensive income for the year ended March 31, 2019**

(Rs in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
Revenue from operations				
Interest Income	g	923.86	4.51	928.37
Fees and commission Income	c,j	883.25	(21.87)	861.38
Net gain on fair value changes	b	279.92	(183.23)	96.69
Others		16.81	(0.01)	16.80
Total Revenue from operations		**2,103.84**	**(200.60)**	**1,903.24**
Other Income		26.08	-	26.08
Total Income(I+II)		**2,129.92**	**(200.60)**	**1,929.32**
Expenses				
Finance costs		517.67	-	517.67
Fees and commission expense	c	18.55	(17.59)	0.96
Impairment on financial instruments	a	131.23	158.99	290.22
Employee Benefits Expenses	h	512.96	3.48	516.44
Depreciation, amortization and impairment		16.60	0.01	16.60
Others expenses	d,i,j	360.29	(15.57)	344.72
Total Expenses(IV)		**1,557.30**	**129.31**	**1,686.61**
Profit/(loss) before tax (III-IV)		**572.62**	**(329.91)**	**242.71**
Tax expense:				
Current tax	k	135.12	(28.49)	106.63
Deferred tax	e	(5.10)	(72.25)	-77.35
Profit/(loss) for the period (VI-VII)		**442.60**	**-229.17**	**213.43**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	h	-	3.48	3.48
Income tax impact	e	-	(0.97)	-0.97
Items that will reclassified to profit or loss				-
Other comprehensive income/(loss) (A+B)		-	**2.51**	**2.51**
Total comprehensive income		**442.60**	**(226.64)**	**215.94**
* The previous year figures of financials prepared under IGAAP have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.				

iv. **Reconciliation of total equity as at March 31, 2019 and April 1, 2018**

(Rs in Lakhs)

Particulars	Notes	March 31, 2019	April 1, 2018
Total equity (shareholder's funds) as per previous GAAP		**2,918.40**	**1,269.82**
Adjustments:			
Under IND AS 109 - Financial Instruments			
- Loan loss provisioning as per ECL model	a	(385.07)	(226.06)
- Interest Recognition on Credit impaired assets	g	4.50	-
- Fair valuation of Investments	b	-	183.23
- Loan upfront fees recognition as per EIR model	c	(10.33)	(16.53)
- Restatement of error in tax	k	28.49	
Under IND AS 12 - Deferred Taxes on above adjustments	e	108.75	37.46
Total		**2,664.74**	**1,247.93**

v. **Reconciliation of total comprehensive income for the year ended March 31, 2019**

(Rs in Lakhs)

Particulars	Notes	March 31, 2019
Profit after tax as per previous GAAP		**442.61**
Adjustments:		
Under IND AS 109 - Financial Instruments		
- Loan loss provisioning as per ECL model	a	(159.01)
- Interest Recognition on Credit impaired assets	g	4.50
- Fair valuation of Investments	b	(183.23)
- Loan upfront fees recognition as per EIR model	c	6.20
Under IND AS 12 - Deferred Taxes	e	72.27
- Restatement of error in tax	k	28.49
-Share issue expense	i	5.09
Remeasurement of Defined Benefit scheme	h	-3.48
Profit after tax as per Ind AS		**213.43**
Other comprehensive income, net off tax	h,e	2.51
Total comprehensive income as per Ind AS		**215.94**

vi. **Effects of Ind AS adoption on Cash Flows for year ended March 31, 2019**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

Notes

a **Impairment Provision as per Expected credit loss**

Under Indian GAAP, the Company has created provision for loans to customer only in respect of specific amount based on RBI guidelines.Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL) as per Ind AS 109 Financial Instruments.

b **Investments measured at FVTPL**

The Company has designated investments in equity shares at Fair Value through Profit and Loss (FVTPL).At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings and for the year ended March 2019, fair value gain has been recognised in Statement of profit and Loss.

c **Effective Interest Rate (EIR)**

Under Indian GAAP, upfront fees from customers and DSA commision to procure a loan was recognised in profit and loss at point in time while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.

d **Unearned income inrespect of upfront fees**

Under Indian GAAP, upfront fees was recognised in profit and loss at point in time while under Ind AS, it is included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Upfront fees received in respect of undisbursed loan is recognised as deferred liability.

e **Deferred tax**

Retained Earnings and Statement of Profit and Loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax and additional deferred tax (wherever it was not recognised in previous GAAP), wherever applicable.

f **Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

g **Interest recognition on credit impared assets**

Interest revenues are calculated on the net carrying amount for credit-impaired financial assets under IND AS

h **Remeasurements of post employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

i **Transaction cost on issue of equity**

Under Ind AS Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

j **Set off directly related incomes from the expenses**

Documentaion fees and processing fees received are netted against respective expenses

k **Restatement of error in tax**

The Company had made provision for tax in the previous year by applying incorrect rate of tax while calculating the tax on capital gains on sale of equity instruments which was duly rectified while filing income tax return. The same has been rectified in the current year by restating the previous year figures, resulting in reversal of excess provision of taxes and availing of MAT credit aggregating of Rs. 28.49 Lakhs in-line with requirement of Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Dhanvarsha Finvest Limited
Notes to Standalone Financial Statements for the year ended March 31, 2020

55 Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as at March 31, 2020.

(Rs in Lakhs)

55.1	Liabilities Side	As at March 31, 2020		As at March 31, 2019	
		Outstanding Amount	Amount Overdue	Outstanding Amount	Amount Overdue
	Loans and advances availed by the non banking financial Company inclusive of interest accrued thereon but not paid:				
	a) Debentures:				
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits*)				
	b) Deferred Credits	-	-	-	-
	c) Term Loans	390.79	-	-	-
	d) Inter-corporate loans and borrowings	1,056.86	-	2,541.32	
	e) Commercial Paper	-	-	-	-
	f) Public Deposits	-	-	-	-
	g) Other Loans - Lease Liability	113.10	-	-	-
	Total	**1,560.75**	**-**	**2,541.32**	**-**

(Rs in Lakhs)

55.2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	As at March 31, 2020	As at March 31, 2019
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

(Rs in Lakhs)

55.3	Assets Side	As at March 31, 2020	As at March 31, 2019
	Breakup of Loans and Advances including bills receivables (other than those included in (4) below) :		
	a) Secured*	2,889.60	3,838.48
	b) Unsecured *	834.21	1,096.01

* Represents gross value

(Rs in Lakhs)

55.4	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities	As at March 31, 2020	As at March 31, 2019
	i) Lease assets including lease rentals under sundry debtors:		
	a) Financial Lease	-	-
	b) Operating Lease	-	-
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire	-	-
	b) Repossed Assets	-	-
	iii) Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed	-	-
	b) Loans other than (a) above -	-	-

(Rs in Lakhs)

55.5	Breakup of Investments:	As at March 31, 2020	As at March 31, 2019
	Current Investments:		
	1. Quoted:		
	i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	ii) Debentures and Bonds	-	-
	iii) Units of mutual funds	128.41	-
	iv) Government Securities	-	-
	v) Others	-	-
	2. Unquoted:		
	i) Shares:	-	-
	(a) Equity	-	-
	(b) Preference	-	-
	ii) Debentures and Bonds	-	-
	iii) Units of mutual funds	-	-
	iv) Government Securities	-	-
	v) Others		
	Long Term investments:		
	1. Quoted:		
	i) Shares:	-	-
	(a) Equity	-	-
	(b) Preference	-	-
	ii) Debentures and Bonds	-	-
	iii) Units of mutual funds	-	-
	iv) Government Securities	-	-
	v) Others	-	-
	2. Unquoted:		
	i) Shares:		
	(a) Equity	5.00	-

55.6 **Borrower groupwise classification of assets financed as in (3) and (4) above:**

(Rs in Lakh)

	As at March 31, 2020			As at March 31, 2019		
Category	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
1.Related Parties						
(a) Subsdiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties*	2,889.60	834.21	3,723.81	3,838.48	1,095.01	4,933.49

Represents gross value

55.7 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) $:

(Rs in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
Category	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
1. Related Parties **				
a) Subsidiaries	5.00	5.00	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2. Other than related parties	128.41	127.37	-	-

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under indian Accounting Standards issued by MCA.

55.8 Other information **(Rs in Lakhs)**

	As at March 31, 2020	**As at March 31, 2019**
i) Gross Non Performing Assets ##		
a) Related Parties	-	-
b) Other than related parties	226.97	294.22
ii) Net Non Performing Assets##		
a) Related Parties	-	
b) Other than related parties	106.25	149.18
iii) Assets acquired in satisfaction of debt		

NPA accounts refer to Stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind-AS. 90 days Past due is considered as default for classifying a financial instrument as credit impaired.

Note :

Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.

All Indian Accounting Standards issued by MCA are applicable including valuation of investments and other assets.

56 Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289
Hyderabad
Date : June 15, 2020

Narendra Tater
Chief Financial Officer
Mumbai
Date : June 15, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhanvarsha Finvest Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Dhanvarsha Finvest Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
1.	**Transition to Ind AS accounting framework (as described in note 53 of the consolidated Ind AS financial statements)** The Group has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Holding Company had prepared and presented its standalone financial statements in accordance with Accounting Standards prescribed under the section 133 of the Act (Indian GAAP). Accordingly, for transition to Ind AS, the Holding Company has prepared its consolidated financial statements for the year ended March 31, 2020,	Our audit procedures included but were not limited to the following: • Assessed the Holding Company's process to identify the impact of adoption and transition to Ind AS; • Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of consolidated Ind AS financial statements, • Reviewed the mandatory and optional exemptions and exceptions allowed by Ind AS and availed by the Holding Company in applying the first-time adoption principles of Ind AS 101;

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
	together with the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 1, 2018 under Ind AS. The transition has involved significant change in the Holding Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting. In view of the significant degree of management judgment involved in implementation of the Ind AS framework and significance of the various disclosures, the transition to Ind AS accounting framework has been identified as an area of key focus in our audit of the consolidated Ind AS financial statements.	• Evaluated and tested the key assumptions and judgments adopted by management in line with principles under Ind AS; and • Assessed the disclosures made as required by the relevant Ind AS.
2.	Loan Assets and Impairment Loss Allowance of Loans and Advances (Refer Notes 7 and 49 to the consolidated Ind AS financial statements) The Holding Company's portfolio of advances to customers amounts to Rs 3,723.81 lakhs as at March 31, 2020. Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Holding Company has significant credit risk exposure considering the loan portfolio which constitutes a significant value on the Balance sheet and there is a high degree of complexity and judgment involved in estimating credit impairment, loss allowance against these loans and to additionally determine the potential impact of unprecedented COVID-19 pandemic on asset quality and impairment loss allowance. The Holding Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.	With respect to assessment of impairment loss allowance and audit of loan assets, we performed particularly the following procedures: • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per the definition of Default of the Holding Company; • We have also recalculated the provision manually for selected samples; • We have reviewed the process of the Holding Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided in accordance with RBI COVID-19 Regulatory Package; • We have broadly reviewed the underlying assumptions and estimates used by the management for the impairment loss allowance under Ind AS 109 considering the COVID-19 pandemic but the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Holding Company; and • For new Loan Assets disbursed during the year, we tested on sample basis, whether the credit appraisals, credit sanctioning and credit disbursements are as per Holding Company's policy

Emphasis of Matter – Assessment of COVID 19 Impact

We draw attention to Note 40 to the consolidated Ind AS financial statements, which describes the uncertainties arising from COVID 19 pandemic and impacting the Group's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Management Discussion & Analysis, Directors' Report and Corporate Governance Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The above mentioned other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company, which is a company incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) As stated in Note 54 to the consolidated Ind AS financial statements, the comparative financial information for the year ended March 31, 2019 and April 01, 2018 pertains to the standalone Ind AS financial statements for the same period, since consolidation was applicable to the Holding Company only after the sole subsidiary was formed during this year. Hence, previous period figures are not comparable.

(b) The comparative financial information of the Holding Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2018 and March 31, 2019 dated May 30, 2018 and May 22, 2019 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, incorporated in India, as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and its subsidiary company, incorporated in India, none of the directors of the Holding Company and its subsidiary company, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

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:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The subsidiary company has not paid/provided any remuneration to its directors during the year hence provisions of section 197 of the Act are 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, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements;

   (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For Haribhakti & Co LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

____

Purushottam Nyati
Partner
Membership No.: 118097
UDIN: 20118970AAAACU132
Place: Mumbai
Date: June 15, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Dhanvarsha Finvest Limited on the consolidated Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Dhanvarsha Finvest Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

____

Purushottam Nyati
Partner
Membership No.: 118097
UDIN: 20118970AAAACU132
Place: Mumbai
Date: June 15, 2020

Dhanvarsha Finvest Limited
Consolidated Balance Sheet as at March 31, 2020

(Rs in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Assets				
Financials Assets				
(a) Cash and cash equivalents	4	170.84	362.04	250.58
(b) Bank balances other than cash and cash equivalents	5	177.94	17.55	-
(c) Receivables	6			
(i) Trade Receivables		118.17	0.65	38.39
(ii) Other Receivables		-	-	-
(d) Loans	7	3,285.52	4,516.47	4,630.02
(e) Investments	8	128.41	-	257.91
(f) Other Financials Assets	9	339.89	1.54	0.08
Non Financials Assets				
(a) Current Tax Assets (Net)	10	41.67	37.71	-
(b) Deferred Tax Assets (Net)	11	188.21	222.90	131.16
(c) Investment Property	12	-	-	56.25
(d) Property,Plant and Equipment	13	189.40	29.65	8.09
(e) Capital Work in Progress		25.84	-	-
(f) Intangible assets under development		11.51	65.07	34.36
(g) Other Intangible assets	14	142.87	46.97	3.49
(h) Other non-financials assets	15	27.51	22.32	7.59
(i) Non-current assets held for sale	16	-	55.33	-
Total Assets		**4,847.78**	**5,378.20**	**5,417.92**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Payables	17			
I) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		9.20	6.10	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		27.24	17.27	24.71
II) Other payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Borrowings (Other than Debt Securities)	18	1,560.75	2,541.32	4,015.04
(d) Other financial liabilities	19	36.26	48.19	32.96
Non-Financial Liabilities				
(a) Current tax liabilities(Net)	10	33.29	-	72.06
(b) Provisions	20	24.84	12.97	7.00
(c) Deferred tax liabilities (Net)	11	-	-	-
(d) Other non-financial liabilities	21	40.89	87.61	18.22
Total Liabilities		**1,732.47**	**2,713.46**	**4,169.99**
EQUITY				
(a) Equity Share capital	22	1,350.78	1,350.00	775.78
(b) Other Equity	23	1,764.53	1,314.74	472.15
Total Equity		**3,115.31**	**2,664.74**	**1,247.93**
Total Liabilities and Equity		**4,847.78**	**5,378.20**	**5,417.92**
Significant accounting policies and notes to the consolidated financial statements	1 to 54			

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(Rs in Lakhs)

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	**Revenue from operations**			
(i)	Interest Income	24	612.80	928.37
(ii)	Fees and commission income	25	1,260.63	861.38
(iii)	Net gain on fair value changes	26	8.16	96.69
(iv)	Others	27	28.98	16.80
	Total Revenue from operations		**1,910.57**	**1,903.24**
II.	Other Income	28	18.81	26.08
III.	**Total Income(I+II)**		**1,929.38**	**1,929.32**
IV.	**Expenses**			
(i)	Finance costs	29	168.59	517.67
(ii)	Fees and commission expense	30	0.79	0.96
(iii)	Impairment on financial instruments	31	33.67	290.22
(iv)	Employee Benefits Expenses	32	701.84	516.44
(v)	Depreciation, amortization and impairment	33	48.72	16.60
(vi)	Others expenses	34	421.47	344.72
	Total Expenses(IV)		**1,375.08**	**1,686.61**
V.	**Profit / (loss) before exceptional items and tax (III-IV)**		554.30	242.71
	Exceptional Items			
VI.	**Profit/(loss) before tax (III-IV)**		554.30	242.71
VII.	**Tax expense:**	35		
	Current tax		165.20	106.63
	Deferred tax		(16.99)	(77.35)
	Total Tax Expense		148.20	29.28
VIII.	**Profit/(loss) for the period (VI-VII)**		**406.09**	**213.43**
IX.	Other Comprehensive Income			
A.	**Items that will not be reclassified to profit or loss**			
i)	Remeasurement gain / (loss) on defined benefit plan		(1.66)	3.48
	Income tax impact	35	0.46	(0.97)
	Total (A)		(1.20)	2.51
B.	**Items that will reclassified to profit or loss**			
	Other comprehensive income/(loss) (A+B)		(1.20)	2.51
X.	**Total comprehensive income(VIII+IX)**		**404.89**	**215.94**
XI.	**Earnings per equity share**	36		
	Basic (INR.)		3.01	1.77
	Diluted (INR)		2.83	1.70
	Significant accounting policies and notes to the consolidated financial statements	1 to 54		

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289

Hyderabad
Date : June 15, 2020

Narendra Tater
Chief Financial Officer

Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2020

(Rs in Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit Before Taxes	**554.30**	**242.71**
	Adjustment for:		
	Interest Income from Fixed Deposits	(10.50)	(0.01)
	Profit on sale of Investment property	(4.67)	(0.00)
	Depreciation / Amortisation	48.72	16.60
	Impairment on financial instruments	33.67	290.22
	Realised gain on investments	(7.11)	(96.69)
	Unrealised gain on investments	(1.05)	-
	Fee Income Recognition per EIR	7.08	(70.86)
	Employee share based payment expenses	82.30	37.86
	Unrealised foreign exchange gain/loss	(0.04)	0.02
	Operating (loss)/ profit before working capital changes	**702.71**	**419.87**
	Movement in working capital		
	(Increase)/decrease in Loans	1,190.20	(105.81)
	(Increase)/Decrease in other financial assets	(343.10)	(1.45)
	(Increase)/Decrease in other assets	-	(14.73)
	(Increase)/Decrease in Trade Receivable	(117.62)	37.74
	Increase/(Decrease) in Other payables	13.12	(1.36)
	Increase/(Decrease) in Other Financial liabilities	(58.80)	84.58
	Increase/(Decrease) in provisions	11.87	9.44
	Cash generated from operations	**1,398.38**	**428.28**
	Income taxe paid	(83.72)	(231.75)
	Net cash from/(utilised in) operating activities	**1,314.63**	**196.53**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, plant and equipment and Intangible Assets	(161.24)	(112.81)
	Proceeds from sale of Property, plant and equipment and Intangible Assets	-	1.37
	Purchase of investment at fair value through profit and loss account	(1,995.00)	(2,245.40)
	Proceeds from sale of investment at fair value through profit and loss account	1,874.74	2,600.00
	Proceeds from sale of investment at amortised cost	60.00	-
	Investment in Fixed Deposit having original maturity more than three years	(160.39)	-
	Interest Income from Fixed Deposits	10.50	0.01
	Net cash from/(utilised in) investing activities	**(371.39)**	**243.17**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Issue of Shares or Other Equity	2.34	1,325.79
	Proceeds from / (repayment of) borrowings	(1,093.66)	(1,473.72)
	Payment of Lease Liability	(2.43)	-
	Dividends paid including DDT	(40.69)	(180.30)
	Net Cash from financing activities	**(1,134.44)**	**(328.24)**
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(191.20)**	**111.46**
	Cash and cash equivalents at the beginning of the financial year	362.04	250.58
	Cash and cash equivalents at end of the year	**170.84**	**362.04**

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balances with banks in Current accounts	169.48	361.25
Cash on hand (including foreign currencies)	1.36	0.79
Bank deposits with maturity of less than 3 months	-	-
Total	**170.84**	**362.04**

The above consolidated statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 'Statement of Cash Flows'.

For disclosures relating to changes in liabilities arising from financing activities, Refer 46

Significant accounting policies and notes to the consolidated financial statements 1 to 54

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
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Joint Managing Director
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M Vijaymohan Reddy
Company Secretary
M. No. 49289
Hyderabad
Date : June 15, 2020

Narendra Tater
Chief Financial Officer
Mumbai
Date : June 15, 2020

Dhanvarsha Finvest Limited
Consolidated Statement of Changes in Equity as at March 31, 2020

. **Equity share capital**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance at the beginning of the year	**1,350.00**	**775.78**	**775.78**
Changes in Equity Share capital during the year	0.78	574.22	-
Balance at the end of the year	**1,350.78**	**1,350.00**	**775.78**

. **Other Equity**

(Rs in Lakhs)

Particulars	Reserve and Surplus				Money received against share warrants	Total
	Securities Premium	Employee stock option outstanding	Retained Earnings	Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934		
Balance at April 1, 2018	**-**	**-**	**365.03**	**107.12**	**-**	**472.15**
Profit for the year	-	-	213.43	-	-	213.43
Additions for the year	631.64	-	-	-	125.00	756.64
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(88.52)	88.52	-	-
Share based payment expense		37.86	-	-	-	37.86
Share Issue Expenses	(5.08)	-	-	-	-	(5.08)
Remeasurement of defined benefit plans (net of tax)	-	-	2.51	-	-	2.51
Total comprehensiveincome	626.56	37.86	492.46	195.64	125.00	1,477.50
Cash dividends			(135.00)			(135.00)
Dividend distribution tax			(27.75)			(27.75)
At March 31, 2019	**626.56**	**37.86**	**329.71**	**195.64**	**125.00**	**1,314.75**
Profit for the year						-
Additions for the year	1.56	-	406.09	-	-	407.66
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	-	-	(81.74)	81.74	-	-
Share based payment expense	-	84.03	-	-	-	84.03
Utlisation of securities premium	1.73	(1.73)	-	-	-	-
Remeasurement of defined benefit plans (net of tax)	-	-	(1.20)	-	-	(1.20)
Total comprehensiveincome	629.85	120.16	652.86	277.38	125.00	1,805.23
						-
Cash dividends			(33.75)			(33.75)
Dividend distribution tax			(6.94)			(6.94)
At March 31, 2020	**629.85**	**120.16**	**612.17**	**277.38**	**125.00**	**1,764.53**

Significant accounting policies and notes to the consolidated financial statements **1 to 54**

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Purshottam Nyati
Partner
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Company Secretary
M. No. 49289

Narendra Tater
Chief Financial Officer

Hyderabad
Date : June 15, 2020

Mumbai
Date : June 15, 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1. Basis of preparation

A. Statement of Compliance

The Consolidated financial statements relates to M/s. Dhanvarsha Finvest Limited (the “ Holding Company”) and its subsidiary (together constitute as the “Group’). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

The Group has adopted Ind AS from April 1, 2019 with effective transition date of April 1, 2018 and accordingly, these consolidated financial statements together with the comparative reporting period have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as ‘the Previous GAAP’). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018 and the comparative previous year has been restated / reclassified. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the balance sheet, statement of profit and loss and cash flow statement are provided in Note 53.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NonBanking Financial Companies (NBFCs), as notified by the MCA.

These financial statements are approved for issue by the Board of Directors on 15 June, 2020.

B. Basis of Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of following subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Name of the subsidiary	Name of the parent entity	Ownership in % either directly or through subsidiaries	Country of incorporation
DFL Technologies Private Limited	Dhanvarsha Finvest Limited	100%	India

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

C. Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

D. Basis of Measurement

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

Financial instruments – measured at fair value
Employees Stock Option plan as per fair value of the option
Employee's Defined Benefit Plan as per actuarial valuation.

E. Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

i. Business model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest and the business model test. The Group determines the business model at a level that reflects how Group's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support and supported by independent assessment by professionals.

iii. Recognition and Measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 41.

iv. Recognition of deferred tax assets:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

v. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

vi. 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. Refer Note 48 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

vii. Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Group assesses whether the above financial assets are credit- impaired. A financial asset is ‘credit- impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group follows ‘general approach’ for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

F. Standards issued but not effective:

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property , plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Transition date:

The Holding Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Depreciation on plant, property and equipment

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Computers	3
Networks and Servers	6
Furniture and fixtures	10
Office equipment	5

Motor vehicles are depreciated over a period of eight years on written down value method. Leasehold improvement is amortized over the period of the lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Group's intangible assets is as below:

Particulars	Useful life (years)
Computer software	5

Transition Date:
On the date of transition to Ind AS, the Holding Company has elected to continue with the net carrying value of intangible assets recognised as at April 1, 2018 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

C. Impairment of property, plant and equipment and intangible assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired, if any such indication exists, the Group estimates the recoverable amount of the assets.
If such recoverable amount of asset or recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. Recoverable amount is the higher of an asset's or cash generating unit's net selling price and value in use.

D. Revenue recognition

i. Interest Income

Interest income for all financial instruments except for those measured or designated as at FVTPL are recognised in the profit or loss account using the effective interest method (EIR). Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

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

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the expected cash flows are estimated by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Notes to Consolidated Financial Statements for the year ended March 31, 2020

ii. **Processing Fee and Application Fee:**

Income from application and processing fees including recovery of documentation not forming part of effective rate calculation charges are recognised upfront.

iii. **Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges :**

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

iv. **Dividends:**

Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

v. **Fees & Commission Income:**

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as per Ind AS 115 , unless included in the effective interest calculation.

vi. **Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

E. Leases

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.

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and hence disclosed in 'property, plant and equipment' and lease liabilities in 'Borrowings' in the statement of financial position.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months and low value assets . The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

F. Financial Instruments

i. Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial instruments to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the cashflows of the financial assets and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages Group's of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets at Amortised Cost:

The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

iii. Financial assets at Fair value through Other Comprehensive Income (FVOCI):

The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

iv. Financial Instruments at Fair Value through Profit and Loss Account (FVTPL)

Items at fair value through profit or loss comprise:

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

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Group does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

v. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

vi. Derecognition of financial assets and financial liabilities

<u>Recognition</u>

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Borrowings are initially recognised when funds reach the Group.

d) Other financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

<u>Derecognition of financial assets due to substantial modification of terms and conditions:</u>

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

<u>Derecognition of financial assets other than due to substantial modification :</u>

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

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

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date, the Group does not have any financial liabilities which have been derecognised.

vii. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

viii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

G. Impairment of Financial Assets:

The Holding Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers. The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Holding Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

Based on the above, the Holding Company categorises its loans in to Stage 1, Stage 2 and Stage 3 as under:

Stage 1: When loans are first recognised, the Holding Company recognises an allowance based on 12 months'
expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Holding Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

Stage 3: When a loan is credit impaired, the Holding Company records an allowance for the life time expected
credit loss.

Calculation of Expected Credit Losses (ECL)
The Holding Company calculates ECL to measure the expected cash shortfall, discounted at the Effective Interest Rate (EIR). Expected cash shortfall is the difference between the cash flows that are contractually due to the Holding Company and cash flows that the Holding Company expects to receive.

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults experience in the past have been taken into account.

Exposure at Default (EAD): 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 repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

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

ECL is calculated as under:
Stage 1: The Holding Company calculates the 12 months' ECL based on the expectation of a default occurring
within 12 months from the reporting date. The expected 12-month PD is applied to the EAD and multiplied by the expected LGD and discounted at the EIR.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Holding Company records an allowance for life time expected credit loss as above, but the PD and LGD is estimated over the lifetime of the loan.

Stage 3: For loans considered credit impaired, life time ECL is recognised. The method is similar to that for Stage 2 loans / assets, with the PD set at 100%.

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

4 Cash and cash equivalents

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand	0.08	0.04	2.12
Foreign currency on hand	1.28	0.75	0.45
Balance with Bank (of the nature of cash and cash equivalents)	3.10	361.25	143.52
Cheques on hand	166.38	-	104.49
Total	**170.84**	**362.04**	**250.58**
* These have been subsequently cleared			

5 Bank balances other than cash and cash equivalents

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unclaimed dividend accounts	18.55	17.55	-
Bank deposit with original maturity for more than three months	159.39	-	
Total	**177.94**	**17.55**	**-**
Note: Fixed deposit earns interest at a fixed interest rate.			

6 Receivables

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Trade Receivable			
Considered good - secured	-	-	-
Considered good - unsecured- Others	118.17	0.65	38.39
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit impaired	-	-	-
Total (Refer Note 49)	**118.17**	**0.65**	**38.39**
Less: Allowances for impairment losses	-	-	-
Total	**118.17**	**0.65**	**38.39**
(ii) Other Receivables			
Considered good - secured	-	-	-
Considered good - unsecured	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit impaired	-	-	-
Total	-	-	-
Less: Allowances for impairment losses	-	-	-
Total	**-**	**-**	**-**

6.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private Companies respectively in which any director is a partner,a director or a member.

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

7 **Loans and Advances**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Amortised Cost			
Term Loans			
Secured Loans	2,889.60	3,838.48	4,423.78
Unsecured Loans	834.21	1,095.01	481.63
Total Gross (A) (Refer Note 49)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance	(438.29)	(417.02)	(275.39)
Total Net (A)	**3,285.52**	**4,516.47**	**4,630.02**
(i) Secured by tangible assets	2,889.59	3,838.48	4,423.78
(ii)Secured by intangible assets	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-
(iv) Unsecured	834.22	1,095.01	481.63
Total Gross (B)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance	(438.29)	(417.02)	(275.39)
Total Net (B)	**3,285.52**	**4,516.47**	**4,630.02**
Loans in India			
(i) Public Sector	-		
(ii) Others	3,723.81	4,933.49	4,905.41
Loans outside India	-	-	-
Total Gross (C)	**3,723.81**	**4,933.49**	**4,905.41**
Less:Impairment loss allowance	(438.29)	(417.02)	(275.39)
Total Net (C)	**3,285.52**	**4,516.47**	**4,630.02**

7.1 The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

	Stage 1	Stage 2	Stage 3
	Low Credit Risk	Significant ncrease in credit risk	Credit Impaired
	0-30 DPD	30-90 DPD	More than 90 DPD
March 31, 2020			
Secured Loan	2,222.04	465.04	201.88
Unsecured Loan	773.82	35.94	25.09
Total	**2,995.86**	**500.98**	**226.97**
March 31, 2019			
Secured Loan	3,466.95	77.32	294.22
Unsecured Loan	1,095.01	-	-
Total	**4,561.96**	**77.32**	**294.22**
April 1, 2018			
Secured Loan	4,423.79	-	-
Unsecured Loan	444.36	-	37.26
Total	**4,868.15**	**-**	**37.26**

7.2 The following table summarizes the changes in loss allowances measured using expected credit loss model -

	Stage 1	Stage 2	Stage 3
	Low Credit Risk	Significant ncrease in credit risk	Credit Impaired
	0-30 DPD	30-90 DPD	More than 90 DPD
ECL Allowance -			
March 31, 2020			
Secured Loan	106.40	148.39	101.29
Unsecured Loan	59.80	2.97	19.44
Total	**166.20**	**151.36**	**120.73**
March 31, 2019			
Secured Loan	165.99	25.97	145.04
Unsecured Loan	80.03	-	-
Total	**246.02**	**25.97**	**145.04**
April 1, 2018			
Secured Loan	214.92	-	
Unsecured Loan	32.53	-	27.95
Total	**247.45**	**-**	**27.95**

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

8. Investments (Rs in Lakhs)

Particulars	31-Mar-20						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	128.41	-	128.41	-	128.41
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	-	-	-	-	-
Total Gross (A)	-	-	**128.41**	-	**128.41**	-	**128.41**
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	128.41	-	128.41	-	128.41
Total (B)	-	-	**128.41**	-	**128.41**	-	**128.41**
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**128.41**	-	**128.41**	-	**128.41**

(Rs in Lakhs)

Particulars	31-Mar-19						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	-	-	-	-	-
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-
Less: Impairment allowance (C')	-	-	-	-	-	-	-
Total Net (A-C)	-	-	-	-	-	-	-

(Rs in Lakhs)

Particulars	31-Mar-18						
	Amortised cost	At fair value				Others (at cost)	Total
		Through other comprehensive income	Through profit and loss	Designated at fair value through profit and loss	Sub total		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
(i) Mutual Funds	-	-	-	-	-	-	-
(ii) Subsidiaries	-	-	-	-	-	-	-
(iii) Equity Instruments	-	-	257.91	-	257.91	-	257.91
Total Gross (A)	-	-	**257.91**	-	**257.91**	-	**257.91**
(i) Investment outside India	-	-		-		-	-
(ii) Investment in India	-	-	257.91	-	257.91	-	257.91
Total (B)	-	-	**257.91**	-	**257.91**	-	**257.91**
Less: Impairment allowance (C')							
Total Net (A-C)	-	-	**257.91**	-	**257.91**	-	**257.91**

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

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9 Other Financials Assets

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposits	5.68	1.53	0.03
Other loans and advances	-	0.01	0.05
Accrued Income	334.21	-	-
Total	**339.89**	**1.54**	**0.08**

10 Tax Assets/(Liabilities)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Tax assets			
Advance income tax(Net of provisions of Rs. 223.49 lakhs (March 31, 2019 Rs.96.25 lakhs (March 31, 2018 : NIL))	41.67	37.71	-
Tax Liabilities			
Provision for current tax(Net of advance tax of Rs. 87.22 lakhs (March 31, 2019 NIL (March 31, 2018 : Rs. 33.82 lakhs))	(33.29)	-	72.06
Total	**8.38**	**37.71**	**72.06**

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

11 Deferred tax assets/(liabilities) (net)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax asset on account of:			
Timing difference between tax depreciation and depreciation charged in the books	-	-	0.52
Expected Credit Loss on Loans and advances	116.02	116.02	76.61
Emplyoee Stock Option	33.43	10.53	-
Gratuity	2.02	1.56	1.14
Leave Encashment	4.89	2.05	0.80
Loan upfront fees recognition as per EIR model	1.44	2.87	4.60
Fair Value of deposits	0.01	-	-
Deferred tax liability on account of:			
Fair Valuation of Investment	(0.17)	-	(28.91)
Interest Recognition on Credit impaired assets	0.42	(1.25)	-
Timing difference between tax depreciation and depreciation charged in the books	(8.23)	(0.63)	-
Loan upfornt fees recognition as per EIR model	(1.22)	-	-
MAT Entitlement Credit	39.59	91.75	76.40
Net deferred tax assets	**188.21**	**222.90**	**131.16**

11.1 Note (a): Summary of deferred tax assets/(liabilities)

(Rs in Lakhs)

Particulars	As at April 1, 2018	(Charged)/Credited to P & L	(Charged)/Credited to OCI	As at March 31, 2019	(Charged)/Credited to P & L	(Charged)/Credited to OCI	Utilised	As at March 31, 2020
Timing difference between tax depreciation and depreciation charged in the books	0.52	(1.15)	-	(0.63)	(7.60)	-	-	(8.23)
Expected Credit Loss on Loans and advances	76.61	39.40	-	116.02	0.00	-	-	116.02
Gratuity	1.14	1.38	(0.97)	1.56	0.00	0.46	-	2.02
Leave Encashment	0.80	1.25	-	2.05	2.84	-	-	4.89
Loan upfornt fees recognition as per EIR model	4.60	(1.72)	-	2.87	(1.44)	-	-	1.44
Loan processing fees recognition as per EIR model	-	-	-	-	(1.22)	-	-	(1.22)
Fair Value of deposits	-	-	-	-	0.01	-	-	0.01
Interest Recognition on Credit impaired assets	-	(1.25)	-	(1.25)	1.67	-	-	0.42
Fair Valuation of Investment	(28.91)	28.91	-	-	(0.17)	-	-	(0.17)
Emplyoee Stock Option	-	10.53	-	10.53	22.90	-	-	33.43
MAT Entitlement Credit	76.40	15.35	-	91.75	-	-	(52.15)	39.59
			-					
Net Net deferred tax assets/(liability)	**131.16**	**92.70**	**(0.97)**	**222.90**	**16.99**	**0.46**	**(52.15)**	**188.20**

12 Investment Property

(Rs in Lakhs)

Particulars	Investment Property
For the year ended March 31, 2020	
Gross Carrying Amount	
Cost as at April 1, 2019	-
Additions	
Disposals - Classified as held for sale	-
Gross carrying value as of March 31, 2020	**-**
Accumulated Depreciation	
Accumulated Depreciation as at April 1, 2019	-
Depreciation charge during the year	-
Disposals-Classified as held for sale	-
Accumulated depreciation as of March 31, 2020	**-**
Net carrying value as of March 31, 2020	-
For the year ended March 31, 2019	
Gross Carrying Amount	
Deemed cost as at April 1, 2018	**56.25**
Additions	-
Disposals	(56.25)
Gross carrying value as of March 31, 2019	**-**
Accumulated Depreciation	
Depreciation charge during the year	0.92
Disposals	(0.92)
Accumulated depreciation as of March 31, 2019	**-**
Net carrying value as of March 31, 2019	**-**

12.1 Amount recognised in profit and loss account (Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i).Rental Income	-	-
ii).Direct operating income (including R& M)from property that generated rental income	-	-
iii).Direct operating income (including R& M)from property other than above	-	-
iv.) Depreciation	-	0.92
v.) Profit/(Loss) frominvestment property	-	(0.92)

12.2 Contractual obligations

There are no contractual obligation inrelation to investment property

12.3 Fair value of investment properties (Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Building	-	-	60.00

12.4 Estimation of Fair value

In view of the recent sale of investment property and similar assets, the management is of the opinion that the fair value of the investment property can be considered as Level 3 valuation based on market value as per sale deed.

12.5 Deemed Cost

On transition to Ind AS, the Holding Company has elected to continue with the carrying value of its Investment Property recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the Investment Property.

(Rs in Lakhs)

Particulars	Software	Total
Gross Block	58.17	58.17
Accumulated Depreciation	1.92	1.92
Net Block	**56.25**	**56.25**

13 **Property, Plant and Equipment**

(Rs in Lakhs)

Particulars	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Right to Use	Total
For the year ended March 31, 2020							
Gross Carrying Amount							
Cost as at April 1, 2019	29.37	0.17	3.97	1.08	7.62	-	42.21
Additions	17.47	-	13.99	2.80	23.40	115.53	173.19
Disposals	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	**46.84**	**0.17**	**17.96**	**3.88**	**31.02**	**115.53**	**215.40**
Accumulated Depreciation							
Accumulated Depreciation as at April 1, 2019	4.40	-	0.48	0.06	7.63	-	12.57
Depreciation charge during the year	9.16	-	1.22	0.20	0.43	2.43	13.44
Disposals	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2020	13.55	-	1.70	0.26	8.06	2.43	26.01
Net carrying value as of March 31, 2020	**33.28**	**0.17**	**16.26**	**3.62**	**22.96**	**113.10**	**189.40**
For the period ended March 31, 2018							
Gross Carrying Amount							
Deemed cost as at April 1, 2018	**5.50**	**0.17**	**1.12**	**0.36**	**0.94**	**-**	**8.09**
Additions	25.08	-	3.01	0.72	6.68	-	35.49
Disposals	(1.21)	-	(0.16)	-	-	-	(1.37)
Gross carrying value as of March 31, 2019	**29.37**	**0.17**	**3.97**	**1.08**	**7.62**	**-**	**42.21**
Accumulated Depreciation							
Depreciation charge during the year	4.40	-	0.48	0.06	7.63	-	12.57
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2019	**4.40**	**-**	**0.48**	**0.06**	**7.63**	**-**	**12.57**
Net carrying value as of March 31, 2019	**24.98**	**0.17**	**3.49**	**1.02**	**-0.01**	**-**	**29.65**

Deemed Cost

On transition to Ind AS, the Holding Company has elected to continue with the carrying value of its Property, plant and equipment recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the Property, plant and equipment

(Rs in Lakhs)

Particulars	Computers	Motor Cars	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Gross Block	6.28	3.45	1.21	0.38	3.70	15.02
Accumulated Depreciation	0.78	3.28	0.09	0.02	2.76	6.93
Net Block	**5.50**	**0.17**	**1.12**	**0.36**	**0.94**	**8.09**

14 Other Intangible assets

(Rs in Lakhs)

Particulars	Computer software	Total
For the year ended March 31, 2020		
Gross Carrying Amount		
Cost as at April 1, 2019	50.08	50.08
Additions	131.18	-
Disposals	-	-
Gross carrying value as of March 31, 2020	**181.26**	**50.08**
Accumulated Depreciation		
Accumulated Depreciation as at April 1, 2019	3.11	3.11
Depreciation charge during the year	35.28	-
Disposals	-	-
Impairment loss	-	-
Accumulated depreciation as of March 31, 2020	38.39	3.11
Net carrying value as of March 31, 2020	**142.87**	**46.97**
For the period ended March 31, 2019		
Gross Carrying Amount		
Deemed cost as at April 1, 2018	**3.49**	**3.49**
Additions	46.59	46.59
Disposals	-	-
Gross carrying value as of March 31, 2019	**50.08**	**50.08**
Accumulated Depreciation		
Depreciation charge during the year	3.11	3.11
Disposals	-	-
Accumulated depreciation as of March 31, 2019	**3.11**	**3.11**
Net carrying value as of March 31, 2019	**46.97**	**46.97**

Deemed Cost

On transition to Ind AS, the Holding Company has elected to continue with the carrying value of its intangible assets recognised as at April 1,2018 measured as per Previous GAAP and used that carrying value as the deemed cost of the intangible asset

(Rs in Lakhs)

Particulars	Software	Total
Gross Block	3.83	3.83
Accumulated Depreciation	0.34	0.34
Net Block	**3.49**	**3.49**

15 Other non-financials assets

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Prepaid exp	25.91	12.10	6.51
Advance to vendors	1.60	0.25	1.08
Balances with statutory/government authorities	-	9.97	-
Total	**27.51**	**22.32**	**7.59**

16 Non-current assets held for sale

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investment Property	-	55.33	
Total	**-**	**55.33**	**-**

16.1 As at March 31, 2019 ,the entity has identified certain assets to be disposed off its investment property. The entity is in the process of discussion with various potential buyers and expects the same to be disposed off within next 12 months.

17 Payables

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Payables			
total outstanding dues of micro enterprises and small enterprises	9.20	6.10	-
total outstanding dues of creditors other than micro enterprises and small enterprises	27.24	17.27	24.71
Total	**36.44**	**23.37**	**24.71**
Other Payables			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total	-	-	-

17.1 Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the group, which has been relied upon by the auditors. The outstanding balance on account of principal and interest remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is Rs. March 31 2020 : Rs. 9.20 lakhs (March 31 , 2019 : 6.10 lakhs ;April 1 , 2018: NIL). The group has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.

18 Borrowings (Other than Debt Securities)

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Secured			
Term Loan from Banks (Refer Note 18.1 and 18.2)	390.79	-	-
Unsecured			
Loans repayable on demand from other parties	1,056.86	2,541.32	4,015.04
Financial Lease Liability	113.10	-	-
Total (A)	**1,560.75**	**2,541.32**	**4,015.04**
Borrowings India	**1,560.75**	**2,541.32**	**4,015.04**
Borrowings outside India	**-**	**-**	**-**
Total (B)	**1,560.75**	**2,541.32**	**4,015.04**

18.1 Maturity profile of Term loans from banks availed by the Holding Company

Term loans from Bank are repayable in 60 Equated monthly instalments commencing from March, 2020 upto February, 2025. This loan carries an interest of 12.50% per annum.(Retail Prime Lending Non- Housing Rate + 260 bps rate)

18.2 Details about the nature of the security

i) First and exclusive charge by way of deed of hypothecation on specific book debts/receivables to be received from existing and prospective customer funded out of the term loans.

ii) Corporate Guarantee from Wilson Holding Private Limited (Formerly known as Truvalue Agro Ventures Private Limited)

iii) All hypothecated receivables have to be standard loans. Any receivables that is more than 90 days ,will needs to be replaced by standard receivables , so as to ensure that entire 1.1x security comprises of standard loans

iv) Irrevocable power of attorney in favour of HDFC to create mortgage/hypothecation charge in favour of HDFC over specific assets and to collect book debts directly from group in event of default by the group.

18.3 The Holding Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

19 Other financial liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unpaid dividends	18.55	17.55	-
Employee liabilities	4.41	13.34	6.75
Creditors for Capital Expenditure	13.30	14.15	24.00
Other Financial Liabilities	-	3.15	2.21
Total	**36.26**	**48.19**	**32.96**

20 Provisions

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Gratuity (Refer Note 41)	7.25	5.60	4.11
Leave Encashment (Refer Note 41)	17.59	7.37	2.89
Total	**24.84**	**12.97**	**7.00**

21 Other non-financial liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Revenue received in advance	3.69	3.30	0.42
Advance from Customers and Others	0.07	18.32	3.30
Creditors for Statutory dues	37.13	35.99	13.78
Unearned Income	-	-	0.72
Advance for sale of investment property	-	30.00	-
Total	**40.89**	**87.61**	**18.22**

22 **Equity Share capital**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a. Authorised Share Capital			
5,00,00,000 (March 31, 2019: 5,00,00,000 and April 1, 2018:1,00,00,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00	1,000.00
Total	**5,000.00**	**5,000.00**	**1,000.00**
b. Issued, Subscribed and Paid-up:			
1,35,07,756 (March 31, 2019: 1,35,00,000 and April 1, 2018:77,57,800) Equity Shares of Rs. 10 each	1,350.78	1,350.00	775.78
Total	**1,350.78**	**1,350.00**	**775.78**

c. Reconciliation of number of equity shares: (Rs in Lakhs)

Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	**1,35,00,000**	**1,350.00**	**77,57,800**	**775.78**	**77,57,800**	**775.78**
Issued during the year	7756	0.78	57,42,200	574.22		-
Balance as at the end of the year	**1,35,07,756**	1,350.78	**1,35,00,000**	**1,350.00**	**77,57,800**	**775.78**

d. Details of shareholders holding more than 5% shares in the Holding Company (Rs in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01 ,2018	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Dahiben Dwarkadas Patel	-	0.00%	4,02,000	2.98%	4,94,000	6.37%
Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	76,82,200	56.87%	70,32,200	52.09%	-	0.00%
Total	**76,82,200**	56.87%	**4,02,000.00**	55.07%	**4,94,000**	**6.37%**

e. Shares of the Company held by the Ultimate Holding Company

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	76,82,200	70,32,200	-
Total	**76,82,200.00**	**70,32,200**	**-**

Subsequent to approval from Board of Directors and Shareholders of Dhanvarsha Finvest Limited on July 27, 2017, BSE Limited accorded in-principle approval on October 13, 2017 and Reserve Bank of India has accorded approval for the change in shareholding and management on June 18, 2018, a preferential issue of 57,42,200 Equity Shares has been made to Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') on June 29, 2018.

f.Shares reseved for issues under options (Rs in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Equity shares of Rs. 10 each reserved for issue under employee stock option scheme	18,38,562.00	183.86	11,17,710.00	111.77

g. Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company. The distribution will be proportional to the number of equity shares held by the shareholders.

h. The Holding Company has not alloted any bonus shares for the period of 5 years immediately preceding March 31, 2020.

i. Refer note 44- Capital for the Company's objectives, policies and processes for managing capital.

23 Other Equity

(Rs in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities premium	(i)	629.85	626.56	-
Retained Earnings	(ii)	612.16	329.70	365.03
Employee stock option outstanding reserve	(iii)	120.16	37.86	-
Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(iv)	277.38	195.64	107.12
Money received against share warrants	(v)	125.00	125.00	-
Total		**1,764.53**	**1,314.74**	**472.15**

(i) **Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act,2013.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**626.56**	**-**
Add: premium received on issue of shares	1.56	631.64
Add: Utilisation on account of exercise option	1.73	-
Share Issue Expenses	-	(5.08)
Balance at the end of the year	**629.85**	**626.56**

(ii) **Retained Earnings**

Retained Earnings are the profits of the Company earned till date net of appropriations.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**329.70**	**365.03**
Profit for the year	406.09	213.43
Remeasurement of defined benefit plans (net of tax)	(1.20)	2.51
Transfer to statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934	(81.74)	(88.52)
Dividends	(33.75)	(135.00)
Dividend distribution tax	(6.94)	(27.75)
Balance at the end of the year	**612.16**	**329.70**

(iii) **Employee stock option outstanding reserve**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**37.86**	**-**
Add:Share based payment expense	84.03	37.86
Less:Transfer to securities premium on account of exercise of Options	(1.73)	-
Balance at the end of the year	**120.16**	**37.86**

(iv) **Statutory reserve created u/s 45-IC of Reserve Bank of India Act, 1934**

The Company maintains statutory reserve u/s 45-IC of Reserve Bank of India Act,1934 under which a specified amount is transferred from retained earnings

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	195.64	107.12
Movement During the year	81.74	88.52
Balance at the end of the year	**277.38**	**195.64**

(V) **Money received against share warrants**

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	125.00	-
Movement During the year	-	125.00
Balance at the end of the year	**125.00**	**125.00**

24 **Interest Income**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Loans (at amortised cost)	602.30	928.36
Other interest Income (at amortised cost)	10.50	0.01
Total	**612.80**	**928.37**

25 **Fees and commission Income**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from Loan Services	31.40	94.28
Income from Other Services	1,229.23	767.10
Total	**1,260.63**	**861.38**

Revenue from contracts with customers

Below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Type of Services		
Fee and commission income	1,260.63	861.38
Total revenue from contract with customers	**1,260.63**	**861.38**
Geographical markets		
India	1,260.63	861.38
Outside India	-	-
Total revenue from contract with customers	**1,260.63**	**861.38**
Timing of revenue recognition		
Services transferred at a point in time	1,253.55	790.52
Services transferred over time	7.08	70.86
Total revenue from contracts with customers	**1,260.63**	**861.38**

Contract balance

Particulars	As at March 31, 2020	As at March 31, 201	As at April 1, 2018
Trade Receivables	118.17	0.65	38.39

26 **Net gain on fair value changes**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
Investment in Mutual funds	8.16	-
Investment in equity instruments	-	96.69
Total Net gain	**8.16**	**96.69**
Fair Value changes:		
Realised	7.11	96.69
Unrealised	1.05	-
Total Net gain	**8.16**	**96.69**

27 **Others**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Penal Interest	25.49	13.46
Bouncing Charges	1.95	-
Other Charges	1.54	3.34
Total	**28.98**	**16.80**

28 **Other Income**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Income	1.10	7.30
Net gain/(loss) on derecognition of property, plant and equipment and investment property	4.67	0.00
Gain on Foreign Currency Transactions	0.04	-
Recovery from written off accounts	13.00	-
Miscellaneous Income	-	18.78
Total	**18.81**	**26.08**

29 Finance costs

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Loans	163.61	507.92
Interest on Lease Liabilities	2.17	-
Interest on taxes	2.81	9.75
Total	**168.59**	**517.67**

30 Fees and commission expense

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission	0.79	0.96
Total	**0.79**	**0.96**

31 Impairment on financial instruments

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loans	21.27	141.63
Bad Debts	12.40	148.59
Total	**33.67**	**290.22**

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

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Debt instruments measured at Amorised Cost (Loans)	(79.82)	125.40	(24.31)	21.27
Total impairment loss	**(79.82)**	**125.40**	**(24.31)**	**21.27**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Debt instruments measured at Amorised Cost (Loans)	(1.43)	25.97	117.09	141.63
Total impairment loss	**(1.43)**	**25.97**	**117.09**	**141.63**

32 Employee Benefits Expenses

(Rs in Lakhs)

Salaries and wages	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	576.85	453.84
Gratuity Expenses (Refer Note 41)	5.60	4.96
Contribution to provident and other funds	25.59	13.86
Share Based Payments to employees	84.03	37.86
Staff welfare expenses	9.77	5.92
Total	**701.84**	**516.44**

33 Depreciation, amortization and impairment

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (Refer Note 13)	13.44	12.57
Depreciation of Investment Properties (Refer Note 12)	-	0.92
Amortization of intangible assets (Refer Note 14)	35.28	3.11
Total	**48.72**	**16.60**

34 Others expenses

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and Professional Fee	148.99	107.85
Power and Fuel	6.65	4.91
Rent , Rates and Taxes	68.59	97.74
Director's Sitting Fee	40.05	35.65
Bad Debts	-	-
Brokerage and Service Charge	2.68	0.43
Repairs	4.36	0.86
Travelling and Conveyance	26.78	19.90
Insurance	13.29	7.27
Loss on Foreign Currency Transactions	-	0.02
Printing and Stationery	4.13	3.38
GST Expenses	32.10	24.28
Auditor fees and expenses (Refer Note 34.1)	11.78	6.15
Annual Maintenance Charges	15.26	16.44
Other expenditure	46.81	19.84
Total	**421.47**	**344.72**

34.1 Auditor fees and expenses

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit of Company	6.68	3.00
Limited Review	3.50	2.00
Taxation matters	1.00	0.50
In other capacity	0.60	0.50
Reimbursement of expenses	-	0.15
Total	**11.78**	**6.15**

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

35 Income tax expense

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current tax on profits for the period	172.52	121.98
Adjustments for current tax of prior periods	(7.32)	-
Mat credit entitlement (Refer Note11)	-	(15.35)
Total Current Tax	**165.20**	**106.63**
Deferred tax expense (income)		
Decrease in deferred tax assets (Refer Note 11)	(16.99)	(77.35)
Total deferred tax expense/(benefit)	**(16.99)**	**(77.35)**
Total tax expense	**148.20**	**29.28**

35.1 Reconciliation of effective tax rate:

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) before income tax expense	554.30	242.71
Enacted income tax rate in India applicable to the Company 27.82% (2016-2017 – 27.82%)	154.20	67.52
Tax effect of:		
Permanent Disallowances	-	(11.12)
Deferred tax assets not created on OCI	(0.46)	0.97
Long term capital gain on sale of property	(1.30)	-
Difference in tax rates for short term capital gains	(0.81)	-
Others	3.88	0.40
Tax in respect of earlier period	(7.32)	-
Difference due to differential Tax rates	-	-
MAT Credit	-	(28.49)
		-
Total tax expense	**148.20**	**29.28**
Effective tax rate	26.74	12.06

35.2 Amounts recognised directly in equity

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

36 Earnings per share

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders of the Holding Company (A) (INR in Crores)	406.09	213.43
Weighted Average number of shares issued for Basic EPS (B)	1,35,01,208	1,20,84,115
Adjustment for calculation of Diluted EPS (c)	8,41,430.59	4,60,966
Weighted Average number of shares issued for Diluted EPS (D= B+C)	1,43,42,638	1,25,45,081
Basic EPS in Rs.	3.01	1.77
Diluted EPS in Rs.	2.83	1.70

During the year March 2019, the Holding Company has allotted 7,75,200 Warrants of face value of Rs.10/- each at a price of Rs.64.50 per Warrant (including Rs.54.50 towards share premium), to M/s. Wilson Holdings Private Limited, against receipt of 25% of the Warrant subscription amount. The remaining 75% of the Warrant subscription amount can be paid within a period of eighteen (18) months from the date of allotment of Warrants. These warrants are not counted in Weighted average number of Equity Shares used for calculation of diluted Earning per Share, as they are anti-dliutive.

37 Contingent liabilities & commitments

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Income Tax matters under dispute	65.99	65.99	-
Commitments			
a) Capital commitments	18.97	65.95	27.30
(Estimated amount of contracts remaining to be executed on capital account and not provided for)			
Total Commitments	**18.97**	**65.95**	**27.30**

38 The Reserve Bank of India has issued Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and various other circulars, where-in criteria of principal business was defined in terms of asset-income criteria to be as an NBFC. During the year, the Holding Company has financial assets which is more than 50% of its total assets and income from financial asset is lower than 50%. There reason for interest income being less than required threshold is mainly due to the lack of credit availability in the NBFC space since the NBFC Credit crisis in September 2018 due to which the Holding Company developed streams of income from sell down and syndication which contributed to fee income. While non-interest income increased significantly in this time frame, the Holding Company also emphasized on reducing the ticket size of loans and increasing borrowing count significantly which is evident in the number of borrowers that has almost doubled from 225 in March 2019 to 403 in March 2020. With sanctioning of debt lines from Jan 2020 coupled with the recent infusion of equity capital from the promoter of Holding Company in April 2020, the Holding Company is confident of achieving much higher income from the Financial Assets going forward.

39 Derivatives

The Holding Company has no transactions / exposure in derivatives in the current and previous year. The Holding Company has no unhedged foreign currency exposure as on March 31, 2020 (March 31, 2019: Nil).

40 Uncertainties relating to the Global Health Pandemic from COVID-19 ("Covid-19")

COVID-19 which has been declared a global pandemic continues to spread across the globe and has led to an unprecedented level of disruption on socio-economic activities. The Government of India had announced a series of lock-down from March 24, 2020 which was extended until early June 2020. Because of economic disruption, RBI released guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020, and May 23 2020. In accordance with those guidelines, the Holding Company is granting a moratorium to borrowers on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers based on the requests. Accordingly, for all such accounts where moratorium has been granted, the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms as well as for staging of those accounts for impairment loss allowance under Ind AS.

The recent directions from the Government allows for gradual withdrawal of lockdown and partial resumption of economic activity. However, major economic centres are still continuing to be under partial lockdown. There is a high level of uncertainty about the duration of the time required for life and business to get normal. The extent to which COVID-19 pandemic will impact the Group's operations and financial results is dependent on the future developments, which are highly uncertain, including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group.

In preparing the acCompanying financial statements, the Group's management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income and expenses. These estimates and associated assumptions, especially for impairment loss allowance under Ind AS 109 of the Holding Company's loans, are based on historical experience and various other factors including the possible effects that may result from the pandemic. These estimates and associated assumptions are believed to be reasonable under the current circumstances. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the loans, the financial position and performance of the Holding Company.

41 Employee benefits

During the year ended March 31, 2020, there are no employee benefits paid by the subsidiary Company hence disclosure below pertains only to the Holding Company

(a) **Long term employee benefit obligations**

The compensated absences charge for the year ended March 31, 2020 of Rs 12.77 lakhs (March 31, 2019 Rs 5.24 lakhs) has been charged in the Statement of Profit and Loss.

The liability for compensated absences based on actuarial valuation amounting as at the year ended March 31, 2020 is 17.59 lakhs (March 31, 2019 : Rs. 7.37 lakhs ; April 01, 2018: Rs 2.89 lakhs)

(b) Post Employment Obligations

I. Defined contribution plans

The Holding Company has classified the various benefits provided to employees as under:

a. Provident Fund
b. Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner . Under the schemes, the Holding Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The expense recognised during the period towards defined contribution plan -

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to Provident Fund	18.85	9.02
Contribution to Employees' Pension Scheme 1995	6.75	4.84

II. Defined benefit plans

Gratuity

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of Rs 20 lakhs. The gratuity plan is a funded plan.

The Holding Company has a defined benefit plan in India (Funded). The Holding Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The Fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the year , there are no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by Rule 103 of Income Tax Rules, 1962

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Rs in Lakhs)

Sr No	Defined benefit plans	For the year ended March 31, 2020 Gratuity (funded)	For the year ended March 31, 2019 Gratuity (Unfunded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	5.20	4.64
	Past service cost	-	-
	Expected return on plan assets	-	-
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.39	0.32
	Total expenses	**5.59**	**4.96**
II	**Expenses recognised in other comprehensive income**		
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	-	(2.58)
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	1.09	0.35
	Actuarial (gains)/ losses due to experience on defined benefit obligations	0.64	(1.25)
	Return on plan assets excluding Interest income	(0.08)	-
	Total expenses	**1.65**	**(3.48)**
III	**Net asset /(liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	(12.92)	(5.60)
	Fair value of plan assets	5.67	-
	Funded status [surplus / (deficit)]	**(7.25)**	**(5.60)**
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	5.60	4.11
	Current service cost	5.20	4.65
	Past service cost	-	-
	Interest cost	0.39	0.32
	Actuarial (gains) / loss	1.73	(3.48)
	Benefits paid		
	Present value of defined benefit obligation at the end of the year	**12.92**	**5.60**
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	-	-
	Expected returns on plan assets		
	Expected returns on plan assets excluding Interest income	0.07	-
	Actuarial (gains) / loss on plan assets		
	Contribution from employer	5.60	-
	Benefits paid		
	Closing fair value of the plan asset	**5.67**	**-**
VI	**Maturity profile of defined benefit obligation**		
a	**Funding arrangements and funding policy**		
	The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company		
b	The average outstanding term of the obligations (years) as at valuation date is 4 years		
	Expected cash flows over the next (valued on undiscounted basis):		
	1st Following Year	0.03	-
	2nd Following Year	0.02	-
	3rd Following Year	0.89	-
	4th Following Year	1.89	-
	5th Following Year	1.98	-
	Sum of Years 6 To 10	7.32	-
	Sum of Years 11 and above	9.10	-

VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
1	Increase / (decrease) on present value of defined benefit obligation at the end of the year	12.92	5.60
	(i) +1% increase in discount rate	(0.92)	(0.42)
	(ii) -1% decrease in discount rate	1.04	0.47
	(iii) +1% increase in rate of salary increase	0.96	0.45
	(iv) -1% decrease in rate of salary increase	(0.88)	(0.41)
	(v) +1% increase in rate of Emplyoee Turnover	(0.56)	(0.28)
	(vi) -1% decrease in rate of Emplyoee Turnover	0.60	0.30

2 **Sensitivity analysis method**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VIII **Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and the Holding Company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. 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 will 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 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.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance group and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

X	**Composition of plan assets**		
	Qualifying policy with Tata AIA Life Insurance Holding Company Limited	100%	NA

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XI **Asset liability matching strategies**

The Holding Company contributes to the insurance policy based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer..

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XII	**Actuarial assumptions:**	**As at March 31, 2020**	**As at March 31, 2019**
1	Expected Return on Plan Assets	5.76%	NA
2	Discount rate	5.76%	6.96%
3	Expected rate of salary increase	10.00%	10.00%
4	Rate of Employee Turnover	18.00%	18.00%
5	Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
6	Mortality	NA	NA

Notes:

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The Holding Company expects to make a contribution of Rs.17.41 lakhs to the defined benefit plans (gratuity - funded) during the next financial year. G

e) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9 years.

42 **Segment Reporting**

Operating segment are components of the group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") of the Company to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group operates in a two reportable business segment i.e. Fund Based Activities and Advisory Services, which has similar risks and returns for the purpose of Ind AS 108 – "Operating segments"

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED		
Segment Revenue		
Fund Based Activities	1,677.06	1,134.66
Advisory Services	233.51	768.58
Total	**1,910.57**	**1,903.24**
Less : Inter Segment Revenue	-	-
Revenue from Operations	**1,910.57**	**1,903.24**
Segment Results		
Profit before Tax from each segment :		
Fund Based Activities	512.99	(402.20)
Advisory Services	93.27	641.90
Total	**606.26**	**239.70**
Add: Other Un-allocable Income net of Expenditure	(49.16)	3.01
Profit before Tax	**557.10**	**242.71**
Less: Income taxes	151.01	29.28
Profit after Tax	**406.09**	**213.43**
Capital Employed		
Segment Assets		
Fund Based Activities	4,239.45	4,761.22
Advisory Services	29.67	19.98
Unallocated	578.66	597.00
Total	**4,847.78**	**5,378.20**
Segment Liabilities		
Fund Based Activities	1,664.73	2,636.14
Advisory Services	15.91	26.62
Unallocated	51.83	50.70
Total	**1,732.47**	**2,713.46**
Capital Expenditure		
Fund Based Activities	252.76	99.67
Advisory Services	23.88	13.13
Depreciation and Amortisation		
Fund Based Activities	48.43	11.03
Advisory Services	0.29	4.65
Unallocated	-	0.92
Finance Cost		
Fund Based Activities	165.78	507.92
Advisory Services	-	-
Unallocated	2.81	9.75
Other non-cash expenditure		
Fund Based Activities	33.67	290.22
Advisory Services	-	-

Geographic Segment

All the assets of the Group and source of revenue of the Group is within India and hence, no separate geographical segment is identified.

Information about major customers

44.51% of the Group's total revenue is represented by one single external customer during the year ended March 31, 2020 (March 31, 2019.: 38.09%)

43 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(Rs in Lakhs)

Assets	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financials Assets									
Cash and cash equivalents	170.84	-	170.84	362.04	-	362.04	250.58	-	250.58
Bank balances other than cash and cash equivalents	177.94	-	177.94	17.55	-	17.55	-	-	-
Receivables									
(i)Trade Receivables	118.17	-	118.17	0.65	-	0.65	38.39	-	38.39
(ii)Other Receivables	-	-	-	-	-	-	-	-	-
Loans*	562.03	2,723.49	3,285.52	1,015.35	3,501.12	4,516.47	835.39	3,794.63	4,630.02
Investments	128.41	-	128.41	-	-	-	257.91	-	257.91
Other Financials Assets	334.52	5.37	339.89	0.01	1.53	1.54	0.05	0.03	0.08
Non Financials Assets									
Current Tax Assets (Net)	-	41.67	41.67	-	37.71	37.71	-	-	-
Deferred Tax Assets (Net)	-	188.21	188.21	-	222.90	222.90	-	131.16	131.16
Investment Property	-	-	-	-	-	-	-	56.25	56.25
Property,Plant and Equipment	-	189.40	189.40	-	29.65	29.65	-	8.09	8.09
Capital work -in- progress	-	25.84	25.84	-	-	-	-	-	-
Intangible assets under development	-	11.51	11.51	-	65.07	65.07	-	34.36	34.36
Other intangible assets	-	142.87	142.87	-	46.97	46.97	-	3.49	3.49
Other non-financials assets	24.55	2.96	27.51	22.32	-	22.32	7.59	-	7.59
Non-current assets and disposal group held for sale	-	-	-	55.33	-	55.33	-	-	-
Total Assets	**1,516.47**	**3,331.31**	**4,847.78**	**1,473.25**	**3,904.95**	**5,378.20**	**1,389.92**	**4,028.00**	**5,417.92**

* The maturity profile disclosed above does not factor in the effect of changes due to postponement of cash flows on account of loans under moratorium period as permitted under RBI's COVID-19 Regulatory Package notified on 27 March, 2020 and May 23, 2020

(Rs in Lakhs)

Liabilities	Sunday, 31 March 2019			Saturday, 31 March 2018			Saturday, 1 April 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
Payables									
I)Trade payables	36.44	-	36.44	23.36	-	23.36	24.71	-	24.71
II)Other payables	-	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	1,126.20	434.55	1,560.75	2,541.32	-	2,541.32	4,015.04	-	4,015.04
Other financial liabilities	36.26	-	36.26	48.19	-	48.19	32.96	-	32.96
Non-Financial Liabilities									
Current tax liabilities(Net)	33.29	-	33.29	-	-	-	72.06	-	72.06
Provisions	11.74	13.10	24.84	2.08	10.89	12.97	0.40	6.60	7.00
Other non-financial liabilitie	40.89	-	40.89	87.61	-	87.61	18.22	-	18.22
Total Liabilities	**1,284.82**	**447.65**	**1,732.47**	**2,702.57**	**10.89**	**2,713.46**	**4,163.39**	**6.60**	**4,169.99**
Net	**231.65**	**2,883.66**	**3,115.31**	**(1,229.32)**	**3,894.06**	**2,664.74**	**(2,773.47)**	**4,021.40**	**1,247.93**

44 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020, March 31, 2019 and as at April 1, 2018.The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Group's adjusted net debt to equity ratio is as follows.

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Debt	1,560.75	2,541.32	4,015.04
Less: cash and cash equivalents	(170.84)	(362.04)	(250.58)
Less: Bank balances other than cash and cash equivalents	(177.94)	(17.55)	-
Adjusted net debt	**1,211.97**	**2,161.73**	**3,764.46**
Total Equity	3,115.31	2,664.74	1,247.93
Adjusted net debt to adjusted equity ratio	0.39	0.81	3.02

45 Events after reporting date

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

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

46 Change in liabilities arising from financing activities

(Rs in Lakhs)

Particulars	April 1,2019	Cash Flows	Changes in fair values	Exchange difference	Other	March 31,2020
Debt securities Borrowings other than debt securities Deposits	2,541.32	(1,096.10)	-	-	115.53	1,560.75
Total liabilities from financing activities	**2,541.32**	**-1,096.10**	**-**	**-**	**115.53**	**1,560.75**

(Rs in Lakhs)

Particulars	April 1,2018	Cash Flows	Changes in fair values	Exchange difference	Other	March 31,2019
Debt securities Borrowings other than debt securities Deposits	4,015.04	(1,473.72)	-	-	-	2,541.32
Total liabilities from financing activities	**4,015.04**	**(1,473.72)**	**-**	**-**	**-**	**2,541.32**

Other column includes creation of finance lease liabilities

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

47 Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Parent Company	M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)
Fellow Subsidiary	Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)
Key Management Personnel (KMP)	Mrs. Arunaben Girishkumar Shah, Independent Director (upto August 24, 2018)
	Mr. Dharmil Shah, Independent Director (upto August 24, 2018)
	Mr. Malay Rohitkumar Bhow, Whole-time Director (upto August 10, 2018)
	Mr. Karan Neale Desai, Joint Managing Director
	Mr. Ashish Sharad Dalal, Non-Executive Director
	Mr. Nirmal Vinod Momaya, Independent Director
	Mr. K. P. Raghuvanshi, Independent Director
	Mrs. Manjari Kacker, Independent Director
	Mr. Rakesh Sethi, Chairman and Independent Director (w.e.f. Ocotber 15, 2019)
	Mr. Rajiv Kapoor, Independent Director (w.e.f. Febuary 03, 2020)
	Mr. Surender K Behera, Independent Director (upto December 17, 2019)
	Mr. Rohanjeet Singh Juneja, Joint Managing Director (w.e.f. December 17, 2019)
	Mr. Narendra Kumar Tater, Chief Financial Officer
	Mr. M Vijay Mohan Reddy, Company Secretary
	Mr. Dhairya Kumar Thakkar, Company Secretary (upto August 10, 2018)
	Mr. Nimir Kishore Mehta, Non-Executive Chairman (upto December 15, 2019)
Other Related Parties	Mr. Nimir Kishore Mehta (Promoter of Wilson Holdings Private Limited)
	Prolific Ventures Pvt Ltd (Relative of Promoter Having Singnificant Influence)

B. Details of related party transactions:

(Rs in Lakhs)

Name of the related party	Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Key Management Personnel (KMP)			
Mr. Karan Neale Desai	Remuneration to key management personnel*	67.27	47.99
	Reimbursement of expenses	8.18	4.25
Mr. Narendra Kumar Tater	Remuneration to key management personnel*	36.49	39.24
	Reimbursement of expenses	4.76	1.84
Mr. Vijay Mohan Reddy	Remuneration to key management personnel*	24.28	25.29
	Reimbursement of expenses	5.93	2.16
Mr. Dhairya Kumar Thakkar	Remuneration to key management personnel*	-	1.04
Mr. Rohanjeet Singh Juneja	Remuneration to key management personnel*	17.89	-
	Reimbursement of expenses	1.55	-
Mr. Ashish Sharad Dalal	Sitting Fees and Commission	7.00	7.63
Mr. Nirmal Vinod Momaya	Sitting Fees and Commission	7.00	8.63
Mr. K. P. Raghuvanshi	Sitting Fees and Commission	8.25	8.13
Mrs. Manjari Kacker	Sitting Fees and Commission	9.25	6.13
Mr. Dharmil Shah	Sitting Fees and Commission	(1.35)	1.50
Ms. Arunaben Girishkumar Shah	Sitting Fees and Commission	(1.35)	1.50
Mr. Surender K Behera	Sitting Fees and Commission	5.00	-
Mr. Rakesh Sethi	Sitting Fees and Commission	4.25	-
Mr. Rajiv Kapoor	Sitting Fees and Commission	1.00	-
Mr. Nimir Kishore Mehta	Sitting Fees and Commission	1.00	2.13
Other Related Parties			
Mr. Nimir Kishore Mehta	Rent paid	60.00	60.00
	Reimbursement of expenses	0.72	0.72
Prolific Ventures Pvt Ltd	Rent paid	4.60	-
	Security Deposit	6.90	-
Parent Company			
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Interest expense	156.80	507.93
	Issuance of share warrants	-	125.00
	Loans given	-	1,910.00
	Loans Repaid	1,420.00	3,365.00
Fellow Subsidiary			
Wilson Financial Services Private Limited (from July 31, 2018) (Wholly owned Subsidiary of Wilson Holdings Private Limited)	Rent income	1.20	7.30
	Sale of fixed Assets	-	1.21
	Reimbursement of expenses	-	0.26

C. Details of balances outstanding for related party transactions:

(Rs in Lakhs)

Name of the related party	Nature of Transaction	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Parent Company				
M/s. Wilson Holdings Private Limited (Formerly known as M/s. Truvalue Agro Ventures Private Limited)	Short Term borrowing**	1,030.00	2,450.00	-
Key Management Personnel (KMP)				
Mr. Ashish Sharad Dalal	Sitting Fees and Commission	-	0.63	-
Mr. Nirmal Vinod Momaya	Sitting Fees and Commission	-	0.63	-
Mr. K. P. Raghuvanshi	Sitting Fees and Commission	-	0.63	-
Mrs. Manjari Kacker	Sitting Fees and Commission	-	0.63	-
Mr. Karan Neale Desai	Reimbursement of expenses	1.12	-	-
Mr. Rohanjeet Singh Juneja	Reimbursement of expenses	0.46	-	-
	Sitting Fees and Commission	-	0.63	-
Mr. Nimir Kishore Mehta	Reimbursement of expenses	-	0.06	-

*As the future liability for gratuity and compensated absences is provided on an actuarial basis for the group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

D. Key management personnel compensation:

(Rs in Lakhs)

Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Short term Employee Benefits *	-	-
Share Based Payment	76.99	21.51
Total	**76.99**	**21.51**

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the group as a whole, the amounts pertaining to key managerial personnel and relative of key managerial personnel are not included above.

E The options granted and outstanding for the key managerial personnel as of March 31, 2020 and March 31, 2019 is as provided below:

Name of the KMP	Grant Date	Expiry date	Exercise Price	Shares outstanding	
				Mar-20	Mar-19
Mr. Karan Neale Desai	05/11/18	04/11/25	30.00	3,63,489	3,63,489
Mr. Narendra Kumar Tater	05/11/18	04/11/25	30.00	1,93,861	1,93,861
Mr. Vijay Mohan Reddy	05/11/18	04/11/25	30.00	69,799	77,555
Mr. Karan Neale Desai	17/12/19	16/12/26	50.00	2,36,511	-
Mr. Rohanjeet Singh Juneja	17/12/19	16/12/26	50.00	6,00,000	-
Total				**14,63,660**	**6,34,905**

F. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

48 Fair Value Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs in Lakhs)

Financial Assets and Liabilities as at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	170.84	170.84	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	177.94	177.94	-	-	-	-
Receivables				-				
Trade Receivables	-	-	118.17	118.17	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	3,285.52	3,285.52	-	-	-	-
Investments	128.41	-	-	128.41	128.41	-	-	128.41
Other Financials Assets	-	-	339.89	339.89	-	-	-	-
	128.41	**-**	**4,092.36**	**4,220.77**	**128.41**	**-**	**-**	**128.41**
Financial Liabilities								
Payables								
Trade payables	-	-	36.44	36.44	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	1,560.75	1,560.75	-	-	-	-
Other financial liabilities	-	-	36.26	36.26	-	-	-	-
	-	**-**	**1,633.45**	**1,633.45**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Financial Assets and Liabilities as at March 31, 2019	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	362.04	362.04	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	17.55	17.55	-	-	-	-
Receivables								
Trade Receivables	-	-	0.65	0.65	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	4,516.47	4,516.47	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other Financials Assets	-	-	1.54	1.54	-	-	-	-
	-	**-**	**4,898.25**	**4,898.25**	**-**	**-**	**-**	**-**
Financial Liabilities								
Payables								
Trade payables			23.37	23.37	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	2,541.32	2,541.32	-	-	-	-
Other financial liabilities	-	-	48.19	48.19	-	-	-	-
			2,612.88	**2,612.88**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Financial Assets and Liabilities as at April 1, 2018	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								-
Cash and cash equivalents	-	-	250.58	250.58	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables								
Trade Receivables	-	-	38.39	38.39	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Loans	-	-	4,630.02	4,630.02	-	-	-	-
Investments	257.91	-	-	257.91	257.91	-	-	257.91
Other Financials Assets	-	-	0.08	0.08	-	-	-	-
	257.91	**-**	**4,919.07**	**5,176.98**	**257.91**	**-**	**-**	**257.91**
Financial Liabilities								
Payables								
Trade payables	-	-	24.71	24.71	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	4,015.04	4,015.04	-	-	-	-
Other financial liabilities	-	-	32.96	32.96	-	-	-	-
	-	**-**	**4,072.71**	**4,072.71**	**-**	**-**	**-**	**-**

B. Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

a. The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other bank balances , other financials assets and other financial liabilities , etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b. Financial instruments with fixed interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty.Based on this evaluation, allowances if required, are taken to account for expected losses of these instruments.Thus, Amortised cost shown in A, above, is after adjusting ECL amount.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Company-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.

49 Financial Risk Management

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Group. Together they help in achieving the business goals and objectives consistent with the Group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committtees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group has exposure to the following risks arising from financial instruments:

• Credit risk

• Liquidity risk and

• Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of busines.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(` in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01 , 2018
Outstanding for a period not exceeding six months	118.17	0.65	38.39
Outstanding for a period exceeding six months	-	-	-
Gross Trade Receivables	**118.17**	**0.65**	**38.39**
Less: Impairment Loss	-	-	-
Net Trade Receivables	**118.17**	**0.65**	**38.39**

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group's historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

ii) Loans and financial assets measured at amortized cost

The ageing analysis of loans (gross of provision) has been considered from the date the contractual payment falls due -

(` in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01 , 2018
0-30 Days Past Due			
Secured	2,222.04	3,466.95	4,423.79
Unsecured	773.82	1,095.01	444.36
30-90 Days Past due			
Secured	465.04	77.32	-
Unsecured	35.94	-	-
More than 90 Days Past Due			
Secured	201.88	294.22	-
Unsecured	25.09	-	37.26
Total	**3,723.81**	**4,933.49**	**4,905.41**

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Holding Company is into small ticket loan business, there is no significant credit risk of any individual customer that may impact Holding Company adversely, and hence the Holding Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Holding Company categorizes loan assets into stages primarily based on the Months Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(i) RBI COVID-19 regulatory package

In accordance with the Reserve Bank of India (RBI) notification no. RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated 27th March, 2020 and RBI/2019-20/220 DOR.No.BP. BC.63/21.04.048/2020-21 dated April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Holding Company, as per its board approved policy and ICAI advisories, has granted moratorium upto three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. And in respect of accounts overdue but standard (i.e, stage 1 and stage 2) at 29 February 2020 where moratorium benefit has been granted, for the purpose of staging of those accounts and for determination of impairment loss allowance as at 31 March 2020, the days past due status as on 29 February 2020 has been considered.

(ii) Definition of default

The Holding Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(iii) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation.

(iv) Estimations and assumptions considered in the ECL mode

An impairment analysis is performed at each reporting date. Impairment loss has been calculated based on EAD* Probability of Default (PDs)* Loss given Default (LGDs).

Internal rating model incorporates both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour.

Probability of Default (PDs): As there is no established past trend available with the Group for its own portfolio for calculation of probability of default, the Group has computed PD's from risk assessment of borrowers and default history. PDs are then adjusted for Ind AS 109 ECL calculations to incorporate forward looking information and the Ind AS 109 Stage classification of the exposure. For the purpose of Stage 3, PDs are taken as 100%.

Loss given Default (LGDs): For the purpose of LGD calculation, the Group does not have its own default and recovery history. Hence, In case of Secured loan portfolio, LGD has been considered based on Minimum LGD prescribed on real estate property security in RBI Circular RBI/2011-12/311 DBOD.No.BP.BC.67/21.06.202/2011-12 dated December 22, 2011 . Currently, all loan portfolio are secured by property has been taken as 50% for the same.

In case of unsecured investments, LGD is considered at 75%, since there is no past history of recovery available and forward looking information of no circumstances of recovery in future based on current position of such investee Companies.

(v) Policy for write off of Loan assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Holding Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Holding Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets under "Other Income " in Statement of profit and loss.

An analysis of changes in the gross carrying amount and the corresponding ECLs as follows :

Gross exposure reconciliation

(Rs. In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2018	**4,868.15**	**-**	**37.26**	**4,905.41**
New loans originated during the year	1,894.91	-	-	1,894.91
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(75.50)	75.50	-	-
Transfers to Stage 3	(280.89)	-	280.89	-
Write-offs	(103.17)	-	(35.91)	(139.08)
Net remeasurement of exposure	(1,741.56)	1.82	11.98	(1,727.76)
Gross carrying amount balance as at March 31, 2019	**4,561.95**	**77.32**	**294.22**	**4,933.49**
New loans originated during the year	874.33	-	-	874.33
Transfers to Stage 1	40.11	(40.11)	-	-
Transfers to Stage 2	(451.92)	506.08	(54.16)	-
Transfers to Stage 3	(86.77)	(34.24)	121.01	-
Write-offs	(2.81)	-	(9.58)	(12.40)
Net remeasurement of exposure	(1,939.04)	(8.09)	(124.50)	(2,071.63)
Gross carrying amount balance as at March 31, 2020	**2,995.86**	**500.98**	**226.97**	**3,723.81**

Reconciliation of ECL balance

(Rs. In lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance- Opening Balance as at April 1, 2018	**247.45**	**-**	**27.95**	**275.39**
New loans originated during the year	110.42	-	-	110.42
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3.61)	3.61	-	-
Transfers to Stage 3	(13.41)	-	13.41	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(94.83)	22.36	103.68	31.21
ECL Allowance- Closing Balances as on March 31, 2019	**246.02**	**25.96**	**145.04**	**417.02**
New loans originated during the year	60.28	-	-	60.28
Transfers to Stage 1	14.02	(14.02)	-	-
Transfers to Stage 2	(22.74)	49.82	(27.08)	-
Transfers to Stage 3	(4.86)	(11.95)	16.80	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery and write offs	(126.53)	101.55	(14.04)	(39.01)
ECL Allowance- Closing Balances as on March 31, 2020	**166.20**	**151.36**	**120.73**	**438.29**

iii. Cash and bank balances

The Group held cash and cash equivalent and other bank balance of Rs. 348.78 lakhs at March 31, 2020 (March 31, 2019: Rs. 379.59 lakhs; April 1, 2018: Rs 250.57 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, Group invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Group to credit risk.

iv. Others

Apart from trade receivables ,loans and cash and bank balances , the Group has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(Rs. In lakhs)

Contractual maturities of financial assets March 31, 2020	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	170.84	-	-	170.84
Bank balances other than cash and cash equivalents	177.94	-	-	177.94
Receivables				
Trade Receivables	118.17	-	-	118.17
Other Receivables	-	-	-	-
Loans	616.91	901.88	2,210.17	3,728.96
Investments	128.41	-	-	128.41
Other Financials Assets	334.52	8.45	0.19	343.16
Total	**1,546.79**	**910.33**	**2,210.36**	**4,667.48**
Contractual maturities of financial liabilities March 31, 2020	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	36.44	-	-	36.44
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	1,185.55	271.18	285.18	1,741.91
Other financial liabilities	36.26	-	-	36.26
Total	**1,258.25**	**271.18**	**285.18**	**1,814.61**

(Rs. In lakhs)

Contractual maturities of financial assets March 31, 2019	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	362.04	-	-	362.04
Bank balances other than cash and cash equivalents	17.55	-	-	17.55
Receivables				
Trade Receivables	0.65	-	-	0.65
Other Receivables	-	-	-	-
Loans	1,091.16	1,428.52	2,424.45	4,944.13
Investments	-	-	-	-
Other Financials Assets	0.01	1.50	0.03	1.54
Total	**1,471.40**	**1,430.02**	**2,424.48**	**5,325.91**
Contractual maturities of financial liabilities March 31, 2019	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	23.37	-	-	23.37
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	2,541.32	-	-	2,541.32
Other financial liabilities	48.19	-	-	48.19
Total	**2,612.88**	**-**	**-**	**2,612.88**

(Rs. In lakhs)

Contractual maturities of financial assets April 1, 2018	1 year or less	1-3 years	More than 3 years	Total
Cash and cash equivalents	250.58	-	-	250.58
Bank balances other than cash and cash equivalents	-	-	-	-
Receivables				
Trade Receivables	38.39	-	-	38.39
Other Receivables	-	-	-	-
Loans	900.00	2,209.08	1,812.14	4,921.22
Investments	257.91	-	-	257.91
Other Financials Assets	0.05	-	0.03	0.08
Total	**1,446.94**	**2,209.08**	**1,812.17**	**5,468.19**
Contractual maturities of financial liabilities April 1, 2018	**1 year or less**	**1-3 years**	**More than 3 years**	**Total**
Payables				
Trade payables	24.71	-	-	24.71
Other payables	-	-	-	-
Borrowings (Other than Debt Securities)	4,015.04	-	-	4,015.04
Other financial liabilities	32.96	-	-	32.96
Total	**4,072.71**	-	-	**4,072.71**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Group's exposure to, and management of, these risks is explained below

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group caters mainly to the Indian Market . Most of the transactions are denominated in the Group's functional currency i.e. Rupees. Hence the Group is not materially exposed to Foreign Currency Risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company's exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long term debt obligation at floating interest rates. The Holding Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. There are no borrowings in the subsidiary Company and hence not exposed to interest rate risk

Interest rate risk exposure

The exposure of the Holding Company's borrowing to interest rate changes at the end of the reporting year are as follows:

(` in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed rate borrowings	1,169.97	2,541.32	4,015.04
Floating rate borrowings	390.79	-	-

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	For the year ended March 31, 2020	
Particulars	100bp Increase	100bp decrease
Financial Liability		
Variable rate Instrument		
Floating Rate Borrowings	3.91	(3.91)

(iii) Price Risk

The Company's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs. 1.28 lakhs (March 31, 2019: NIL). A similar percentage decrease would have resulted equivalent opposite impact.

50 Disclosure related to Leases

(A) Additions to Right to Use

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Lease hold Property	115.53	-	-

(B) Carrying value of right of use assets at the end of the reporting year

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance at the beginning of the year			
Additions	115.53	-	-
Depreciation charge for the year	2.43	-	-
Balance at the end of the year	**113.10**	**-**	**-**

(C) Maturity analysis of lease liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Less than one year	20.70	-	-
One to five years	110.40	-	-
More than five years	23.00	-	-
Total undiscounted lease liabilities at reporting period	**154.10**	**-**	**-**
Lease liabilities included in the statement of financial position at the year ended	**113.10**	**-**	**-**

(D) Amounts recognised in statement of profit or loss

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on lease liabilities	2.17	-
Expenses relating to short-term leases	65.29	67.63
Expenses relating to leases of low-value assets	-	-
Total	**67.46**	**67.63**

(E) Amounts recognised in the statement of cash flows

(Rs in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating Activity	65.29	67.63
Financial Activity	2.43	-
Total Cash outflow for leases	**67.72**	**67.63**

Sub Lease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the rightof- use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

The Group had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to Rs. 1.10 Lakhs (March 31, 2019 Rs. 7.30 Lakhs). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties.

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

51 Employee Stock Options Scheme (ESOP)

The Holding Company has granted Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2018 (ESOP 2018) to its employees . These options are vested during 4 years from the grant date and exercisable with in 4 years from vesting date.In the case of resignation of the employee, the grants lapse (if not exercised) after the date of resignation from service.Vesting of options is subject to continued employment with the Holding Company. The plan is an equity settled plan. The employee compensation expense for the year has been determined on fair value basis as on March 31, 2020. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

ESOP Scheme	Particulars	Date of Grant	Date of Board Approval	Total options granted
ESOP Scheme 2018	Grant 1	05-Nov-18	05-Nov-18	11,17,710
ESOP Scheme 2018	Grant 2	22-May-19	22-May-19	1,13,742
ESOP Scheme 2018	Grant 3	17-Dec-19	17-Dec-19	8,36,511

Series Reference	2019-2023		2020-2024		2020-2024	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	T-1		T-2		T-3	
Fair value of the option range	23.39 - 23.98		31.44 - 34.87		41.36 - 44.82	
Exercise price	30		50		50	
Vesting period (see table below)	12 to 48 months		12 to 48 months		12 to 48 months	
Method of settlement	Equity		Equity		Equity	
Options outstanding as at beginning of reporting period	**11,17,710**		**-**	**-**	**-**	**-**
Options granted during the year		11,17,710	1,13,742	-	8,36,511	-
Options lapse during the year	1,97,451	-	24,194	-	-	-
Options exercised during the year	7,756	-	-	-	-	-
Options outstanding as at end of reporting period	**9,12,503**	**11,17,710**	**89,548**	**-**	**8,36,511**	**-**

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

In respect of stock options granted pursuant to the Holding Company's stock option scheme, the fair value of the options is

treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2019-20 is Rs. 84.03 lakhs (2018-2019 Rs. 37.86 lakhs)

51.1 Fair valuation :

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of Underlying share at the time of option grant
05-Nov-18	7.35%-7.46%	4.5 to 6 years	46.1%-47.9%	2.29%	43.8
22-May-19	6.86%-7.41%	4.5 to 6 years	46.50%	0.73%	61.5
17-Dec-19	6.86%-7.41%	4.5 to 6 years	46.50%	0.73%	73.9

51.2 Details of the liabilities arising from the share based payments were as follows

(Rs in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total carrying amount	120.16	37.86

Dhanvarsha Finvest Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2020

52 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries **(Rs in Lakhs)**

Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share In Profit or Loss		Share In OCI		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)	As % of Consolidated Profit or Loss	Amount (Rs.)
Parent								
Dhanvarsha Finvest Limited	100.12%	3,119.12	100.94%	409.89	100.00%	(1.20)	100.94%	408.69
Subsidiaries								
DFL Technologies Private Limited	0.04%	1.19	-0.94%	(3.80)	-	-	-0.94%	-3.80
Total	-	**3,120.31**	-	**406.09**	-	**(1.20)**		**404.89**
Adjustments arising out of Consolidation:	-0.16%	(5.00)	0.00%	-	-	-	0.00%	-
Consolidated Figures	**100.00%**	**3,115.31**	**100.00%**	**406.09**	**100.00%**	**(1.20)**	**100.00%**	**404.89**

53 First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet at April 1, 2018 (the Holding Company's date of transition). In preparing its opening Ind AS balance sheet, the Holding Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Holding Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38. The Holding Company has opted to consider the carrying value of property, plant and equipments, Intangible assets as deemed cost as at the transition date.

ii. Estimates

An Holding Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.The Holding Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

iii. Classification and measurement of financial assets

Ind AS 101 requires an Holding Company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv. Derecognition of financial assets and liabilities

The Holding Company has applied the derecognition requirement of finanical assets and financial liabilities prospectively for transaction occurring on or after the transition date..

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an Holding Company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

i. Reconciliation of Balance sheet as at date of transition (April 1, 2018)

(` in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		250.57	0.01	250.58
Bank balances other than cash and cash equivalents		-	-	-
Receivables				
Trade Receivables		38.39	-	38.39
Other Receivables				-
Loans	a,c,f	4,921.22	(291.20)	4,630.02
Investments	b	74.68	183.23	257.91
Other Financials Assets		0.08	-	0.08
Non Financials Assets				
Current Tax Assets (Net)		-	-	-
Deferred Tax Assets (Net)	e	93.70	37.46	131.16
Investment Property		56.25	-	56.25
Property, Plant and Equipment		8.09	-	8.09
Intangible assets under development		34.355	-	34.36
Other Intangible assets		3.49	-	3.49
Other non-financials assets (to be specified)	d	7.58	0.01	7.59
Total Assets		**5,488.41**	**(70.49)**	**5,417.92**
LIABILITIES AND EQUITY				
Liabilites				
Financial Liabilities				
Payables				
Trade payables		24.71	-	24.71
Other payables		-	-	-
Borrowings (Other than Debt Securities)		4,015.04	-	4,015.04
Other financial liabilities		32.98	(0.02)	32.96
Non-Financial Liabilities				
Current tax liabilities(Net)		72.06	-	72.06
Provisions	f	56.32	(49.32)	7.00
Other non-financial liabilities	d	17.50	0.72	18.22
Total Liabilities		**4,218.61**	**(48.62)**	**4,169.99**
EQUITY				
Equity Share capital		775.78	-	775.78
Other Equity	a,b,c,d,e	494.04	(21.89)	472.15
Total Equity		**1,269.82**	**-21.89**	**1,247.93**
Total Liabilities and Equity		**5,488.43**	**(70.51)**	**5,417.92**

ii. **Reconciliation of Balance sheet as at March 31, 2019**

(` in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
ASSETS				
Financials Assets				
Cash and cash equivalents		362.04	-	362.04
Bank balances other than cash and cash equivalents		17.55	-	17.55
Receivables				
Trade Receivables		0.65	-	0.65
Other Receivables				-
Loans	a,c,f,g	4,939.33	(422.85)	4,516.47
Investments			-	-
Other Financials Assets		1.54	-	1.54
Non Financials Assets				
Current Tax Assets (Net)		37.71	-	37.71
Deferred Tax Assets (Net)	e,k	85.66	137.24	222.90
Investment Property				-
Property,Plant and Equipment		29.65	(0.00)	29.65
Intangible assets under development		65.07	-	65.07
Other Intangible assets		46.97	-	46.97
Other non-financials assets		22.32	-	22.32
Non-current assets held for sale		55.33	-	55.33
Total Assets		**5,663.82**	**(285.62)**	**5,378.20**
LIABILITIES AND EQUITY				
Liabilites				
Financial Liabilities				
Payables				
Trade payables		23.37	-	23.37
Other payables		-	-	-
Borrowings (Other than Debt Securities)		2,541.32	-	2,541.32
Other financial liabilities		48.19	-	48.19
Non-Financial Liabilities				
Current tax liabilities(Net)		-	-	-
Provision	f	44.93	(31.96)	12.97
Deferred tax liabilities (Net)		-	-	-
Other non-financial liabilities		87.61	-	87.61
Total Liabilities		**2,745.42**	**(31.96)**	**2,713.46**
EQUITY				
Equity Share capital		1,350.00	-	1,350.00
Other Equity	a,b,c,g,e,k	1,568.40	(253.66)	1,314.74
Total Equity		**2,918.40**	**(253.66)**	**2,664.74**
Total Liabilities and Equity		**5,663.83**	**(285.62)**	**5,378.20**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

iii. **Reconciliation of total comprehensive income for the year ended March 31, 2019**

(` in Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind AS
Revenue from operations				
Interest Income	g	923.86	4.51	928.37
Fees and commission Income	c,j	883.25	(21.87)	861.38
Net gain on fair value changes	b	279.92	(183.23)	96.69
Others		16.81	(0.01)	16.80
Total Revenue from operations		**2,103.84**	**(200.60)**	**1,903.24**
Other Income		26.08	-	26.08
Total Income(I+II)		**2,129.92**	**(200.60)**	**1,929.32**
Expenses				
Finance costs		517.67	-	517.67
Fees and commission expense	c	18.55	(17.59)	0.96
Impairment on financial instruments	a	131.23	158.99	290.22
Employee Benefits Expenses	h	512.96	3.48	516.44
Depreciation, amortization and impairment		16.60	0.00	16.60
Others expenses	d,i,j	360.29	(15.57)	344.72
Total Expenses(IV)		**1,557.30**	**129.31**	**1,686.61**
Profit / (loss) before exceptional items and tax (III-IV)		**572.62**	**(329.91)**	**242.71**
Exceptional Items				
Profit/(loss) before tax (III-IV)		**572.62**	**(329.91)**	**242.71**
Tax expense:				
Current tax	k	135.12	(28.49)	106.63
Deferred tax	e	(5.10)	(72.25)	-77.35
Profit/(loss) for the period (VI-VII)		**442.60**	**(229.17)**	**213.43**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				-
Remeasurement gain / (loss) on defined benefit plan	h	-	3.48	3.48
Income tax impact	e	-	(0.97)	-0.97
Items that will reclassified to profit or loss		-	-	-
Other comprehensive income/(loss) (A+B)			**2.51**	**2.51**
Total comprehensive income		**442.60**	**(226.66)**	**215.94**

* The previous year figures of financials prepared under IGAAP have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

iv. **Reconciliation of total equity as at March 31, 2019 and April 01, 2018**

(` in Lakhs)

Particulars	Notes	March 31, 2019	April 01, 2018
Total equity (shareholder's funds) as per previous GAAP		**2,918.40**	**1,269.82**
Adjustments:			
Under IND AS 109 - Financial Instruments			
- Loan loss provisioning as per ECL model	a	(385.07)	(226.06)
- Interest Recognition on Credit impaired assets	g	4.50	-
- Fair valuation of Investments	b	-	183.23
- Loan upfront fees recognition as per EIR model	c	(10.33)	(16.53)
- Restatement of error in tax	k	28.49	-
Under IND AS 12 - Deferred Taxeson above adjustments	e	108.75	37.46
Total		**2,664.74**	**1,247.93**

v. **Reconciliation of total comprehensive income for the year ended March 31, 2019**

(` in Lakhs)

Particulars	Notes	March 31, 2019
Profit after tax as per previous GAAP		**442.61**
Adjustments:		
Under IND AS 109 - Financial Instruments		
- Loan loss provisioning as per ECL model	a	(159.01)
- Interest Recognition on Credit impaired assets	g	4.50
- Fair valuation of Investments	b	(183.23)
- Loan upfront fees recognition as per EIR model	c	6.20
Under IND AS 12 - Deferred Taxes	e	72.27
- Restatement of error in tax	k	28.49
-Share issue expense	i	5.08
Remeasurement of Defined Benefit scheme	h	(3.48)
Profit after tax as per Ind AS		**213.43**
Other comprehensive income, net off tax	**h,e**	2.51
Total comprehensive income as per Ind AS		**215.94**

vi. **Effects of Ind AS adoption on Cash Flows for year ended March 31, 2019**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

Notes

a **Impairment Provision as per Expected credit loss**

Under Indian GAAP, the Holding Company has created provision for loans to customer only in respect of specific amount based on RBI guidelines.Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL) as per Ind AS 109 Financial Instruments.

b **Investments measured at FVTPL**

The Holding Company has designated investments in equity shares at Fair Value through Profit and Loss (FVTPL).At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings and for the year ended March 2019, fair value gain has been recognised in Statement of profit and Loss.

c **Effective Interest Rate (EIR)**

Under Indian GAAP, upfront fees from customers and DSA commision to procure a loan was recognised in profit and loss at point in time while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.

d **Unearned income inrespect of upfront fees**

Under Indian GAAP, upfront fees was recognised in profit and loss at point in time while under Ind AS, it is included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Upfront fees received in respect of undisbursed loan is recognised as deferred liability.

e **Deferred tax**

Retained Earnings and Statement of Profit and Loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax and additional deferred tax (wherever it was not recognised in previous GAAP), wherever applicable.

f **Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

g **Interest recognition on credit impared assets**

Interest revenues are calculated on the net carrying amount for credit-impaired financial assets under IND AS

h **Remeasurements of post employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

i **Transaction cost on issue of equity**

Under Ind AS Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

j **Set off directly related incomes from the expenses**

Documentation fees and processing fees received are netted against respective expenses

k **Restatement of error in tax**

The Holding Company had made provision for tax in the previous year by applying incorrect rate of tax while calculating the tax on capital gains on sale of equity instruments which was duly rectified while filing income tax return. The same has been rectified in the current year by restating the previous year figures, resulting in reversal of excess provision of taxes and availing of MAT credit aggregating of Rs. 28.49 Lakhs in-line with requirement of Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

54 The subsidiary was formed on October 07, 2019 , hence previous years figures pertains to the standalone Ind AS financial statements of the Holding Company. Accordingly, current and previous year's figures are not comparable.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Purshottam Nyati
Partner
Membership No. 118970

Mumbai
Date : June 15, 2020

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
CIN: L24231GJ1994PLC023528

Rakesh Sethi
Chairman
DIN: 02420709

Karan Desai
Joint Managing Director
DIN: 5285546

Rohan Juneja
Joint Managing Director
DIN: 08342094

M Vijaymohan Reddy
Company Secretary
M. No. 49289

Hyderabad
Date : June 15, 2020

Narendra Tater
Chief Financial Officer

Mumbai
Date : June 15, 2020

Dhanvarsha

Aapki Kabiliyat
Humara Bharosa