NOTICE TO MEMBERS

NOTICE is hereby given that the 7th Annual General Meeting of the Members of the Aptus Finance India Private Limited ("the Company") will be held on Friday, September 30, 2022 at the registered office of the Company situated at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai 600 010 at 11:00 A.M to transact the following businesses:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED THAT Mr. Suman Bollina (DIN: 07136443) who retires by rotation at this 6th annual general meeting and who has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

   RESOLVED THAT in supersession of the resolution passed by the shareholders at the Annual General Meeting held on November 30, 2021, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Resourcing and Business Committee or any such Committee which the Board may constitute / authorize for this purpose) of the Company to borrow such sum or sums of moneys and for availing all kinds and types of loans, advances, debt facilities and credit facilities including issuance of debentures and other debt instruments, (apart from temporary loans from the Company's bankers), from time to time, upto a sum of Rs. 1000 crores (Rupees One Thousand Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, Non-Banking Financial Companies, Financial Institutions, Companies, Firms, Bodies Corporate, Co-Operative Banks, Investment Institutions and their Subsidiaries, Mutual Funds, Trusts, other Body Corporate or from any other person as may be permitted under applicable laws, whether unsecured or secured notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans (including working capital facilities) obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Company may issue from time to time, Debenture/Bonds and other debt instruments, aggregating up to Rs. 300 Crores (Rupees Three Hundred Crores only) within the overall borrowing limits of Rs. 1000 crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board may constitute/ authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT in supersession of the resolution passed by the shareholders at the Annual General Meeting held on November 30, 2021, pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Resourcing & Business Committee and any such committee which the Board may constitute / authorize for this purpose) for mortgaging / charging / hypothecating all or any of the immovable and movable properties and assets of the Company, both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company, on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company to or in favour of the Financial Institutions, Non-Banking Financial Companies, Co-operative Banks, Investment Institutions and their Subsidiaries, from its Bankers and other Banks, Mutual Funds, Trusts and other Bodies Corporate or Trustees for the holders of debentures/bonds and/ or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company (apart from temporary loans from the Company's bankers) shall not at any time exceed a sum of Rs. 1000 crores (Rupees One Thousand Crores only) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Resourcing & Business Committee or any such Committee which the Board may constitute/ authorize for this purpose) be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and other regulations, rules and guidelines issued by Reserve Bank of India, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) and in accordance with the Memorandum of Association and Articles of Association of the Company, consent of the members be and is hereby given to issue, offer or invite subscriptions for all kinds and types of Non – Convertible Debentures ("NCDs") including NCDs which are Listed, Unlisted, Secured, Unsecured, Rated, Redeemable, in one or more series / tranches, aggregating up to Rs. 300 Crores (Rupees Three Hundred Crores only) to any Institution, Body Corporate, Mutual Fund, entity, any other person or persons, domestic or foreign, as permitted under applicable laws, on private placement basis on such terms and conditions as the Board of Directors (which term shall be deemed to include Resourcing and Business Committee of the Board or any other committee which may be constituted/authorized for this purpose) may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be offered, the consideration for the offer, utilization of the proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby instructed to act upon the resolution within a period of 12 months.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Debentures of the Company, the Board of Directors be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of debentures of the Company as it may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Resourcing and Business Committee or any Director or Directors or to any member the Resourcing and Business Committee or to any Committee of Directors or to any officer or officers of the Company to give effect to this resolution.

By Order of the Board
For Aptus Finance India Private Limited

Sd/-

Jyoti Munot
Company Secretary
Membership no. A56971

Chennai
4th May 2022

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A blank proxy form is enclosed as Annexure A to this notice.**

2. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send to the Company a certified copy of the board resolution/authorization letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. Quorum of the Annual General meeting shall be in accordance with Section 103 of the Companies Act, 2013.

5. The Member/Proxies should bring their proxy form and attendance slip, sent herewith, duly filled in, for attending the meeting as mentioned in Annexure A and Annexure B of this notice.

6. The format of consent letter for holding the meeting at shorter notice is enclosed as Annexure C to this notice. Kindly fill the details, sign and submit the same to the Company.

7. Route Map for the location of the aforesaid meeting is enclosed as Annexure D.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3: Fixing of Borrowing Limits

In terms of provisions of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up capital and its free reserves.

At the Annual General Meeting of the Company held on November 30, 2021, the shareholders had passed a special resolution under Section 180(1)(c) of the Companies Act, 2013 empowering the Board of Directors of the Company to borrow upto Rs.800 crores which was in excess of the paid up capital and free reserves of the Company as at March 31, 2022.

The outstanding borrowing of the Company as at March 31, 2022 amounted to approximately Rs. 390 crores. In order to further expand its business and to meet the loan disbursements, the Board may have to resort to various borrowing options which at times is likely to exceed the present borrowing limit of Rs. 800 crores. Taking into account this and the enabling provisions under Section 180(1)(c) of the Companies Act, 2013, in order to enable the Board of Directors to raise adequate funds in a timely manner, the resolution under item no.4 of the notice is proposed.

Since the borrowing limit of Rs. 1000 crores (Rupees One Thousand Crores only) as proposed in the special resolution appearing in item no. 3 of this notice is in excess of paid up capital and its free reserves, the proposal requires the approval of shareholders by means of a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

Your Directors recommend the above Special Resolution in item no. 3 for your approval.

Item No. 4: Charge / Mortgage on Assets

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

For creation of security through mortgage or pledge/ or hypothecation or otherwise of the movable and immovable properties and assets of the company or through a combination of the above for securing the limits/ credit/ debt facilities as may be sanctioned by the lenders, and / or for securing the issuance of debentures/ bonds/ and other instruments, the Company would be required to secure all or any of the movable and immovable assets and properties of the Company, present and future.

Considering the requirement under Section 180(1)(a) of the Companies Act, 2013 in order to enable the Board to mortgage/ charge/ hypothecate or otherwise create security against the properties and/or the whole or substantially the whole of the undertaking of the Company create charge/encumbrance on the assets of the Company, approval of the Members is sought by way of a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the shareholders.

Item No.5: Offer / invitation to subscribe to Non-Convertible Debentures on private placement basis

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under and Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 deals with private placement of securities by a company deals with private placement of securities by a company. Third proviso of Sub-rule (1) of the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, provides that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, it is sufficient if the company obtains previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

As part of its fund raising plans for the next 12 months of the Company, your Company proposes to issue Non-Convertible Debentures (NCDs) on a private placement basis to institutions, mutual funds, bodies corporate, and other persons, both domestic and non-domestic. The Company may offer or invite subscription for all kinds of NCDs, in one or more series / tranches on private placement basis. The proceeds of the issue would be utilized for working capital to finance the growth of the lending portfolio of the company.

In this context, approval of the shareholders is being sought for issuance / offer of NCDs aggregating upto Rs 300 crores (Rupees Three Hundred Crores only) by way of a special resolution as set out at item no. 5 of the Notice. The said limit of Rs. 300 crores (Rupees Three Hundred Crores only) for issuance of NCDs shall be within the overall borrowing limits of Rs. 1000 crores (Rupees One Thousand Crores only) as proposed in the special resolution appearing in item no. 3 of the notice.

This resolution enables the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

By Order of the Board
For Aptus Finance India Private Limited

Sd/-
Jyoti Munot
Company Secretary
Membership no. A56971

Chennai
4th May 2022

ANNEXURE A

FORM No. MGT – 11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: U74900TN2015PTC102252

Name of the Company: APTUS FINANCE INDIA PRIVATE LIMITED

Registered Office: No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600010.

Website: www.aptusindia.com

Name of the Member (s) :
Registered address :
E-mail id :
Folio No. / Client Id :
DP ID :

I / We, being the member(s) of
, hereby appoint :

1. Name :
Address :

E-mail Id :
Signature : , or failing him / her

2. Name :
Address :

E-mail Id :
Signature : , or failing him /her

3. Name :
Address :

E-mail Id :
Signature : , or failing him /her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Friday, September 30, 2022 at 11:00 AM at No.8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai – 600010 and at any adjournment thereof, in respect of such resolutions set out in the notice convening the meeting, as are indicated below:

S. No	Resolutions	For	Against
1	To consider and adopt the audited financial statements for the financial year ended 31st March 2022		
2	To appoint Mr. Suman Bollina (DIN: 07136443) who retires by rotation and being eligible, offers himself for re-appointment as Non-Executive Director liable to retire by rotation.		
3	Fixing of Borrowing Limits		
4	Charge / Mortgage on Assets		
5	Offer / invitation to subscribe to Non-Convertible Debentures on private placement basis		

Signed this ……. day of …..……………..…, 2022

Affix Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

APTUS

ANNEXURE B

Attendance Slip

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 7th Annual General Meeting of the Company, Aptus Finance India Private Limited will be held on Friday, September 30, 2022 at 11:00 AM at No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600010.

Regd. Folio No:

DP Id / Client Id:

Full Name of the Shareholder in Block Letters:

No. of Share held:

Name of the representative or proxy (if any) in Block Letters:

____

Signature of the Shareholder/Proxy/Representative

ANNEXURE C

Consent by Shareholder for Shorter Notice
[*Pursuant to section 101(1)*]

To,

Aptus Finance India Private Limited
No. 8B, Doshi Towers, 8th Floor, No. 205,
Poonamallee High Road, Kilpauk,
Chennai, Tamilnadu – 600010

We, ………………………………., a Body Corporate, having our registered office at ……………………………………………., holding ………………… (……………………………………. only) equity shares of Rs.10/- each in the Company in our name, hereby give consent, pursuant to Section 101 (1) of the Companies' Act, 2013, to hold the Annual General Meeting on Friday, 30th September 2022 at shorter notice.

Signature:

Name:

Designation:

Date: …………..

Consent by Shareholder for Shorter Notice

[*Pursuant to section 101(1)*]

To,

Aptus Finance India Private Limited
No. 8B, Doshi Towers, 8th Floor, No. 205,
Poonamallee High Road, Kilpauk,
Chennai, Tamilnadu – 600010

I, ……………………………, son of …………………., resident of India, presently residing at ………………………………………… holding Beneficial Owner in …… equity share(s) of Rs.10/- each in the Company on behalf of …………………………………, hereby give consent, pursuant to section 101(1) of the Companies' Act, 2013, to hold the Annual General Meeting on Friday, 30th September 2022 at shorter notice.

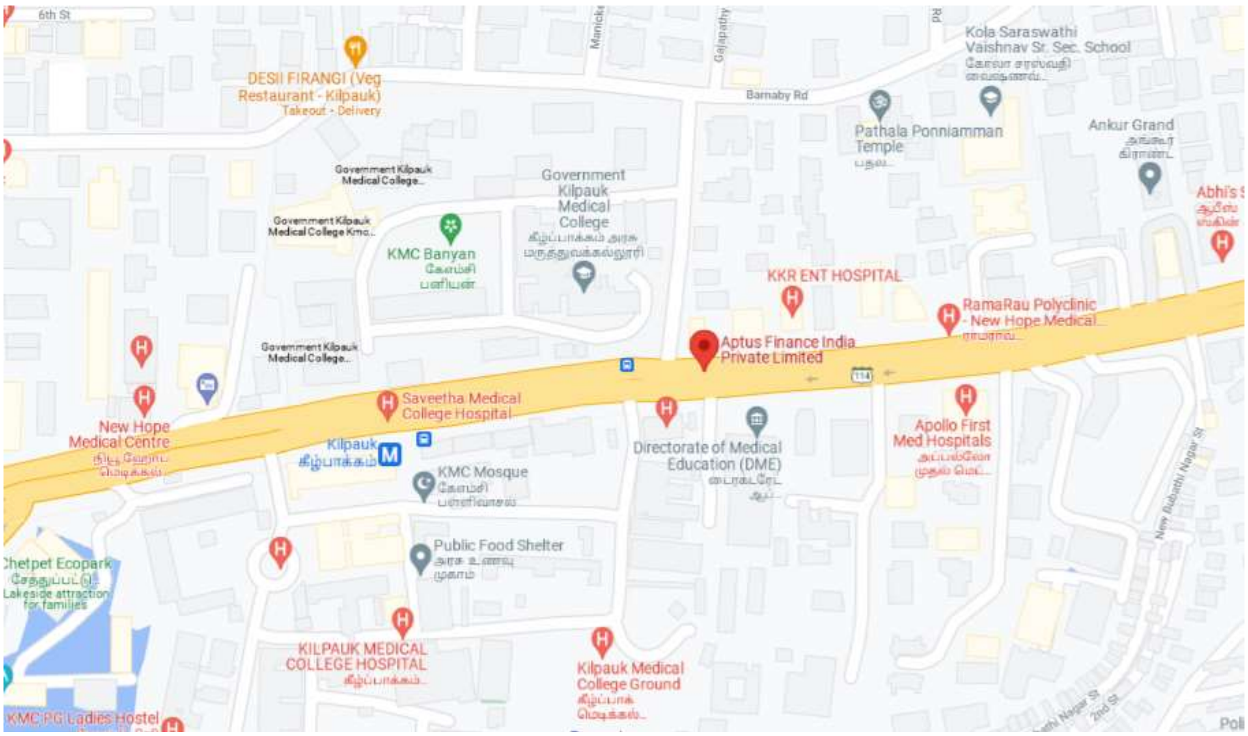
Signature:

Name:

Date:

ANNEXURE D

Route Map to the Venue



APTUS FINANCE INDIA PRIVATE LIMITED
Regd. Office: No. 8B, Doshi Towers, 8th Floor, No.205,
Poonamallee High Road, Kilpauk, Chennai – 600 010.
CIN: U74900TN2015PTC102252
Email id: companysecretary@aptusfinance.com
Phone: 044 45650000, Website: www.aptusfinance.com

Directors Report

Your directors have pleasure in presenting the Seventh Annual Report of Aptus Finance India Private Limited ("Aptus") together with the audited financial statements of the company for the financial year ended March 31, 2022.

1. Financial Results

(Rs. in crores)

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Operating Income	**141**	**110**
Other Income	**2**	**2**
Less: Expenditure including depreciation	59	46
Profit before taxation	84	66
Profit after taxation	62	49
Asset under Management	688	586

2. Operational Highlights

2.1 Sanctions and Disbursements

During the year under review, your Company sanctioned loans worth Rs. 213 crores as compared with the sanctions of Rs. 231 crores during the previous year. Your Company disbursed loans worth Rs. 198 crores during the year under review as compared with the disbursements of Rs. 221 crores during the previous year. The reduction on disbursements as compared to previous year was on account of Company's cautious approach on assessing customers due to demand and end use of funds. Your company continued its focus on Low- and Middle-Income families in Tier II and III cities and the disbursement of Rs. 198 crores benefitted more than 3500 families.

2.2 Loan Assets

The total Assets under Management of the Company stood at Rs. 688 crores as at March 31, 2022 as against Rs. 586 crores as at March 31, 2021, thereby registering a Y-o-Y growth of 17%.

2.3 Branch Expansion

Aptus has a strong network of 208 branches across five Indian states as at the end of March 31, 2022 as compared to 190 branches in the previous year. During the year under review, your Company expanded its distribution network in the states of Tamil Nadu, Andhra Pradesh, Telangana and Odisha. Aptus has also commenced its operations in the state of Odisha by opening its first branch in Brahmapur. Distribution network of 208 branches of the parent company, Aptus Value Housing Finance India Limited is being used for the business operations of the company.

2.4 Income, Profits and Net worth

Your Company's Gross Income grew by 28% to Rs. 143 crores as at March 31, 2022 as against Rs. 112 crores as at March 31, 2021. The Profit before tax for the year ended March 31, 2022 stood at Rs. 84 crores translating into a growth of 27% over Rs. 66 crores in the previous financial year. The Profit after Tax (PAT) for the year ended March 31, 2022 grew by 27% to Rs. 62 crores as against of Rs. 49 crores in the previous financial year. The net-worth of the Company stood at Rs. 302 crores as on March 31, 2022.

2.5 Asset Quality

Your Company closed the financial year 2021-22 with a Gross NPA of 1.65%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the replication of the excellent systems and processes formulated in the parent company in relation to originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections. The above organizational strengths coupled with very good quality of portfolio gives us confidence to aspire for more profitable and aggressive growth in the years to come.

2.6 Resource Mobilization

During the year 2021-22, resources were mobilized in the form of term loans, to the extent of Rs. 185 crores which was raised from various banks. All these loans were long term loans with tenor of 5 to 7 years. Currently funding mix of Aptus comprises of Loans from Banks and financial institutions. As on March 31, 2022, 91% of borrowings were from banks in the form of term loans and balance 9% were in the form of Non-convertible Debentures.

Aptus understands that it is in the business of long term funding which are in the range of 5-10 years. With this in the back ground, Aptus' borrowing strategy has always been prudent to secure long term funding ranging between 5-7 years. There were no short tenor borrowings including commercial papers during the year under review.

2.7 Capital Adequacy Ratio

Capital Adequacy Ratio of the Company stood at 47.92% as on March 31, 2022, as against the minimum requirement of 15% stipulated by regulators.

3. Credit Rating

During the year 2021-22, the credit rating of your company was upgraded to AA- by ICRA Limited. The rationale behind the rating action factors the company's strengthened capital profile and track record of maintaining a healthy profitability and asset quality.

The credit rating details of the Company as at March 31, 2022 are as follows:

Instrument	**Rating Agency**	**Rating**	**Amount (Rs in Crores)**	**Outlook**
Bank Facilities	ICRA	[ICRA]AA-	200	Stable
Bank Facilities	CARE	CARE A+	350	Positive
Non-convertible Debentures	CARE	CARE A+	38.55	Positive

4. Deposits

Your Company is registered as a non-deposit taking Non-Banking Financial Company with Reserve Bank of India and hence does not accept any deposits. The Company has not accepted any deposits from the public within the meaning of the provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31st March 2022. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2022.

5. Transfer to Reserves

Your Company has transferred Rs. 12.49 crores to Statutory Reserve representing the Reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

In terms of the requirement as per RBI notification no. RBl/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). During the year, there was no shortfall in impairment allowances and accordingly, the Company is not required to transfer any amount to Impairment Reserve.

6. Dividend

The Board of Directors aim to grow the business lines of the Company and enhance the rate of return on investments of the shareholders. In order to finance the long-term growth plans of the Company that requires substantial resources, the Board of Directors did not recommend any dividend for the financial year under review.

7. **Share Capital**

There has been no change in the authorized, issued and paid-up share capital of the Company during the financial year ended March 31, 2022.

8. **Disclosure regarding issue of Employee Stock Options**

Your Company has not implemented any Stock Option Scheme for the employees.

9. **Directors**

During the financial year 2021-22, no changes took place in the composition of Board of Directors.

As at the end of financial year, your company's Board of Directors comprises of the following members, namely:

1.	Mr. S Krishnamurthy, Independent Director, Chairman	(DIN: 00066044)
2.	Mr. K M Mohandass, Independent Director	(DIN: 00707839)
3.	Mr. R Umasuthan, Independent Director	(DIN: 08962500)
4.	Mr. Suman Bollina, Non-Executive Director	(DIN: 07136443)
5.	Mr. P. Balaji, Non-Executive Director	(DIN: 07904681)

10. **Declaration from Independent Directors**

The Independent Directors have submitted the Declaration of Independence, stating that they continue to fulfil the criteria of independence as required pursuant to section 149 of the Companies Act, 2013.

In the opinion of your Board of Directors, the Independent Directors fulfil the conditions specified in the Act and the rules made there under for appointment as Independent Directors including the integrity, expertise and experience and confirm that they are independent of the management.

11. **Formal Annual Evaluation**

The annual evaluation process of the Board, its committees and Individual Directors were conducted as per the provisions of the Companies Act, 2013. A structured exercise was carried out based on the criteria for evaluation forming part of the Policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management and the inputs received from the Directors on the functioning and overall level of engagement of the Board and its committees on parameters such as composition of Board and committees, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, independence of judgement, decision-making, management actions etc.

The policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management is available on the website of the Company at https://www.aptusfinance.com/wp-content/uploads/2022/05/Aptus-NBFC-Appointment-Remuneration-Evalaution-Policy.pdf

12. Board Meetings held during the year

During the financial year ended 31st March 2022, six (6) Board Meetings were held on May 04, 2021, May 12, 2021, June 23, 2021, July 26,2021, October 28, 2021 and January 27, 2022 respectively. The maximum time gap between two meetings did not exceed 120 days during the financial year under review.

Particulars of the Directors' attendance at the Board Meetings are given below:

Name	Nature of Directorship	Attendance
Mr. S. Krishnamurthy	Independent Director	6
Mr. K. M. Mohandass	Independent Director	6
Mr. R. Umasuthan	Independent Director	6
Mr. Suman Bollina	Non – Executive Director	6
Mr. P. Balaji	Non – Executive Director	6

13. Committees

Details on composition of various Committees of the Board and number of meetings of the Committees are given in **Annexure C**.

14. Compliance with secretarial standards on Board and General Meetings

Your company has complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the Board of Directors and general meetings held during the year.

15. Key Managerial Personnel

As on March 31, 2022 Mr. Vivek Mehta, Manager & Chief Financial Officer and Ms. Jyoti Munot, Company Secretary are the Key Managerial Personnel of the Company as per Sections 2(51) and 203 of the Companies Act, 2013. There were no changes in the office of Key Managerial Personnel (KMP) during the financial year 2021-22.

16. Management Discussion and Analysis

The Management Discussion and Analysis report is enclosed and is forming part of this report as **Annexure D**.

17. Auditors & Auditor's Report

Statutory Auditors

Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013, M/s R. Subramanian and Company LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 6th Annual General Meeting (AGM) of the shareholders held on November 30, 2021, for a period of three financial years, i.e. from FY 2021-22 to FY 2023-24, to hold office from the conclusion of the 6th AGM up to the conclusion of the 9th AGM.

The Report of the Statutory Auditors to the members is annexed to and forms part of the financial statements and the same does not contain any qualification, reservation or adverse remark on the financial statements prepared as per Section 133 of Companies Act,
2013 and notes on accounts annexed thereto. There were no frauds detected or reported by the Auditors under sub-section (12) of section 143 of the Companies Act, 2013 during the year.

Secretarial Auditor

S. Sandeep & Associates, Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2022 forms part of this Annual report as **Annexure E** to Board's Report and does not contain any qualifications, reservations or adverse remark.

18. Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

19. Internal Financial Controls

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls. Statutory Auditors, M/s R. Subramanian and Company LLP have also reviewed the internal controls systems as existing in the Company and have given an unmodified opinion on the same.

20. Material Changes and Commitments.

There are no material changes and commitments between March 31, 2022 and the date of this report having an adverse bearing on the financial position of the Company.

21. Annual Return

As per Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the financial year ended March 31, 2022 is available on the Company's website at www.aptusfinance.com.

22. Risk Management

The Company has constituted a Risk Management Committee which is responsible for putting in place a risk management system, risk management policy and strategy to be followed by the Company.

The Key principles of Risk Management are as follows:

a) The risk management shall provide reasonable assurance in protection of business value from uncertainties and consequent losses.
b) All concerned process owners of the company shall be responsible for identifying & mitigating key risks in their respective domain.
c) The occurrence of risk, progress of mitigation plan and its status will be monitored on periodic basis.

The Risk Management Committee along with the Asset Liability Management Committee reviews and monitors these risks at regular intervals.

Risk management process includes four activities: risk identification, risk assessment, risk mitigation, monitoring and reporting. Once risks are identified, it is necessary to prioritize them based on the impact, dependability on other functions, effectiveness of existing controls etc.

Internal audit shall review the risk register once a year and add any new material risk identified to the existing list. These will be taken up with respective functional head for its mitigation. Existing process of risk assessment of identified risks and its mitigation plan will be appraised to Board.

23. Particulars of Employees

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of employees are to be set out in the annexure forming part of the Annual Report. However, as per provisions of Section 136(1) of the Companies Act, 2013, read with relevant proviso of the Companies Act, 2013 the Annual Report is being sent to members excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company and the same will be furnished without any fee and free of cost.

24. Particulars of Contracts or Arrangements with Related parties

All contracts / arrangements / transactions entered into by the Company during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with promoters, directors, key managerial personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions ("RPT") are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed on a quarterly basis before the Audit Committee and Board for their review. The policy on Related Party Transactions as approved by the Board is available on the website of the Company at https://www.aptusfinance.com/wp-content/uploads/2021/08/Aptus-Finance-RPT-Policy.pdf

The details of the related party transactions for the financial year 2021-22 in Form AOC-2 is enclosed as **Annexure A** to this report.

25. Conservation of Energy, Technological Absorption, Foreign Exchange Earnings/Outgo

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

Your Company does not have any foreign currency earnings or expenditure during the financial year ended March 31, 2022.

26. Non-Convertible Debentures

The Non-Convertible Debentures of the Company are held in dematerialized form with National Securities Depository Limited vide ISIN Nos. INE04MH07018 and INE04MH07026.

During the financial year, there were no instances of any Non-Convertible Debentures which have not been claimed by the investors or not paid by your Company after the date on which the Non-Convertible Debentures became due for redemption.

The Non-Convertible Debentures of your Company are listed on BSE Ltd and your Company has paid the requisite listing fee to ensure continuous listing of its debt instruments.

27. Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013

During the year under review, the Company had not granted any loans or guarantees or made any investments under Section 186 of the Companies Act, 2013.

28. Details of Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your company's operations in future.

29. Corporate Social Responsibility Policy (CSR)

The Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013. The Company has devised a policy for the implementation of CSR framework, broadly defining the areas of spending for the CSR activities.

The Annual Report on CSR activities and expenditure, as required under section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure B** to this Report.

The CSR policy of the Company has been placed in the website of the Company at https://www.aptusfinance.com/wp-content/uploads/2021/08/Aptus-Finance-CSR-Policy.pdf

30. Vigil Mechanism & Whistle Blower Policy

The Company has established a whistle blower mechanism to provide an avenue for reporting concerns about unethical behaviour or violation of the Company's code of conduct for the directors/employees by providing adequate safeguards against victimization of directors/employees who avail this mechanism. The Company has laid down a Whistle Blower policy which contains the process to be followed for dealing with complaints and also provides for direct access to the Chairman of the Audit Committee. The whistle blower policy and vigil mechanism is available on the website of the Company at https://www.aptusfinance.com/policies/Aptus-NBFC_Whistle-blower-Vigil-mechanism.

31. Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee is in place to redress the complaints received regarding sexual harassment. All employees of the Company are covered under this policy. There were no complaints relating to sexual harassment pending at the beginning of the financial year. During the financial year 2021-22, no complaints were received by the Internal Complaints Committee.

32. Directors' Responsibility Statement

The Board of Directors have instituted/put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2022 and the profit of the company for the year ended on that date;
(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(iv) they have prepared the annual accounts on a going concern basis;

(v) 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 during the year ended March 31, 2022; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2022.

Acknowledgement

Your Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from holding company, customers, debenture holders, debenture trustees, Central and State Governments, Bankers, Reserve Bank of India, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, Registrar & Share Transfer Agents, Credit Rating Agencies and other Statutory and Regulatory Authorities for the kind cooperation and assistance provided to the Company. The Directors also extend their special appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance and also for their continued commitment, dedication and cooperation.

For and on behalf of the Board of Directors

S Krishnamurthy
Chairman
(DIN: 00066044)

Chennai
May 4, 2022

ANNEXURE A

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 sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the related party and nature of relationship	Aptus Value Housing Finance India Limited, Holding Company
Nature of contracts/ arrangements/ transactions	Shared support charges
Duration of the contracts/ arrangements/ transactions	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	The holding company is sharing its infrastructure and resources with the subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.
Justification for entering into such contracts/ arrangements/ transactions	All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilized / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities. The same is in the ordinary course of business.
Date of approval by the Board	On June 23, 2021 the Board reviewed and approved the Related Party Transaction Policy.
Amount paid as advance, if any	-
Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	Not Applicable

For and on behalf of the Board of Directors

S Krishnamurthy
Chairman
(DIN: 00066044)

Chennai
May 4, 2022

ANNEXURE B

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Aptus is a growing company and is committed towards social welfare of the common people as it caters the housing needs of self-employed, informal segment of customers, belonging to middle income, primarily from semi urban and rural markets. Your Company has adopted a policy for Corporate Social Responsibility which has been placed in the website of the Company www.aptusfinance.com.

As per the CSR policy, your Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing.

The Company will undertake its CSR activities either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities. The implementation Schedule for CSR activities will be dependent on the availability of eligible projects.

Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the rules framed thereunder. The CSR committee will oversee the implementation and monitoring of all CSR projects/ programmes / activities and periodic reports shall be provided for review to the Board as and when necessary.

2. **Composition of the CSR Committee**

S. No.	Name of Director	Designation / Nature of Directorship	No of meetings of CSR Committee held during the year	No of meetings of CSR Committee attended during the year
1	Mr. Suma Bollina	Non-Executive Director – Chairman	1	1
2	Mr. KM Mohandass	Independent Director	1	1
3	Mr. R Umasuthan	Independent Director	1	1

3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **Not Applicable**

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

5. Average net profit of the company as per section 135(5): Rs. 39,89,21,667

6.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs 79,78,433
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (6a + 6b - 6c)	Rs 79,78,433

7.

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

Amount Unspent (in Rs.)				
Total Amount transferred to Unspent CSR Account as per section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**		
Amount (Rs. in lakhs)	**Date of transfer**	**Name of the Fund**	**Amount (Rs. in lakhs)**	**Date of transfer**
Nil	NA	PM CARES Fund	59.78	September 20, 2022

b. Details of CSR amount spent against **ongoing projects** for the financial year: **Not Applicable**

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item fromthe list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs. lakhs).**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation – Through implementing agency**	
				State.	**District.**			**Name**	**CSR registration number**
1	Contribution to PM CARES	-	No	NA	NA	20.00	Yes	NA	NA

	FUND towards Covid-19 relief								
	TOTAL					**20.00**			

d. Amount spent in Administrative Overheads: **Nil**

e. Amount spent on Impact Assessment, if applicable: **Not Applicable**

8. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details) –** Not Applicable

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company was unable to identify suitable CSR initiatives in alignment with the initiatives already undertaken by the Company, the business of the Company and the areas in which it operates. The unspent CSR amount of Rs. 59.78 lakhs for FY 2021-22 has been transferred to PM CARES Fund as specified in Schedule VII of the Companies Act, 2013.

For and on behalf of the Board of Directors

Sd/-

Suman Bollina
Chairman of CSR Committee
(DIN: 07136443)

Sd/-

K M Mohandass
Independent Director
(DIN: 00707839)

ANNEXURE C

Committees of the Board

A. Audit Committee

The Audit Committee consists of the following members:

1. Mr. K M Mohandass, Independent Director - Chairman
2. Mr. S Krishnamurthy, Independent Director
3. Mr. R Umasuthan, Independent Director

The Audit Committee of the Board met four (4) times during the year on May 4, 2021, June 23, 2021, October 28, 2021 and January 27, 2022 respectively.

B. Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of the following members:

1. Mr. KM Mohandass, Independent Director - Chairman
2. Mr. S Krishnamurthy, Independent Director
3. Mr. Suman Bollina, Non- Executive Director

The Nomination & Remuneration Committee of the Board met once (1) during the year on June 23, 2021.

C. Resourcing & Business Committee

The Resourcing & Business Committee consists of the following members:

1. Mr. S Krishnamurthy, Independent Director - Chairman
2. Mr. K M Mohandass, Independent Director
3. Mr. P Balaji, Non- Executive Director

The Resourcing & Business Committee of the Board met twice (2) during the year on January 12, 2022 and March 24, 2022.

D. Corporate Social Responsibility Committee

The Committee consists of following members:

1. Mr. Suman Bollina, Non-Executive Director - Chairman
2. Mr. K M Mohandass, Independent Director
3. Mr. R Umasuthan, Independent Director

The Corporate Social Responsibility Committee of the Board met once during the year on June 23, 2021.

E. IT Strategy Committee

The Committee consists of following members:

1. Mr. K M Mohandass, Independent Director, Chairman
2. Mr. R Umasuthan, Independent Director
3. Mr. P Balaji, Non-Executive Director

Mr. G Subramaniam, ED - Chief of Business & Risk, Holding Company and Mr. V Krishnaswami - VP – IT, Holding Company are Invitees to the meetings of IT Strategy committee.

F. ALCO Committee

The committee consists of the following members:

1. Mr. P Balaji, Director – Chairman
2. Mr. V Krishnaswami, VP- IT of Apus Value Housing Finance India Ltd
3. Mr. Vivek Mehta, Manager & Chief Financial Officer

Mr. M Anandan, CMD of Aptus Value Housing Finance India Ltd and Mr. G Subramaniam, ED Chief of Business & Risk of Apus Value Housing Finance India Ltd are invitees to the meeting of ALCO committee.

G. Risk Management Committee

1. Mr. S Krishnamurthy, Independent Director – Chairman
2. Mr. KM Mohandass, Independent Director
3. Mr. P Balaji, Director

Mr. G Subramaniam, ED - Chief of Business & Risk of Apus Value Housing Finance India Ltd is an invitee to the meeting of Risk management committee.

ANNEXURE D

MANAGEMENT DISCUSSION AND ANALYSIS

Macro-Economic Overview

"India to remain the fastest growing major economy in the world during 2021-24" – as per the projections by the World Bank and the International Monetary Fund. The FY 2021-22 has largely been a year of recovery from the impact of the Covid-19 pandemic, which had been a drag in the previous two fiscals.

The adverse impact of the 3rd wave was very limited due to lockdowns being localised and better preparedness of the State Governments to handle the health crisis. Economic recovery during FY22 was also supported by large-scale vaccination and sustained fiscal and monetary support.

India continues to be recognised as the fastest-growing major economy with a GDP growth of 8.7% in FY22.

Industry Insights

In the recent decade, Non-Banking Financial Companies (NBFCs) have emerged as one of the principal institutions in providing credit financing to the unorganized underserved sector. NBFCs have a systematically important role in the Indian financial system. They provide a means of financial inclusion for those who do not have easy access to credit. NBFCs have not only revolutionized the way the lending system operates in India over the last decade, but they have also merged digitization and technology to provide customers with a quick and convenient financing experience. Focusing on the low-income groups and untapped segments of the society, the NBFCs provide a plethora of services, including MSME financing and Home Finance.

NBFCs had been adversely impacted by the pandemic due to their underlying business model. Demand side drivers being significantly impacted, it became difficult for NBFCs to find creditworthy projects and borrowers to lend to as a result of the pandemic induced stress. This got compounded with asset quality issues as ability of borrowers to service their instalments had been impacted.

The fiscal gone by saw NBFC's navigate through business stoppages yet again in the first quarter as the second wave swept through the country. It also saw some regulatory support in terms of restructuring for covid impacted borrowers in the first half. Second half of the fiscal with covid lying relatively low, saw an uptick in disbursements and a significant improvement in collection efficiencies. However, the fiscal 2023 is largely expected to build upon the momentum gained in the previous two quarters and see a sustained gradual growth path through the year.

Business Overview

Aptus Finance India Private Limited (Aptus Finance), an NBFC registered with the Reserve Bank of India is focused on creating new economic opportunities for deserving small business entrepreneurs by giving loans for their business purposes. With this focus, Aptus believes that the lives of these entrepreneurs can be enriched and communities can be transformed. The objective is to make finance available at a reasonable cost and deliver the funds required in a transparent manner. Aptus Finance, run by professionals with rich experience in the financial services industry, aims to make credit available easily to these people and make a positive impact on the lives of millions of people engaged in small businesses which actually build the nation.

Financial Performance

During the year under review, Company sanctioned loans worth Rs. 213 crores as compared with the sanctions of Rs. 231 crores during the previous year. Company disbursed loans worth Rs. 198 crores during the year under review as compared with the disbursements of Rs. 221 crores during the previous year. Company continued its focus on low and middle-income families in Tier II and III cities and the disbursement of Rs. 198 crores benefitted more than 3500 families. The Company's Gross Income grew by 28% to Rs. 143 crores as at March 31, 2022 as against Rs. 112 crores as at March 31, 2021. The Profit before tax for the year ended March 31, 2022 stood at Rs. 84 crores translating into a growth of 27% over Rs. 66 crores in the previous financial year. The Profit after Tax (PAT) for the year ended March 31, 2022 grew by 27% to Rs. 62 crores as against of Rs. 49 crores in the previous financial year. The net-worth of the Company stood at Rs. 302 crores as on March 31, 2022.

Risk Management

Risk management forms an integral part of our business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we face financial and non-financial risks. We have established a robust risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. We conduct regular training of our staff members with respect to risk-related matters, as part of our risk management process. Our risk management framework is driven by our Board and its subcommittees including the Audit Committee, the Asset Liability Committee and the Risk Management Committee. We give due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk we face in our businesses, probability, impact and mitigation are as below.

Risk	Description of the risk	Mitigation Measures
Capital Risk	Inability to source debt/equity capital	Raising funds on acceptable terms, at competitive rates and in a timely manner
Liquidity and Finance Risk	Asset liability miss match, Capital Adequacy	Maintaining positive ALM through systematic planning of funding requirements, which is supervised by the Asset Liablity Management committee. Liquidity position is actively monitored to ensure that all borrower and lender-related financing requirements are met.
Interest Rate Risk	Interest from lenders /banks on loans	Optimize our borrowing profile between short term and long term loans and ensure diversified resource raising options to minimize cost and maximize stability of funds.
Credit Risk	Inability to recover loans dues	Board approved credit policies set out procedures covering the measurement and management of credit risk. Credit sanction is done centrally through a delegation matrix and credit risk monitoring is done to identify and manage credit quality and concentration risks.
Operational Risk	Human, systems errors and inadequate processes and controls	Staff education, effective segregation of duties, access, authorization and reconciliation procedures with oversight by internal audit function. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings
Information Technology Risk	System Failure, Security Threats and Data security breaches	Maintaining and upgrading our information technology systems on a timely and cost-effective basis.
Regulatory Risk	Changes in law, statutory regulations	Deployment of a comprehensive compliance management system across the company to manage compliance of all the applicable statutory regulations and creating awareness about regulatory changes across the respective functions.

Evolving Regulatory Landscape

Over the past few years, financial services as a sector has come under increased scrutiny and therefore, greater regulatory supervision. This is especially true for NBFCs, as over the years, the sector has undergone considerable evolution in terms of size, complexity and interconnectedness within the financial sector. With a view to bridge the regulatory gaps between the Banks and NBFCs, NBFCs are now increasingly being subject to regulations and guidelines at par with banks. Some of the key regulations and guidelines aimed at bringing this regulatory convergence between the Banks and NBFCs are:

- Scale Based regulations where NBFCs would be classified into layers on the basis of their size, activity and perceived risk. Effective October 2022, the said regulations would put in place enhanced regulatory standards pertaining to Capital, Prudential and Governance requirements.
- RBI circular dated 12th November 2021 pertaining to asset classification of NBFCs, whereby certain aspects such as classification of an account as Special Mention Account (SMA) and Non-Performing Asset (NPA) were clarified / harmonized. This has again been brought to ensure uniformity in the implementation of IRACP norms across all lending institutions.
- Extending Risk Based Internal Audit framework to NBFCs to enhance the quality and effectiveness of their internal audit systems and processes. It requires internal audit function to broadly assess and contribute to the overall improvement of the Organization's governance, Risk Management and control processes using a systematic and disciplined approach.

Human Resource

As of March 31, 2022, we had 36 employees. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. We conduct training programs on a periodic basis for our employees on lending operations, underwriting and due diligence, KYC and anti-money laundering norms, risk management, information technology, and grievance redressal.

Information Technology

Information technology acts as an enabler in our business and helps us in achieving growth, scale of operations, ease of use, customer focus and secure operations. Our lending software is an end to end software solution which provides us with functions such as access control, loan origination, loan management and financial report generation. It has controls and risk management to ensure integrity of the customer data and financial reports.

The integrated IT value chain within the company encompasses the following functional modules;

Marketing and Sales: Consisting of a referral app for generating customer leads and a sales app for the enabling digital customer onboarding.

Business Residential Verification APP: Through this BV/RV app APTUS conducts live video verification of the residence or business location of the customer.

Credit: Credit score card integrated with the lending system helps in evaluating customer profiles through various data points.

Technical APP: This app helps in physical property evaluation and geo tagging of the property. This is integrated with the lending systems.

Collection, Recovery and CRM: Aptus has a robust CRM which helps in connecting with the customers. The collection app helps in having a seamless collection process.

Legal: The IT enabled legal system of the company assists in generating notices and tracking NPA customers.

Loan Operation: Aptus lending software is an end to end solution which provides functions like access control, loan origination, loan management and financial reports.

IT Security: Aptus has a certified safe and secure IT environment for ensuring data security and privacy.

We also provide for cheque printing at our branches to ensure disbursement of loans to customers quickly.

Internal Control Systems

Your Company has an internal control system that would commensurate with the size, scale and complexity of its operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Audit Committee regularly reviews the adequacy and effectiveness of the internal financial systems and controls.

Our Strength

Experienced Management backed by marquee investors:

Our senior management including the promoters have multiple years of experience in management and operations of financial sector. Majority of our senior and middle level staff have multiple years of experience in business development, credit evaluation, risk management, legal assessment, technical valuation, technology, finance and treasury and human resource management.

Superior Asset Quality:

Aptus has been has been able to maintain the asset quality through events like demonetization, liquidity crisis in the market and the Covid-19 pandemic. Robust risk management architecture from origination to collections, backed by Machine Learning and Artificial Intelligence helps in improving collections and reduce NPAs . In addition to this, prudent internal controls and underwriting policies also support such performance.

Opportunities and Threats

Non-Banking Financial Companies (“NBFCs”) remain one of the most important pillars for ushering financial inclusion in India, reaching out to a hitherto under/unserved populace and in the process leading to “formalization” of the credit demand. NBFCs cater to the needs of both the retail as well as commercial sectors and, at times, have been able to develop strong niches with their specialized credit delivery models that even larger players including banks, have found hard to match. This has further provided a fillip to employment generation and wealth creation and in the process, bringing in the benefits of economic progress to the weaker sections of the society.

Last two years were challenging on account of the pandemic during which both business and collections were severely impacted. However, from Q2 FY 2021-22, credit growth has picked up significantly due to receding impact of COVID shutdowns, the pent-up demand in the economy and an uptick in multiple economic indicators.

While the economy is on the path to recovery, there are certain headwinds that may impact the growth and credit offtake. The NBFC sector may get impacted if elevated levels of retail inflation, crude oil prices and supply chain disruptions continue over a prolonged period. Borrowing rate is expected to rise in the wake of rate hikes announced by RBI in May 2022, which may lead to pressure on margins. Any loan re-pricing may lead to reduced demand as well as deterioration in credit quality for small borrowers.

However, there's room for optimism – receding pandemic impact along with large vaccinated population, rising private investments, higher consumption levels and thrust on capital expenditure in Union Budget 2022 shall in tandem lead to a higher growth trajectory for the economy. This shall also translate into a better performance vis-à-vis the year gone by for most of the leading financial services institutions including NBFCs.

Outlook

Outlook going forward, NBFCs would begin FY 2022-23 with enough capital buffers, consistent profitability, and considerable on-balance-sheet provisioning, as well as sufficient system liquidity to protect against additional Covid-19 outbreaks. These impacts would remain to be seen once the Financial Stability Report is released by the RBI for the full year. NBFCs will play an important role in the Indian financial ecosystem in the coming years. The sector has sailed through several challenges over the years, focusing on improving asset quality, capital position and collection efficiency, and is now well-positioned to capitalize on the growth opportunities.

S SANDEEP & ASSOCIATES
Company Secretaries

S SANDEEP B Com, FCS, LLB
Managing Partner

No.20, "F" Block, Ground Floor, Gemini Parsn Apts,
New No. 448, Old No. 599, Cathedral Garden Road,
(Behind Hotel Palmgrove), Anna Salai,
Chennai - 600 006. Tel: 044 - 4305 7999
sandeep@sandeep-cs.in
www.sandeep-cs.in

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

APTUS FINANCE INDIA PRIVATE LIMITED
No 8B, Doshi Towers 8th Floor, No.205, Poonamallee High Road,
Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS FINANCE INDIA PRIVATE LIMITED (CIN: U74900TN2015PTC102252) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India on account of the outbreak of Covid-19 pandemic we hereby report that in our opinion, the Company has, during the audit, period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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 as applicable to the Company;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.
iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent as applicable to the Company. The Company does not have any

S. SANDEEP & ASSOCIATES ★ FCS-5853 CP.No. 5987 ★ COMPANY SECRETARY

Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

a. The Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client to the extent of the securities issued;
b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable for the year under review;
c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018; Not Applicable for the year under review;
f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable for the year under review;
g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 to the extent applicable;
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable for the year under review;
i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable for the year under review,
j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable for the year under review;

Further we report that, based on the compliance mechanism established by the Company, which has been verified on test check basis, we are of the opinion that the Company has complied with the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by Reserve Bank of India, Circulars, Master circulars, Notifications, Rules and Guidelines as prescribed for Non-Banking Financial Companies;

Further, as a precautionary measure against "COVID 2019", the audit process has been modified, wherein documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

S. SANDEEP & ASSOCIATES
FCS-5853
CP. No. 5987
COMPANY SECRETARY

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

i. Listing agreements entered into by the Company with the BSE Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its Non-Convertible Debentures.

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meetings issued by The Institute of Company Secretaries of India.

We further report that, during the period under review, the Company has, in our opinion complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

- the Board of Directors of the Company is duly constituted as on the date of this report, with proper balance of Executive, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the applicable provisions of the Act, and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decision is carried through and there were no dissenting views of the members.

- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and

- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, Securities Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received, records maintained and representation received, 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 allotted:

a. passed a special resolution under Section 180(1)(c) of the Act at the sixth annual general meeting held on November 30, 2021 fixing the borrowing limits as Rs. 800 Crores.

S. SANDEEP & ASSOCIATES
FCS-5853
CP. No. 5987
COMPANY SECRETARY

b. passed a special resolution under Section 180(1)(a) of the Act at the annual general meeting held on November 30, 2021 permitting the Company for creating charge on its assets upto Rs. 800 crores

c. passed a special resolution under Section 42 and 71 of the Act at the sixth annual general meeting held on November 30, 2021 for private placement of debentures up to a sum of Rs. 150 Crores.

For S Sandeep & Associates

S. SANDEEP & ASSOCIATES
FCS-5853
CP. No. 5987
COMPANY SECRETARY

Place: Chennai
Date: May 04, 2022
UDIN: F005853D000265851
PR No. 1116/2021

S Sandeep
Managing Partner
FCS No.5853; COP No. 5987

R.Subramanian and Company LLP
CHARTERED ACCOUNTANTS
FRN : 004137S / S200041

New No:6, Old No.36, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004.
Phone : 24992261 / 24991347 / 24994231, Fax : 24991408
Email : rs@rscompany.co.in Website : www.rscompany.co.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
APTUS FINANCE INDIA PRIVATE LIMITED

Report on the audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Aptus Finance India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information hereinafter referred to as Financial Statements

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit (Including Other Comprehensive Income), the Statement of changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013.Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

Emphasis of Matter

4. Attention is drawn to Note No 46 to the accompanying Financial statements, which describes the continuing economic and social disruption the company is facing as a result of COVID-19 pandemic, and its possible consequential implications, on the company's operations and financial metrics, including the company's estimates of impairment of loans and that such estimates may be affected by the severity and duration of the pandemic.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the year under report. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

Sr. No.	Key Audit Matter	Auditor's Response
i	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: • We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. • We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. • We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

		• We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. • We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. • We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. • We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. • Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.

R. SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

ii	**IT Systems and Controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, Any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. Based on our review no material weakness was found in the IT Systems and Controls.

Information Other Than the Standalone Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the other information. The other information included in the Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Standalone Financial Statements and our auditors' report thereon which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

Management Responsibility and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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.

R. SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

9. The comparative financial Statements of the Company for the year ended 31 March 2021 included in Standalone Financial Statements, were audited by the then Statutory Auditors "MSKA & associates., Chartered Accountants" for the year ended 31 March 2021 whose reports dated 23 June 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the Directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls with reference to the financial statements of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts, including derivative contracts- Refer Note 6 to the Financial statements.

R. SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

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

iv. (a) The management has represented that, to the best of the knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the division to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the division from any persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the division shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause 11(h)(iv)(a) and (b) contain any material mis-statement.

v. The Company has not declared or paid any Dividend during the year and accordingly no reporting about compliance under Section 123 of the Act, has been made.

For R. Subramanian and Company LLP
Chartered Accountants
FRN:004137S/S200041

R. SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

R.Prakash
Partner
M No 205869
UDIN: 22205869AIJEZR9525

Place: Chennai
Date: May 04, 2022

ANNEXURE"A" TO THE INDEPENDENTAUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIALSTATEMENTS OF APTUS FINANCE INDIA PRIVATE LIMITED

The Annexure referred to in Paragraph 10 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date:

(i) (a)

(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) No Immovable properties are held by the company, hence reporting under this clause is not applicable.

(d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us there no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

(a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(b) The company has been sanctioned working capital limits in excess of Rs. Five crore (Both fund and non fund based) by banks on the basis of security of Current Assets. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.

(iii)

(a) Since the Company's principal business is to give loans, the provision of clause 3(iii)(a) of the Order is not applicable to it.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

(b) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934, In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 6 to the Standalone Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

(iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of section 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.

R. SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us in respect of Statutory dues:

(a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute

(viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;

(b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;

(c) The term loans were applied for the purpose for which the loans were obtained;

(d) The funds raised on short term basis have not been utilised for long term purposes;

(e) The company does not have any Subsidiary, Associate or Joint Venture. Hence reporting under this clause as to whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture is not applicable.

(f) The company does not have any Subsidiary, Associate or Joint Venture. Hence reporting under this clause as to whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

(x)

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not arising;

(xi)

(a) 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, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) There are no complaints received during the year under whistle-blower Mechanism;

(xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.

(xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.

(xiv)

(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"

(xv) The Company has not entered into any non-cash transactions with Directors or any persons connected with him.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

(xvi)

(a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration. (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the group to which the Company belongs has no CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) During the current year the previous statutory auditors of the company have resigned due to the revised guidelines issued by Reserve bank of india vide notification No. DOS.CO.ARG/SEC.01/08/91/001/2021-22 dated 27th April 2021 regulating appointment of Statutory auditors of the Company. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

(xx)

(a) According to the information and explanations given to us and based on our examination of the records of the Company, company has transferred the unspent amount aggregating to Rs.30.93 Lakhs as at the end of the previous financial year to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act. However in respect of the current financial year sums aggregating to Rs.59.78 Lakhs is required to be transferred to any fund specified in Schedule VII to the companies Act 2013 within a period of six months from the end of the current financial year, and the said amount has not been transferred till the date of completion of our audit.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing Corporate Social Responsibility (CSR) project.

(xxi) As the company is not required to prepare the consolidated financial statements, the reporting under clause 3(xxi) of the order is not applicable

For R. Subramanian and Company LLP
Chartered Accountants
FRN:004137S/S200041

R.Prakash
Partner
M No 205869
UDIN: 22205869AIJEZR9525

Place: Chennai
Date: May 04, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF APTUS FINANCE INDIA PRIVATE LIMITED

(Referred to in paragraph 11(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

1. We have audited the Internal Financial Controls with reference to the financial statements of Aptus Finance India Private Limited("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the financial statements of the Company and such Internal Financial Controls with reference to the financial statements of the Company were operating effectively as at March 31, 2022, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Management's Responsibility for Internal Financial Controls

3. The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

Auditors' Responsibility

4. Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

5. A Company's Internal Financial Controls with reference to the financial statements of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (ii) 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

R. SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

(iii) 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 the financial statements

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

For R. Subramanian and Company LLP
Chartered Accountants
FRN:004137S/S200041

R.Prakash
Partner
M No 205869
UDIN: 22205869AIJEZR9525

Place: Chennai
Date: May 04, 2022

Aptus Finance India Private Limited
Balance Sheet as at March 31, 2022

Rs. in lakhs

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Financial assets**			
(a)	Cash and cash equivalents	4	907.64	1,516.49
(b)	Bank Balance other than cash and cash equivalents	5	563.92	536.62
(c)	Loans	6	67,315.44	57,644.97
(d)	Other financial assets	7	110.39	171.41
	TOTAL FINANCIAL ASSETS		**68,897.39**	**59,869.49**
2	**Non-financial assets**			
(a)	Deferred tax assets (Net)	8	216.76	209.31
(b)	Property, plant and equipment	9A	-	-
(c)	Intangible assets	9B	-	-
(d)	Other non-financial assets	10	23.67	4.09
(e)	Current tax assets (net)	11	33.06	-
	TOTAL NON-FINANCIAL ASSETS		**273.49**	**213.40**
	TOTAL ASSETS		**69,170.88**	**60,082.89**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	Trade payables	26.2		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		223.31	47.45
(b)	Debt securities	12	2,813.37	4,874.26
(c)	Borrowings (other than debt securities)	13	35,857.33	30,986.29
(d)	Other financial liabilities	14	73.61	113.57
	TOTAL FINANCIAL LIABILITIES		**38,967.62**	**36,021.57**
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	15	-	101.59
(b)	Other non-financial liabilities	16	7.38	11.05
(c)	Provisions	17	2.53	-
	TOTAL NON-FINANCIAL LIABILITIES		**9.91**	**112.64**
3	**EQUITY**			
(a)	Equity share capital	18	10,080.00	10,080.00
(b)	Other equity	19	20,113.35	13,868.68
	TOTAL EQUITY		**30,193.35**	**23,948.68**
	TOTAL LIABILITIES AND EQUITY		**69,170.88**	**60,082.89**
	Significant accounting policies	**2 & 3**		
	The accompanying notes are integral part of the financial statements.			

As per our report of even date
For M/s R Subramanian and Company LLP,
Chartered Accountants
Firm Registration. No.: 004137S/S200041

R.Prakash
Partner
Membership No. 205869

R.SUBRAMANIAN AND COMPANY LLP
Chennai 600 004
Chartered Accountants

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
DIN: 00707839

P Balaji
Director
DIN: 07904681

Vivek Mehta
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 04, 2022

Place : Chennai
Date : May 04, 2022

Aptus Finance India Private Limited

Statement of Profit and Loss for the year ended March 31, 2022

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Revenue from operations			
(a)	Interest income	20A	13,790.61	10,781.85
(b)	Net gain on fair value changes	20B	-	0.86
(c)	Fees and commission income	20C	338.99	213.93
	Total Revenue from operations		**14,129.60**	**10,996.64**
2	Other income	21	224.13	220.55
3	**Total income (1+2)**		**14,353.73**	**11,217.19**
4	**Expenses**			
(a)	Finance costs	22	3,505.66	2,957.42
(b)	Employee benefits expense	23	69.21	41.61
(c)	Depreciation and amortisation expense	9A,9B	-	1.30
(d)	Impairment on financial instruments	24	513.67	88.18
(e)	Other expenses	25	1,848.52	1,465.69
	Total expenses		**5,937.06**	**4,554.20**
5	**Profit before tax (3-4)**		8,416.67	6,662.99
6	**Tax expense**			
	- Current tax	8	2,179.44	1,742.34
	- Deferred tax	8	(7.44)	(26.61)
	Total tax expense		**2,172.00**	**1,715.73**
7	**Profit for the year (5-6)**		**6,244.67**	**4,947.26**
8	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year		-	-
9	**Total comprehensive income for the year (7+8)**		**6,244.67**	**4,947.26**
10	**Earnings per share (Equity shares, par value Rs. 10/- each):**	29		
	(a) Basic (in Rs.)		6.20	4.91
	(b) Diluted (in Rs.)		6.20	4.91
	Significant accounting policies	**2 & 3**		
	The accompanying notes are integral part of the financial statements.			

As per our report of even date

For M/s R Subramanian and Company LLP,

Chartered Accountants

Firm Registration. No.: 004137S/S200041

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

R.Prakash

Partner

Membership No. 205869

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Place : Chennai

Date : May 04, 2022

For and on behalf of the Board of Directors

Aptus Finance India Private Limited

CIN - U74900TN2015PTC102252

K M Mohandass
Director
DIN: 00707839

P Balaji
Director
DIN: 07904681

Vivek Mehta
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai

Date : May 04, 2022

Aptus Finance India Private Limited

Statement of Changes in Equity for the year ended March 31, 2022

1. Equity share capital

Rs. in lakhs

Particulars	Amount
Balance as at April 1, 2020	10,080.00
Changes in equity share capital during the year	
(a) Due to prior period error	-
(b) Fresh issue of equity shares	-
Balance as at March 31, 2021	10,080.00
Changes in equity share capital during the year	
(a) Due to prior period error	-
(b) Fresh issue of equity shares	-
Balance as at March 31, 2022	10,080.00

2. Other equity

Rs. in lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium	Statutory Reserve	Impairment Reserve	Retained Earnings	
Balance as at April 1, 2020	4,968.00	795.94	90.26	3,067.22	8,921.42
Profit (loss) for the year (net of tax)	-	-	-	4,947.26	4,947.26
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-
Appropriations to Reserves	-	989.45	61.31	(1,050.76)	-
Balance as at March 31, 2021	4,968.00	1,785.39	151.57	6,963.72	13,868.68
Profit (loss) for the year (net of tax)	-	-	-	6,244.67	6,244.67
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-
Appropriations to Reserves	-	1,248.93	-	(1,248.93)	-
Balance as at March 31, 2022	4,968.00	3,034.32	151.57	11,959.46	20,113.35

Notes:

Refer Note 19.2 for description of nature and purpose of each reserve.

Significant accounting policies (Refer Note 2 & 3)

The accompanying notes are integral part of the financial statements.

As per our report of even date

For M/s R Subramanian and Company LLP,

Chartered Accountants

Firm Registration. No.: 004137S/S200041

R.Prakash

Partner

Membership No. 205869

R.SUBRAMANIAN AND COMPANY LLP ★ Chennai 600 004 ★ Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

For and on behalf of the Board of Directors

Aptus Finance India Private Limited

CIN - U74900TN2015PTC102252

K M Mohandass

Director

DIN: 00707839

P Balaji

Director

DIN: 07904681

Vivek Mehta

Manager & CFO

Jyoti Munot

Company Secretary

Place : Chennai

Date : May 04, 2022

Place : Chennai

Date : May 04, 2022

Aptus Finance India Private Limited
Statement of Cash Flow for the year ended March 31, 2022

Rs. in lakhs

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Cash flows from operating activities				
Profit before tax		8,416.67		6,662.99
Adjustments for:				
Finance costs	3,505.66		2,957.42	
Interest income from bank deposits	(33.11)		(17.89)	
Net gain on change in fair value	-		(0.86)	
Depreciation and amortisation expense	-		1.30	
Impairment on Financial Instruments	513.67		88.18	
		3,986.22		3,028.15
Operating profit before working capital changes		12,402.89		9,691.14
Movements in working capital:				
Increase in loans	(10,184.14)		(14,991.66)	
(Increase) / Decrease in other financial assets	61.02		(167.79)	
(Increase) / Decrease in other non-financial assets	(19.58)		12.21	
Increase / (Decrease) in trade payables	175.86		31.65	
Increase / (Decrease) in provisions	2.53		-	
Increase in Other financial liabilities	(39.96)		103.88	
Increase / (Decrease) in Other non-financial liabilities	(3.67)	(10,007.94)	1.58	(15,010.13)
Cash used in operations		2,394.95		(5,318.99)
Finance cost paid		(3,579.12)		(2,982.70)
Direct Taxes paid		(2,308.29)		(1,697.52)
Net cash used in operating activities (A)		**(3,492.46)**		**(9,999.21)**
Cash flows from investing activities				
Deposits placed with banks, net	-		(318.40)	
Interest received on bank deposits	-		3.47	
Purchases of investments	-		600.00	
Redemption of investments	-		(600.00)	
Income received from mutual funds	-		0.86	
Net cash used in investing activities (B)		**-**		**(314.07)**
Cash flows from financing activities				
Proceeds from issue of debt securities	-		2,500.00	
Repayment of debt securities	(2,083.33)		(1,666.67)	
Proceeds from borrowings (other than debt securities)	33,300.00		27,627.21	
Repayment of borrowings (other than debt securities)	(28,333.06)		(16,856.28)	
Net cash flow from financing activities (C)		**2,883.61**		**11,604.26**
Net increase in cash and cash equivalents (A+B+C)		**(608.85)**		**1,290.98**
Cash and cash equivalents at the beginning of the year		1,516.49		225.51
Cash and cash equivalents at the end of the year (Refer Note 4)		**907.64**		**1,516.49**

The accompanying notes are integral part of the financial statements.

As per our report of even date
For M/s R Subramanian and Company LLP,
Chartered Accountants
Firm Registration. No.: 004137S/S200041

R.Subramanian and Company LLP ★ Chennai 600 004 ★ Chartered Accountants

Aptus Finance India Pvt. Ltd. ★ Chennai

R.Prakash
Partner
Membership No. 205869

Place : Chennai
Date : May 04, 2022

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
DIN: 00707839

P Balaji
Director
DIN: 07904681

Vivek Mehta
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 04, 2022

1. Corporate Information

Aptus Finance India Private Limited ("the company") was incorporated on September 18, 2015 with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties. The Company with CIN: U74900TN2015PTC102252, is a Private Limited Company domiciled in India. The Registered Office of the Company is located at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai. The Company has been granted the certificate of registration dated December 16, 2016 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution. The Company is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND- SI').

2. Significant accounting policies

Basis of preparation and presentation

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial assets and liabilities measured at fair value that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the RBI to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 34.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counterparties.

R.SUBRAMANIAN AND COMPANY LLP
Chennai 600 004
Chartered Accountants

APTUS FINANCE INDIA PVT. LTD.
CHENNAI

2.1 Financial Instruments

2.1.1 Financial instruments – initial recognition

2.1.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Company (as per the terms of the agreement with the borrowers). The Company recognises debt securities and borrowings when funds reach the Company.

2.1.1.2 Initial measurement of financial instruments

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

2.1.1.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost or FVTPL or Fair Value through Other Comprehensive Income ("FVOCI").

2.1.2 Financial assets and liabilities

2.1.2.1 Bank balances, Loans and financial investments at amortised cost

The Company measures bank balances, loans, and other financial investments at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

2.1.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages Company's 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, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The 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.

R.SUBRAMANIAN AND COMPANY LLP Chartered Accountants Chennai 600 004

2.1.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial asset 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).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.1.2.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

2.1.2.3 Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in Other Comprehensive Income ("OCI"). Equity instruments at FVOCI are not subject to an impairment assessment.

2.1.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

2.1.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

2.1.4 Derecognition of financial assets and liabilities

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

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes. When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors: (i) Change in counterparty (ii) If the modification is such that the instrument would no longer meet the SPPI criterion (iii) If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.1.4.2 Derecognition of financial assets other than due to substantial modification

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either: the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset.

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

2.1.4.3 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.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.1.5 Impairment of financial assets

2.1.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), 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 (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

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

Stage 3:

Loans considered credit-impaired. The Company records an allowance for the LTECLs.

Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days past dues	ECL
Stage 1	Up to 30 days	12 month ECL
Stage 2	31 up to 90 days	Lifetime ECL
Stage 3	90 days and above	Lifetime ECL

In addition to days past due, the Company also considers other qualitative factors in determining significant increase in credit risks.

2.1.5.2 The calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD:

The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

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

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12mECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

Stage 3:

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

Estimates and associated assumptions applied in preparing the financial statements, especially for the expected credit loss on advances, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic. The Group has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of defaults and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans.

2.1.5.3 Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is 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 subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

2.2 Recognition of Interest

2.2.1 The effective interest rate method

Interest income and expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

2.2.2 Interest Income

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

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

2.2.3 Fees and commission Income

Fees and commission Income include fees other than those that are an integral part of EIR. The fees included in this part of the Company's statement of profit or loss include among other things fees charged for servicing a loan including cheque bounce charges, field visit charges, pre-closure charges etc when there is no uncertainty on ultimate collection.

2.2.4 Dividend Income

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

2.2.5 Borrowing cost

Borrowing cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other borrowing costs are charged to the Statement of Profit and Loss as incurred based on the effective interest rate method.

2.3 Taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the *timing* of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

  Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

  When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.4 Property, plant and equipment ('PPE') and intangible assets

PPE is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation on the following categories of PPE has been provided on the straight-line method, the useful lives of which have been assessed as under, based on technical assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Particulars	Estimated Life
Office Equipment	3 years
Computer Software	License Period or 3 years, whichever is lower

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.

Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Intangible Assets

The Company's intangible assets mainly include the value of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

2.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken in to account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material) (when the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

2.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.7.1 Cash and cash equivalents

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

2.8 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.9 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Company's performance based on an analysis of various performance indicators by business segments and geographic segments.

As per the requirements of Ind AS 108 "Operating Segments", based on evaluation of financial information for allocation of resources and assessing performance, the Company has identified a single segment, viz. "providing loans against properties". Accordingly, there are no separate reportable segments as per Ind AS 108.

2.10 Determination of Fair value

The Company measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

In the process of applying the Company's accounting policies, management has made the following judgements/estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 De-recognition of Financial instruments

The Company enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Company has been exposed to. Based on this assessment, the Company believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Company hence it has been concluded that securitisation transactions entered by the Company does not qualify for de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

3.2 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. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in Accounting policy.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

3.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.4 Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Recent Accounting Development

On March 23, 2022, the ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- Ind AS 101- First time adoption of Ind AS
- Ind AS 103- Business Combination
- Ind AS 109- Financial Instrument
- Ind AS 16- Property, Plant and Equipment
- Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 41-Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statement.

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

4 Cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	47.26	24.80
Balances with banks - In current accounts	860.38	1,491.69
	907.64	**1,516.49**

5 Bank Balance other than cash and cash equivalents

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
In deposit accounts - Original maturity more than 3 months	511.57	511.57
Interest Accrued but not due on Deposits with Banks	52.35	25.05
	563.92	**536.62**

The Company has given fixed deposits as credit enhancement for securitisation transactions entered by it, amounting to Rs. 511.57 lakhs (March 2021 : Rs. 511.57 lakhs).

6 Loans

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Term loans carried at amortised cost	67,917.46	57,768.29
Total Term loans (gross)	**67,917.46**	**57,768.29**
Less: Impairment loss allowance	(602.02)	(123.32)
Total Term loans (net)	**67,315.44**	**57,644.97**

Notes:
(i) All term loans are originated in India and retail in nature.
(ii) Term loans are secured by deposit of original title deeds of immovable properties with the Company and / or registered mortgage of title deeds.

(iii) Securitisation of financial assets
The Company securitises certain receivables and surrenders control over these receivables, though it continues to act as an agent for the collection of these receivables. The Company also provides credit enhancements to the transferee by way of agreeing to bear a portion of default losses. Because of the existence of credit enhancements, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset, and hence, such transfer does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer amounting to Rs. Nil (March 31, 2021: Rs. 9,127.52 lakhs) during the year are recorded as borrowings. Amount outstanding on such transactions as at March 31, 2022 is Rs. 8,932.22 lakhs (March 31, 2021 - Rs. 12,489.80 lakhs).
Refer Note 33 for financial assets securitised.

(iv) Refer Note 30.13 for contractual maturities.
(v) There are no outstanding loan to Public Institution.
(vi) Term loans do not include any loans given to employees of the Company.
(vii) There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

6.1 Summary of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans:

6.1.1 Reconciliation of gross carrying amount is given below:

Rs. in lakhs

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	51,548.09	5,926.30	293.90	57,768.29	40,928.87	1,641.03	206.73	42,776.63
New assets originated / Increase in existing assets	19,057.26	96.17	56.13	19,209.56	20,770.24	-	-	20,770.24
Exposure de-recognised / matured / repaid / Bad debts written off	(7,777.31)	(1,179.53)	(103.55)	(9,060.39)	(5,503.42)	(256.40)	(18.76)	(5,778.58)
Transfers to Stage 1	1,251.54	(1,201.88)	(49.66)	-	376.45	(413.49)	37.04	-
Transfers to Stage 2	(4,460.52)	4,468.57	(8.05)	-	(4,936.18)	4,955.16	(18.98)	-
Transfers to Stage 3	(372.04)	(557.32)	929.36	-	(87.87)	-	87.87	-
Gross carrying amount closing balance	**59,247.02**	**7,552.31**	**1,118.13**	**67,917.46**	**51,548.09**	**5,926.30**	**293.90**	**57,768.29**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to recovery activities was Rs. 34.97 lakhs (Rs. Nil for March 31, 2021).

The Company, in the normal course collects the dues by cheques / mandates and where there is a default, the Company has generally takes reasonable steps such issuance of demand notice and initiates arbitration, where the immovable property is offered as a collateral security for recovery of overdue principal and interest in respect of such loans.

6.1.2 Reconciliation of ECL balance is given below:

Rs. in lakhs

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	38.10	19.31	65.91	123.32	23.34	1.72	10.08	35.14
New assets originated / Increase in existing assets	131.11	144.07	285.89	561.07	95.22			95.22
Exposure de-recognised / matured / repaid	(4.02)	(4.91)	(73.44)	(82.37)	(5.32)	(0.20)	(1.52)	(7.04)
Transfers to Stage 1	5.33	(2.70)	(2.63)	-	(76.20)	14.08	62.12	-
Transfers to Stage 2	(3.74)	4.17	(0.43)	-	0.09	3.71	(3.80)	-
Transfers to Stage 3	(0.72)	(5.01)	5.73	-	0.97	-	(0.97)	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**166.06**	**154.93**	**281.03**	**602.02**	**38.10**	**19.31**	**65.91**	**123.32**

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

7 Other financial assets

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Good, Unsecured - At Amortised Cost		
Security deposits	1.50	1.50
Accrued Income	108.89	6.50
Ex-gratia receivable	-	163.41
	110.39	**171.41**

8 Deferred tax assets / (liabilities) (Net)

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2021	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
Impairment Loss Allowance	31.04	120.48	-	151.52
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	0.23	(0.08)	-	0.15
Provisions for gratuity and leave encashment	-	0.64	-	0.64
Transaction charges relating to loans	248.69	(48.45)	-	200.25
Tax effect of items constituting deferred tax assets	**279.96**	**72.59**	-	**352.56**
Tax effect of items constituting deferred tax (liabilities):				
Transaction charges relating to debt securities and borrowings other than debt securities	(54.06)	(8.16)	-	(62.22)
Others	(16.59)	(56.99)	-	(73.58)
Tax effect of items constituting deferred tax (liabilities)	**(70.65)**	**(65.15)**	-	**(135.80)**
Net deferred tax assets / (liabilities)	**209.31**	**7.44**	-	**216.76**

Rs. in lakhs

Components of deferred tax asset / (liability)	As at April 01, 2020	(Charged) / Credited to Profit and Loss	(Charged) / Credited to OCI	As at March 31, 2021
Tax effect of items constituting deferred tax assets:				
Impairment Loss Allowance	8.84	22.20	-	31.04
Difference between written down value of PPE and intangible assets as per books and as per Section 32 of Income-tax Act, 1961	0.03	0.20	-	0.23
Transaction charges relating to loans	218.78	29.92	-	248.69
Tax effect of items constituting deferred tax assets	**227.65**	**52.32**	-	**279.96**
Tax effect of items constituting deferred tax (liabilities):				
Transaction charges relating to debt securities and borrowings other than debt securities	(42.41)	(11.65)		(54.06)
Others	(2.53)	(14.06)	-	(16.59)
Tax effect of items constituting deferred tax (liabilities)	**(44.94)**	**(25.71)**	-	**(70.65)**
Net deferred tax assets / (liabilities)	**182.71**	**26.61**	-	**209.31**

Note:
Reconciliation of Effective tax rate
The income tax expense for the year can be reconciled to the accounting profit / (loss) as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Profit before tax	8,416.67	6,662.99
(B) Enacted tax rates in India (including surcharge and cess)	25.17%	25.17%
(C) Income tax on profit before tax based on the enacted rate	2,118.31	1,676.94
(D) Other than temporary differences		
- Effect of change in tax rate	-	
- Effect of income that is exempt from taxation	-	
- Effect of inadmissible expenses	53.69	38.74
- Effect of admissible deductions	-	
- Effect of others adjustments	-	0.05
(E) Income tax expense recognised in Profit and Loss	**2,172.00**	**1,715.73**

The income tax rate used for the above reconciliations are the corporate tax rate payable by the Company in India on taxable profits under the Income-tax Act, 1961.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

9A Property, plant and equipment

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of :		
a) Office Equipment	-	-
	-	-

Rs. in lakhs

Particulars	Office Equipments	Total
Cost / Deemed cost		
Balance at April 1, 2020	**0.21**	**0.21**
Additions during the year	-	-
Disposals during the year	-	-
Balance at March 31, 2021	**0.21**	**0.21**
Additions during the year	-	-
Disposals during the year	-	-
Balance at March 31, 2022	**0.21**	**0.21**
Accumulated depreciation		
Balance at April 1, 2020	**0.12**	**0.12**
Depreciation expense for the year	0.09	**0.09**
Elimination on disposals during the year	-	-
Balance at March 31, 2021	**0.21**	**0.21**
Depreciation expense for the year	-	-
Elimination on disposals during the year	-	-
Balance at March 31, 2022	**0.21**	**0.21**
Carrying amount		
Balance at April 1, 2020	0.09	**0.09**
Additions during the year	-	-
Disposals during the year	-	-
Depreciation expense for the year	(0.09)	**(0.09)**
Balance at March 31, 2021	-	-
Additions during the year	-	-
Disposals during the year	-	-
Depreciation expense for the year	-	-
Balance at March 31, 2022	-	-

Note:

(i) Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is Rs.Nil lakhs (March 31 2021: Rs. Nil lakhs).

(ii) There are no assets acquired on account of business combination nor revalued for the year ended March 31, 2022 and March 31, 2021.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

9B Intangible assets

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of :		
a) Computer software	-	-
	-	-

Rs. in lakhs

Particulars	Computer software	Total
Cost / Deemed cost		
Balance at April 1, 2020	**3.60**	**3.60**
Additions during the year	-	-
Disposals during the year	-	-
Balance at March 31, 2021	**3.60**	**3.60**
Additions during the year	-	-
Disposals during the year	-	-
Balance at March 31, 2022	**3.60**	**3.60**
Accumulated amortisation		
Balance at April 1, 2020	**2.39**	**2.39**
Amortisation expense for the year	1.21	1.21
Elimination on disposals during the year	-	-
Balance at March 31, 2021	**3.60**	**3.60**
Amortisation expense for the year	-	-
Elimination on disposals during the year	-	-
Balance at March 31, 2022	**3.60**	**3.60**
Carrying amount		
Balance at April 1, 2020	1.21	**1.21**
Additions during the year	-	-
Disposals during the year	-	-
Amortisation expense for the year	(1.21)	(1.21)
Balance at March 31, 2021	-	-
Additions during the year		-
Disposals during the year	-	-
Amortisation expense for the year	-	-
Balance at March 31, 2022	-	-

Note:

(i) Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is Rs.Nil lakhs (March 31 2021: Rs. Nil lakhs).

(ii) There are no assets acquired on account of business combination nor revalued for the year ended March 31, 2022 and March 31, 2021.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

10 Other non-financial assets

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Good, Unsecured		
Prepaid expenses	19.12	4.09
Receivables from Government authorities	4.55	-
	23.67	**4.09**

11 Current tax assets (net)

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets (net of provisions for taxation)	33.06	-
	33.06	-

12 Debt securities

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured redeemable non-convertible debentures - At amortised cost (Within India)	2,813.37	4,874.26
	2,813.37	**4,874.26**

(a) Details of Secured Redeemable Non-Convertible Debentures ("NCDs") - Redeemable at par:

No of Debentures	Rate of Interest	Due date of redemption	Balance Outstanding	
			Face Value	As at March 31, 2022
			Rs.	Rs. in lakhs
250	8.90%	September 7, 2023	10,00,000.00	1,252.89
(250)	(8.90%)	(September 7, 2023)	(10,00,000.00)	(2,083.92)
5,000	10.75%	March 5, 2023	31,250.00	1,560.48
(5,000)	(10.75%)	(March 5, 2023)	(81,250.00)	(2,790.34)

Note : Previous Year figures have been disclosed in 'Brackets'

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified term loans amounting to Rs. 4,238.19 lakhs as at March 31, 2022 (March 31, 2021 - Rs. 6,499.80 lakhs).

(ii) Debentures aggregating to Rs. 2,812.50 lakhs as at March 31, 2022 (March 31, 2021 - Rs. 4,895.83 lakhs) has been guaranteed by Aptus Value Housing Finance India Limited, the Holding Company.

(iii) The Company has not defaulted in the repayment of dues to its lenders during any of the reporting years.

(iv) Refer Note 30.13 for contractual maturities.

(v) There are no debt securities measured at FVTPL or designated FVTPL as at March 31, 2022 (March 31, 2021 - Rs. Nil Lakhs)

13 Borrowings (other than debt securities)

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - At amortised cost (Within India)		
Term loans		
Scheduled banks	24,928.29	16,696.49
Holding company	500.00	1,800.00
Securitisation loans	8,932.22	12,489.80
Working Capital Loans	1,496.82	-
	35,857.33	**30,986.29**

(a) Terms of repayment of term loans are as follows:

Rs. in lakhs

Rate of Interest	Tenure	Balance Outstanding	
		As at March 31, 2022	As at March 31, 2021
7.00%-8.00%	2- 5 years	6,926.33	-
8.00%-9.00%		5,414.62	6,905.85
9.00%-10.00%		5,641.12	9,107.97
10.00%-11.00%		-	2,482.67
7.00%-8.00%	5-7 years	7,446.22	-
Total		**25,428.29**	**18,496.49**

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

(b) Terms of repayment of securitisation loans are as follows:

Rs. in lakhs

Rate of Interest	Tenure	Balance Outstanding	
		As at March 31, 2022	As at March 31, 2021
7.50%-8.00%	5-7 years	7,523.35	9,110.56
10.00%-11.00%		1,408.87	3,379.24
Total		**8,932.22**	**12,489.80**

(i) Term loans are secured by hypothecation of specified term loans amounting to Rs. 30,950.10 lakhs as at March 31, 2022 (March 31, 2021 - Rs. 23,143.52 lakhs).

(ii) Working Capital loans and cash credit facilities have been availed at Interest rate of 7.50%-8.80% p.a and are secured by hypothecation of specified term loans amounting to Rs. 2,259.09 lakhs as at March 31, 2022 (March 31, 2021 - Rs. Nil).

(iii) The Company has not defaulted in the repayment of borrowings and interest.

(iv) Loans aggregating to Rs. 25,117.45 lakhs as at March 31, 2022 (March 31, 2021 - Rs. 16,779.57 lakhs) has been guaranteed by Aptus Value Housing Finance India Limited, the Holding Company.

(v) Refer Note 30.13 for contractual maturities.

(vi) The secured term loans are availed from various scheduled banks and the Holding Company. These loans are repayable as per the individual contracted terms in one or more instalments.

(vii) There are no borrowings (other than debt securities) measured at FVTPL or designated FVTPL as at March 31, 2022 (March 31, 2021 - Rs. Nil Lakhs)

(viii) The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

(ix) The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

R.SUBRAMANIAN AND COMPANY LLP Chartered Accountants Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

14 Other financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
Advances from customers	14.09	5.60
Other payables	59.52	107.97
	73.61	**113.57**

15 Current tax liabilities (Net)

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax (net of advance tax and Tax Deducted at Source)	-	101.59
	-	**101.59**

16 Other non-financial liabilities

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	7.38	11.05
	7.38	**11.05**

17 Provisions

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	2.06	-
Provision for leave encashment	0.47	-
	2.53	-

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

18 Equity Share capital

Rs. in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised share capital				
Equity shares of Rs. 10 each	11,00,00,000	11,000.00	11,00,00,000	11,000.00
(ii) Issued and subscribed share capital				
Equity shares of Rs. 10 each - Fully paid-up	10,08,00,000	10,080.00	10,08,00,000	10,080.00
	10,08,00,000	**10,080.00**	**10,08,00,000**	**10,080.00**

Notes:

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares			
Year ended March 31, 2022			
- Number of shares	10,08,00,000	-	10,08,00,000
- Amount (Rs. in lakhs)	10,080.00	-	10,080.00
Year ended March 31, 2021			
- Number of shares	10,08,00,000	-	10,08,00,000
- Amount (Rs. in lakhs)	10,080.00	-	10,080.00

(b) Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share. Dividends are paid in India Rupees. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.. All these shares have same rights and preferences with respect to payment of dividend, repayment of capital and voting.

(c) Details of shares held by Holding Company:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares held by Holding Company				
Aptus Value Housing Finance India Limited and its nominees	10,08,00,000	100.00%	10,08,00,000	100.00%

(d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares held by Holding Company				
Aptus Value Housing Finance India Limited and its nominees	10,08,00,000	100.00%	10,08,00,000	100.00%

(e) Details of shareholding of Promoters:

	As at March 31, 2022			As at March 31, 2021		
Name of the promoter	No of shares	% of total shares	% change during the current year	No of shares	% of total shares	% change during the current year
Aptus Value Housing Finance India Limited and its nominees	10,08,00,000	100.00%	-	10,08,00,000	100.00%	-
Total	10,08,00,000	100.00%	-	10,08,00,000	100.00%	

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

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

19 Other Equity

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account	4,968.00	4,968.00
Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934	3,034.32	1,785.39
Impairment reserve	151.57	151.57
Retained earnings	11,959.46	6,963.72
	20,113.35	**13,868.68**

19.1 Movement in Other Equity

Rs. in lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Securities premium account (Refer Note 19.2.1)**		
	Opening balance	4,968.00	4,968.00
	Add : Equity contribution from holding company	-	-
	Closing Balance	**4,968.00**	**4,968.00**
(b)	**Statutory reserve (Refer Note 19.2.2)**		
	Opening balance	1,785.39	795.94
	Add: Amount transferred from surplus in the statement of Profit and Loss	1,248.93	989.45
	Closing Balance	**3,034.32**	**1,785.39**
(c)	**Impairment reserve (Refer Note 19.2.3 and Note 26.3)**		
	Opening balance	151.57	90.26
	Add: Amount transferred from surplus in the statement of Profit and Loss	-	61.31
	Closing Balance	**151.57**	**151.57**
(d)	**Retained earnings (Refer Note 19.2.4)**		
	Opening balance	6,963.72	3,067.22
	Add: Profit for the year	6,244.67	4,947.26
	Less: Transfer to Special reserve (Refer Note 19.2.2 below)	(1,248.93)	(989.45)
	Less: Transfer to Impairment reserve (Refer Note 19.2.3 below)	-	(61.31)
	Closing Balance	**11,959.46**	**6,963.72**
	Total	**20,113.35**	**13,868.68**

19.2 Nature and purpose of reserve:

19.2.1 Securities premium account

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

19.2.2 Statutory Reserve

Statutory reserve represents the reserve created as per Section 45-IC of the Reserve Bank of India Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

19.2.3 Impairment Reserve

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). Accordingly the Company has transferred the shortfall amount to Impairment Reserve. No withdrawal from the reserve is permitted without prior permission from the Department of Supervision, RBI.

19.2.4 Retained Earnings

Retained earnings are the profits that the Company has earned till date less any transfer to statutory reserves, general reserves and dividend distributed to shareholders.

No final dividend has been proposed during the year and further no interim dividend is declared and paid by the Company during the year.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

20 Revenue from operations

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Interest income		
On financials assets measured at amortised cost		
Interest on term loans	13,757.50	10,763.96
Interest on fixed deposits with banks	33.11	17.89
	13,790.61	**10,781.85**
(B) Net gain on fair value changes		
Investment in mutual funds measured at FVTPL		
Realised	-	0.86
	-	**0.86**
(C) Fees and commission income	338.99	213.93
	14,129.60	**10,996.64**

21 Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Charges for marketing / display	223.98	220.50
Other non-operating income	0.15	0.05
	224.13	**220.55**

22 Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost		
- Debt securities	429.50	539.71
- Borrowings (other than debt securities)	3,076.16	2,417.71
	3,505.66	**2,957.42**

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

23 Employee benefits expense

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and commission	63.80	39.35
Gratuity expense	2.06	-
Contributions to provident and other funds	3.35	2.25
	69.21	**41.61**

24 Impairment on Financial Instruments

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expected Credit Loss Expense		
- On terms loans measured at amortised cost	489.26	88.18
Bad debt write off	24.41	-
	513.67	**88.18**

25 Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Support costs	1,300.15	1,025.00
Information technology expenses	0.53	0.25
Rates and taxes	125.85	113.57
Office expenses	262.71	244.66
Printing and stationery	4.13	2.50
Commission to directors	18.70	13.33
Sitting fees to non-whole time directors	5.90	7.85
Charges paid to rating agencies	10.47	5.21
Bank charges	3.05	1.25
Advertisement and publicity	0.82	0.27
Legal and professional charges	27.55	15.71
Auditor's fees and expenses (Refer Note (i) below)	7.75	4.00
Corporate Social Responsibility expenditure (Refer Note 35)	79.78	35.93
Miscellaneous expenses	1.13	1.16
	1,848.52	**1,465.69**

Notes:

(i) Auditor's fees and expenses *		
Statutory audit fee	5.00	2.50
Tax audit fee	1.00	0.75
Limited review	1.25	0.50
Reimbursement of expenses	0.50	0.25
	7.75	**4.00**

Notes:
* Includes fees paid to previous statutory auditors during the financial year FY2021-22

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Note	Particulars
26	**Additional information to the financial statements**
26.1	**Commitments**

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans sanctioned to Borrowers pending disbursement	741.85	1,732.37
Total	**741.85**	**1,732.37**

26.2 Trade Payables:

a) Micro, Small and Medium Enterprises:

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) during the year ended March 31, 2022 and March 31, 2021. This has been relied upon by the Auditors.

b) Trade payables ageing of dues of creditors other than micro enterprises and small enterprises:

Rs. in lakhs

31-Mar-22	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	-	-	-	-	-
(ii) Undisputed - Others	223.31	-	-	-	223.31
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
Total	223.31	-	-	-	223.31

Rs. in lakhs

31-Mar-21	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed - MSME	-	-	-	-	-
(ii) Undisputed - Others	47.45	-	-	-	47.45
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
Total	47.45	-	-	-	47.45

26.3 Disclosure pursuant to RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

As required by the RBI Notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the Company has complied with the requirements of Ind AS and the Guidelines and Policies approved by the Board in recognition of impairment of financial instruments. The overall impairment loss allowance as at March 31, 2021 made under Ind AS is lower than the prudential floor prescribed by RBI, and accordingly the Company has created an Impairment reserve of Rs. 151.57 lakhs during the year ended 31st March 2021 and the same is outstanding as at March 31, 2022 (Rs. 151.57 lakhs as at March 31, 2021) (refer Note 19.1 and 19.2.3). For the year ended 31st March 2022 the impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve for the year ended 31st March 2022.

As at March 31, 2022 Rs. in lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	59,247.02	166.05	59,080.97	241.01	(74.95)
	Stage 2	7,552.31	154.91	7,397.39	110.32	44.59
	Stage 3	-	-	-	-	-
Subtotal		**66,799.33**	**320.97**	**66,478.37**	**351.33**	**(30.36)**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	969.09	245.02	724.07	110.04	134.98
Doubtful - up to 1 year	Stage 3	149.04	36.03	113.01	30.17	5.86
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**1,118.13**	**281.05**	**837.08**	**140.21**	**140.85**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,118.13**	**281.05**	**837.08**	**140.21**	**140.85**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-		-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	59,247.02	166.05	59,080.97	241.01	(74.95)
	Stage 2	7,552.31	154.91	7,397.39	110.32	44.59
	Stage 3	1,118.13	281.05	837.08	140.21	140.85
	Total	**67,917.46**	**602.02**	**67,315.44**	**491.54**	**110.49**

Note	Particulars

As at March 31, 2021

Rs. in lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	51,548.09	38.10	51,509.99	209.18	(171.08)
	Stage 2	5,926.30	19.31	5,906.99	23.16	(3.85)
	Stage 3	-	-	-	-	-
Subtotal		**57,474.39**	**57.41**	**57,416.98**	**232.34**	**(174.93)**
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	251.14	25.17	225.97	34.17	(9.00)
Doubtful - up to 1 year	Stage 3	42.76	40.74	2.02	8.38	32.36
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**293.90**	**65.91**	**227.99**	**42.55**	**23.36**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**293.90**	**65.91**	**227.99**	**42.55**	**23.36**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	51,548.09	38.10	51,509.99	209.18	(171.08)
	Stage 2	5,926.30	19.31	5,906.99	23.16	(3.85)
	Stage 3	293.90	65.91	227.99	42.55	23.36
	Total	**57,768.29**	**123.32**	**57,644.97**	**274.89**	**(151.57)**

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

Note	Particulars
	Disclosures under Accounting Standards
27.a	**Segment Reporting:** The Company is engaged primarily in the business of providing secured business loans which is also viewed and monitored by the Chief Operating Decision Maker as a single business segment for the purpose of making decisions about resource allocation and performance assessment and accordingly there are no separate reportable segments as per Ind AS 108 - Operating Segments.
27.b	Earnings and Expenditure in foreign currency - Nil (March 31, 2021: Nil)
28	**Related party transactions**
28.a	**Details of related parties:**

Description of relationship	Names of related parties
Holding Company	Aptus Value Housing Finance India Limited
Key Management Personnel (KMP)	Mr. P Balaji, Non-executive Director Mr. S Krishnamurthy, Independent Director Mr. K M Mohandass, Independent Director Mr. Suman Bollina, Non-executive Director Mr. R Umasuthan, Independent Director (from November 21, 2020) Mr. Vivek Mehta, Manager & Chief Financial Officer (from February 10, 2021) Ms. Jyoti Suresh Munot, Company Secretary Ms. Laxmi Sridhar, Manager & Chief Financial Officer (from May 10, 2018 up to November 30, 2020)

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

28.b Details of related party transactions for the year

Rs. in lakhs

Transactions	Names of related parties	For the year ended March 31, 2022	For the year ended March 31, 2021
Support costs paid	Aptus Value Housing Finance India Limited	1,300.15	1,025.00
Loans received	Aptus Value Housing Finance India Limited	14,800.00	9,000.00
Loans repaid	Aptus Value Housing Finance India Limited	16,100.00	12,300.00
Interest on Loan From Holding Company	Aptus Value Housing Finance India Limited	558.44	504.62
Corporate guarantee given by Holding Company in respect of Borrowings taken by the Company	Aptus Value Housing Finance India Limited	18,500.00	11,500.00
Director commission and sitting fee	Mr. K M Mohandass		
	- Commission	4.00	4.00
	- Sitting fee	1.80	1.10
Director commission and sitting fee	Mr. S Krishnamurthy		
	- Commission	4.00	4.00
	- Sitting fee	1.60	1.10
Director commission and sitting fee	Mr. Suman Bollina		
	- Commission	4.00	4.00
	- Sitting fee	1.70	0.45
Director commission and sitting fee	Mr. R Umasuthan		
	- Commission *	6.67	1.33
	- Sitting fee	1.30	0.20
Remuneration	Mr. Vivek Mehta		
	- Salary	13.75	1.78
Remuneration	Ms. Laxmi Sridhar		
	- Salary	-	15.48
Remuneration	Ms. Jyoti Suresh Munot		
	- Salary	1.63	1.04

Balances as at year end	Names of related parties	As at March 31, 2022	As at March 31, 2021
Term Loans outstanding	Aptus Value Housing Finance India Limited	500.00	1,800.00
Corporate guarantee given by Holding Company in respect of Borrowings taken by the Company	Aptus Value Housing Finance India Limited	27,929.95	21,675.40

Note:
* It includes commission paid for the previous year INR 2.67 lakhs.

29 Earnings per share

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit After Tax (A)	6,244.67	4,947.26
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic (B)	**10,08,00,000**	**10,08,00,000**
Add: Effect of dilutive potential equity shares	-	
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted (C)	**10,08,00,000**	**10,08,00,000**
Earnings Per Share - Basic (Rs.) (A/B)	**6.20**	**4.91**
Earnings Per Share - Diluted (Rs.) (A/C)	**6.20**	**4.91**

R. SUBRAMANIAN AND COMPANY LLP Chartered Accountants Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars

30 Financial Instruments

30.1 Capital management

The Company actively manages its capital to meet regulatory norms and current and future business needs, considering the risks in its businesses, expectations of rating agencies, shareholders and investors, and the available options of raising capital. Its capital management framework is administered by the risk committee of Company. There has been no change in objectives, policies or processes for managing capital.

The Company has complied with all regulatory requirements related to regulatory capital as prescribed by RBI.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities.

30.2 Categories of Financial Instruments

Rs. in lakhs

	As at March 31, 2022 Measured at			As at March 31, 2021 Measured at		
	FVTPL/ Designated as FVTPL	FVTOCI	Amortised Cost	FVTPL/ Designated as FVTPL	FVTOCI	Amortised Cost
Financial assets						
Cash and cash equivalents	-	-	907.64	-	-	1,516.49
Bank Balance other than cash and cash equivalents	-	-	563.92	-	-	536.62
Loans	-	-	67,315.44	-	-	57,644.97
Other financial assets	-	-	110.39	-	-	171.41
Total Financial Assets	-	-	**68,897.39**	-	-	**59,869.49**
Financial liabilities						
Debt securities	-	-	2,813.37	-	-	4,874.26
Borrowings (other than debt securities)	-	-	35,857.33	-	-	30,986.29
Trade payables and Other financial liabilities	-	-	296.92	-	-	161.02
Total Financial liabilities	-	-	**38,967.62**	-	-	**36,021.57**

Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks in the manner detailed below. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

30.3 Market risk

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market place, in particular, changes in interest rates, exchange rates and equity. The Company has a monitoring mechanism which provides the framework for assessing market risk, in particular, tracking of events happening in market place, changes in policies / guidelines of government and regulators, exchange rate movement, equity market movements, money market movements etc.

30.4 Interest rate risk

Interest rate risk is a risk which is associated with movement of interest rates in the market. The management of the Company closely monitors the interest rate movements on a monthly basis which covers the following:

- Borrowing cost of the Company as on a particular date
- Interest rate scenario existing in the market
- Gap in cash flows at the prevalent interest rates
- Effect of Interest rate changes on the Gap in the cash flows
- Fixing appropriate interest rate to be charged to the customer based on the above factors

Interest rate sensitivity analysis

The sensitivity analysis has been determined for borrowings where interest rates are variable, assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis as at March 31, 2022	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	67,315.44	67,507.15	66,735.97	68,292.36
Debt securities	2,813.37	2,813.92	2,803.06	2,824.84
Borrowings (other than debt securities)	35,857.33	39,552.64	39,215.48	39,900.41

Rs. in lakhs

Sensitivity analysis as at March 31, 2021	Carrying value	Fair value	Sensitivity to fair value	
			0.50% increase	0.50% decrease
Loans	57,644.97	58,508.27	57,782.94	59,247.79
Debt securities	4,874.26	4,923.90	4,894.32	4,953.74
Borrowings (other than debt securities)	30,986.29	36,395.69	36,043.55	36,749.75

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars
30.5	**Credit risk** Credit risk in the Company arises due to default by customers on their contractual obligations which results to financial losses. Credit Risk is a major risk in the Company and the Company's asset base comprises of loans against property. Credit Risk in the Company stems from outright default due to inability or unwillingness of a customer to meet commitments in relation to lending, settlement and other financial transactions. The essence of credit risk assessment in the Company pivots around the early assessment of stress, either in a portfolio or an account, and taking appropriate measures.
30.6	**Credit risk management** Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Detailed credit policies have been drawn up to mitigate the the Company's prime risk which is the default risk. There is a robust Credit Risk Management set-up in the Company at various levels. 1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management. 2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels. 3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks. 4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aims towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.
30.7	**Significant increase in credit risk** The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Company: Staging Criterion Stage-1: 0 up to 30 days past due Stage-2: 31 up to 90 days past due Stage-3: 90 and above days past due Stage 2 follows the rebuttable presumption stated in Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due. The Company also considers other qualitative factors, repayment history and considers guidance issued by the Institute of Chartered accountants of India (ICAI) for staging of advances to which moratorium benefit has been extended under the COVID regulatory package issued by RBI and as approved by the Board.
30.8	**Measurement of ECL** As mentioned in Note 2.11.3, Probability of Default and Loss Given Default computed for the Holding Company, Aptus Value Housing Finance India Limited, which is in the business of providing affordable housing loans and loan against properties, has been applied for computing the expected credit loss for the receivables of the Company. Further, the Company has assessed the risk on the business loan portfolio considering the nature of loan and have made estimates on the probability of default and the loss given default for additional expected credit loss provisioning in the books of the accounts. The key inputs used for measuring ECL are: Probability of default (PD): The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL. Loss given default (LGD): LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral. 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 expected drawdowns on committed facilities. **Probability of Default** To arrive at Probability of Default, 'Vintage Analysis' was done considering monthly defaults of borrower since origination. The analysis considered Monthly Default Rates starting from inception until the end of observation period i.e. March 2021 to calculate default rates for each vintage month. Cumulative PD was calculated from the marginal PDs for each vintage month. Simple Average and Weighted Average PD was computed for each Month on Book (MOB) period starting from MOB 0 until MOB "n" (end of observation period). The Company has used Simple average to eliminate the bias that can be possible due to weighted average effect. **Loss Given Default** LGD was calculated using First time NPA (FTN) date and recovery data for each of these FTN dates. FTN date was taken from inception until March 2021. For each pool, recovery data was mapped to the subsequent months until March 2021 from the respective default month i.e. recovery data was retrieved and plotted against the flow of month i.e. Months on Book MOB 0, MOB 1, MOB 2, MOB 3 till MOB (n) against each default month. Considering time value of money, recoveries in each month was discounted to arrive at the value as of FTN date. Average Interest Rates charged for each disbursement year was used as the Effective Interest Rates (EIR) for the loans. Marginal Recovery rates was computed for each month as Discounted Recovery amount for a given month divided by the total outstanding amount for the given FTN date. Cumulative recovery rates were computed for each FTN date and LGD for corresponding FTN date was computed by using the formula (1- Recovery Rate). Weighted average LGD was computed for the entire observation period, weights being the total outstanding amount for each FTN date.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars

Exposure at Default :

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date. EAD calculation for all portfolios is as under:
Stage 1 Assets:
• [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].
Stage 2 Assets:
• [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].
Stage 3 Assets:
• [(The total outstanding balance drawn) + (Undrawn Portion*CCF undrawn)].
Credit Conversion Factor (CCF) for undrawn portion has been taken at 100% based on historical experience and other information available with the Company.

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations.

Credit Risk Concentrations
An analysis of the Company's credit risk concentrations per class of financial asset is provided in the following tables which represent gross carrying amounts of each class.

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (at amortised cost) - Gross amount		
Concentration by products		
Loans against property (including Loans subordinated as Credit Enhancements for assets de-recognised)	67,917.46	57,768.29
Total Advances	**67,917.46**	**57,768.29**

30.9 The tables below analyse the movement of the loss allowance during the year per class of assets.

Rs. in lakhs

Loss allowance on Loans at amortised cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at March 31, 2022	166.06	154.93	281.03	602.02
Loss allowance as at March 31, 2021	38.10	19.31	65.91	123.32
Movement for the year ended March 31, 2022	127.96	135.62	215.12	478.70

The table below provides an analysis of the gross carrying amount of Loans by past due status.

Rs. in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross carrying	Loss allowance	Gross carrying	Loss allowance
Loans				
0 up to 30 days	59,247.02	166.06	51,550.10	38.20
31 up to 90 days	7,552.31	154.93	5,930.86	19.54
90 days and above	1,118.13	281.03	287.33	65.58
Total	**67,917.46**	**602.02**	**57,768.29**	**123.32**

30.10 **Collateral held as security and other credit enhancements**

The Company holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets these are associated with are listed in the table below.

Particulars	Type of Collateral held
Loan Against Properties	Mortgage of the immovable property

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. The loans are secured by collateral at the time of origination.

Immovable Property is the collateral for loans given by the Company. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law.
The Company does not obtain any other form of credit enhancement other than the above. All the Company's term loan are secured by way of tangible collateral.
Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

30.11 **Offsetting financial assets and financial liabilities**
The Company has not recognised any financial asset or liability on a net basis.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

Note	Particulars

30.12 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 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 its reputation.

30.13 Exposure to liquidity risk

The management of the Company manages and measures liquidity risk on an ongoing basis which covers monitoring of the liquidity situation as on a particular date and also for the next 6 months considering the projected cash outflows. Detailed statements are drawn to identify mismatches in cash flows across buckets spanning all maturities. Mismatches, thus, identified are closely monitored and action plans are drawn to bridge the gap.

Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.

Rs. in lakhs

As at March 31, 2022	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	907.64	-	-	-	-	-	-	-	-	-	907.64
Bank Balance other than cash and cash equivalents	-	-	-	-	-	-	-	563.92	-	-	563.92
Loans	2,665.71	1,727.38	1,727.00	5,179.41	10,353.08	41,273.07	36,544.73	17,628.81	2,776.77	2,563.76	1,22,439.72
Other Financial assets	108.89	-	-	-	-	-	-	-	-	1.50	110.39
Total (A)	**3,682.24**	**1,727.38**	**1,727.00**	**5,179.41**	**10,353.08**	**41,273.07**	**36,544.73**	**18,192.73**	**2,776.77**	**2,565.26**	**1,24,021.67**
Financial liabilities											
Trade payables	223.31	-	-	-	-	-	-	-	-	-	223.31
Debt Securities	42.07	333.91	20.19	783.58	1,108.14	748.63	-	-	-	-	3,036.52
Borrowings (Other than Debt Securities)	1,000.07	2,362.51	1,223.53	2,946.91	6,060.63	19,248.97	8,335.21	1,441.29	-	-	42,619.11
Other financial liabilities	73.61	-	-	-	-	-	-	-	-	-	73.61
Total (B)	**1,339.06**	**2,696.42**	**1,243.71**	**3,730.48**	**7,168.77**	**19,997.60**	**8,335.21**	**1,441.29**	**-**	**-**	**45,952.56**
Net Financial Assets / Liabilities (A-B)	**2,343.18**	**(969.04)**	**483.28**	**1,448.93**	**3,184.31**	**21,275.47**	**28,209.51**	**16,751.44**	**2,776.77**	**2,565.26**	**78,069.11**

As on March 31, 2021	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Financial assets											
Cash and cash equivalents	1,516.49	-	-	-	-	-	-	-	-	-	1,516.49
Bank Balance other than cash and cash equivalents	-	-	-	-	-	-	-	789.51	-	-	789.51
Loans	1,415.16	1,415.12	1,415.19	4,243.88	8,484.67	33,883.91	32,780.71	18,342.04	4,268.87	167.54	1,06,417.09
Other Financial assets	169.91	-	-	-	-	-	-	-	-	1.50	171.41
Total (A)	**3,101.56**	**1,415.12**	**1,415.19**	**4,243.88**	**8,484.67**	**33,883.91**	**32,780.71**	**19,131.55**	**4,268.87**	**169.04**	**1,08,894.50**
Financial liabilities											
Trade payables	47.45	-	-	-	-	-	-	-	-	-	47.45
Debt Securities	40.09	351.63	37.33	836.14	1,212.12	3,017.40	-	-	-	-	5,494.71
Borrowings (Other than Debt Securities)	854.02	804.85	1,262.37	2,793.35	5,587.47	21,952.59	10,192.89	798.49	-	-	44,246.03
Other financial liabilities	113.57	-	-	-	-	-	-	-	-	-	113.57
Total (B)	**1,055.13**	**1,156.48**	**1,299.70**	**3,629.49**	**6,799.59**	**24,969.99**	**10,192.89**	**798.49**	**-**	**-**	**49,901.76**
Net Financial Assets / Liabilities (A-B)	**2,046.43**	**258.64**	**115.49**	**614.39**	**1,685.08**	**8,913.92**	**22,587.82**	**18,333.06**	**4,268.87**	**169.04**	**58,992.74**

30.14 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

R. Subramanian and Company LLP Chennai 600 004 Chartered Accountants

Aptus Finance India Pvt. Ltd. Chennai

Note	Particulars
30.15	**Fair Value Measurements**

Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosure are required in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

(a) Fair Value of financial instruments recognised and measured at fair value

Rs. in lakhs

Particulars	As at March 31, 2022 Level 1	Level 2	Level 3	Total	As on March 31, 2021 Level 1	Level 2	Level 3	Total
Financial assets								
Investments	-	-	-	-	-	-	-	-

(b) Fair value of financial instruments not measured at fair value

Valuation methodologies of financial instruments not measured at fair value

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

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 3 except for cash and cash equivalents and bank balances other than cash and cash equivalents which have been classified as Level 1.

Loans

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

Fair values of lending portfolios are calculated using a portfolio-based approach. The Company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults

Debt securities & Borrowings other than debt securities

The fair values of Debt Securities and Borrowings other than Debt securities are estimated by discounted cash flow models that incorporate interest cost estimates considering all significant characteristics of the borrowing. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

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

The management believes that the fair value of of cash and cash equivalents, Loans, other financial assets, trade payables, borrowings and other financial liabilities carried at amortised cost approximate their net carrying amount.

Rs. in lakhs

Particulars	As at March 31, 2022					As on March 31, 2021				
	Carrying Value	Fair Value hierarchy				Carrying Value	Fair Value hierarchy			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	907.64	907.64	-	-	907.64	1,516.49	1,516.49	-	-	1,516.49
Bank Balance other than cash and cash equival	563.92	563.92	-	-	563.92	536.62	536.62	-	-	536.62
Loans	67,315.44	-	-	67,507.15	67,507.15	57,644.97	-	-	58,508.27	58,508.27
Other financial assets	110.39	-	-	110.39	110.39	171.41	-	-	171.41	171.41
Total Financial Assets	**68,897.39**	**1,471.56**	**-**	**67,617.54**	**69,089.10**	**59,869.49**	**2,053.11**	**-**	**58,679.68**	**60,732.79**
Financial liabilities										
Trade payables	223.31	-	-	223.31	223.31	47.45	-	-	47.45	47.45
Debt securities	2,813.37	-	-	2,813.92	2,813.92	4,874.26	-	-	4,923.90	4,923.90
Borrowings (other than debt securities)	35,857.33	-	-	39,552.64	39,552.64	30,986.29	-	-	36,395.69	36,395.69
Other financial liabilities	73.61	-	-	73.61	73.61	113.57	-	-	113.57	113.57
Total Financial Liabilities	**38,967.62**	**-**	**-**	**42,663.48**	**42,663.48**	**36,021.57**	**-**	**-**	**41,480.61**	**41,480.61**

R. SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars

31 **Sharing of Costs**

The Company and its Holding Company share certain costs / service charges. These costs have been reimbursed by the Company to the Holding Company on a basis mutually agreed to between them, which has been relied upon by the Auditors.

32 **Change in liabilities arising from financing activities**

Rs. in lakhs

	01-Apr-21	Cash flows	Other *	31-Mar-22
Debt securities	4,874.26	(2,083.33)	22.44	2,813.37
Borrowings other than debt securities	30,986.29	4,966.94	(95.90)	35,857.33
Total liabilities from financing activities	**35,860.55**	**2,883.61**	**(73.46)**	**38,670.70**

	01-Apr-20	Cash flows	Other *	31-Mar-21
Debt securities	4,003.68	833.33	37.25	4,874.26
Borrowings other than debt securities	20,277.89	10,770.93	(62.53)	30,986.29
Total liabilities from financing activities	**24,281.57**	**11,604.26**	**(25.28)**	**35,860.55**

* Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

33 **Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

The Company has Securitised certain loans, however the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	11,711.00	14,915.99
Carrying amount of associated liabilities measured at amortised cost	8,932.22	12,489.80
Fair value of assets	11,711.00	14,915.99
Fair value of associated liabilities	8,932.22	12,489.80
Net position at Fair Value	2,778.78	2,426.19

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Note	Particulars

34 **Maturity analysis of assets and liabilities**

Rs. in lakhs

Assets	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	907.64	-	907.64	1,516.49	-	1,516.49
Bank Balance other than cash and cash equivalents	-	563.92	563.92	-	536.62	536.62
Loans	7,763.09	59,552.35	67,315.44	5,713.76	51,931.21	57,644.97
Other Financial assets	108.89	1.50	110.39	169.91	1.50	171.41
Non-financial Assets						
Deferred tax assets (Net)	-	216.76	216.76	-	209.31	209.31
Property, plant and equipment	-	-	-	-	-	-
Other Intangible assets	-	-	-	-	-	-
Current tax assets (net)	-	33.06	33.06	-	-	-
Other non-financial assets	23.67	-	23.67	4.09	-	4.09
TOTAL ASSETS	**8,803.29**	**60,367.59**	**69,170.88**	**7,404.25**	**52,678.64**	**60,082.89**
LIABILITIES						
Financial Liabilities						
Trade Payables	223.31	-	223.31	47.45	-	47.45
Debt Securities	2,101.97	711.40	2,813.37	2,114.67	2,759.59	4,874.26
Borrowings (Other than Debt Securities)	10,855.75	25,001.58	35,857.33	6,827.76	24,158.53	30,986.29
Other financial liabilities	73.61	-	73.61	113.57	-	113.57
Non-Financial Liabilities						
Current tax liabilities (Net)	-	-	-	101.59	-	101.59
Provisions	-	2.53	2.53	-	-	-
Other non-financial liabilities	7.38	-	7.38	11.05	-	11.05
TOTAL LIABILITIES	**13,262.02**	**25,715.51**	**38,977.53**	**9,216.09**	**26,918.12**	**36,134.21**
NET ASSETS / (LIABILITIES)	**(4,458.73)**	**34,652.08**	**30,193.35**	**(1,811.84)**	**25,760.52**	**23,948.68**

35 **Corporate Social Responsibility expenditure:**

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Amount required to be spent by the company during the year	79.78	35.93
b) Amount of expenditure incurred	20.00	5.00
c) Shortfall at the end of the year *	59.78	30.93
d) total of previous years shortfall	-	-
e) reason for shortfall **		
f) Nature of CSR activities	Promoting Healthcare and Education	Promoting Healthcare and Education
g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil
e) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

* The Company has provided for the shortfall in CSR expenditure as at March 31, 2022 and March 31, 2021. Further, the Company has transferred amount of INR 30.93 lakhs pertaining to shortfall at the end of FY2020-21 within six months from the end of March 31, 2021 to the schedule VII funds. For the FY2021-22, the Company inteds to remit the shortfall of INR 59.78 lakhs to the schedule VII funds within six months from the end of the year.

** The Company was unable to identify suitable CSR initiatives in alignment with the initiatives already undertaken by the Company, the business of the Company and the areas in which it operates. The company intends to remit the shortfall of the current year to any funds specified under schedule VII to the Companies Act, 2013.

36 **Employee benefit plans**

36.1 **Defined contribution plans**

The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 3.02 lakhs (March 31, 2021 - Rs. 1.30 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.

37 **Impact due to COVID-19 pandemic**

The impact of COVID-19 on the Company's future performance will depend on the ongoing and as well as future developments, including, among other things, any new information concerning COVID 19 pandemic and any measure to contain the spread or mitigate its impact, whether mandated by the Government or adopted by us. Management has considered events up to the date of these Financial Results to determine the financial implications including in respect of expected credit loss provisioning and has created required provisions including a management overlay.

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

Note	Particulars
38	**Disclosure pursuant to RBI Master Direction - NBFC – SI Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time**
38.1	**Disclosure Pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:**

Rs. in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
1. Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:				
(a) Debentures				
- Secured	2,813.37	-	4,874.26	
- Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				-
(b) Deferred credits	-	-	-	-
(c) Term loans	24,928.29	-	16,696.49	-
(d) Inter corporate loans and borrowings	500.00	-	1,800.00	-
(e) Commercial Paper		-	-	-
(f) Public Deposits		-	-	-
(g) Other Loans		-	-	-
Securitisation loans	8,932.22	-	17,489.80	-
2. Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of Unsecured debentures		-	-	
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits		-		-

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Assets side:		
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured (refer Note 6)	67,917.46	57,768.29
(b) Unsecured		-
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors:		
a) Financial lease		-
b) Operating lease		-
(ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on Hire		
b) Repossessed Assets		-
(iii) Other loans counting towards asset financing activities		
a) Loans where Assets have been repossessed		
b) Loans other than (a) above		-
5. Break-up of Investments:		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity		
b) Preference		-
ii. Debentures and Bonds		
iii. Units of Mutual Funds		
iv. Government Securities		-
v. Others (please specify)		-
II. Unquoted:		
i. Shares		
a) Equity		
b) Preference		
ii. Debentures and Bonds		
iii. Units of Mutual Funds		
iv. Government Securities		
v. Others (please specify)		-
Long Term Investments:		
I. Quoted:		
i. Shares		
a) Equity		
b) Preference		
ii. Debentures and Bonds		
iii. Units of Mutual Funds		
iv. Government Securities		
v. Others (please specify)		
II. Unquoted:		
i. Shares		
a) Equity		-
b) Preference		
ii. Debentures and Bonds		
iii. Units of Mutual Funds		
iv. Government Securities		-
v. Others (please specify)		

R.SUBRAMANIAN AND COMPANY LLP
Chennai
600 004
Chartered Accountants

APTUS FINANCE INDIA PVT. LTD.
CHENNAI

Note	Particulars

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

Rs. in lakhs

Category	As at March 31, 2022 (Net of Provisions)			As at March 31, 2021 (Net of Provisions)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties						
(a) Subsidiaries	-	-	-	-		
(b) Companies in the same group	-	-	-	-	-	
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	67,315.44	-	-	57,644.97	-	
	67,315.44	-	-	57,644.97	-	-

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

Rs. in lakhs

Category	Market Value / Break up or fair value or Net Asset Value as on March 31, 2022	Book Value as on March 31, 2021 (Net of provisions)	Market Value / Break up or fair value or Net Asset Value as on March 31, 2021	Book Value as on March 31, 2020 (Net of provisions)
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties		-	-	-
		-	-	-

8. Other Information

Rs. in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
i. Gross Non-Performing Assets	-	1,118.13	-	293.90
ii. Net Non Performing Assets		837.10	-	227.99
iii. Assets Acquired in Satisfaction of Debt	-	-	-	-

38.2 Capital to Risk Assets Ratio (CRAR)

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital	26,879.86	20,529.72
Tier II Capital		-
Total Capital	**26,879.86**	**20,529.72**
Total Risk Assets	**56,090.30**	**46,192.57**
Capital Ratios		
CRAR - Tier I Capital (%)	47.92%	44.44%
CRAR - Tier II Capital (%)	0.00%	0.00%
CRAR (%)	**47.92%**	**44.44%**
Amount of subordinated debt raised as Tier- II Capital		-
Amount raised by issue of Perpetual Debt Instruments		-

Break up of the Tier I and Tier II Capital as at March 31, 2022 and March 31, 2021:

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital		
Paid up Equity Share Capital	10,080.00	10,080.00
Share Premium	4,968.00	4,968.00
Credit balance in Profit and Loss Account	11,959.46	6,963.72
Statutory Reserve under Section 45-IC of Reserve Bank of India Act, 1934	3,034.32	1,785.39
Deferred Revenue Expenditure	(19.12)	(4.09)
Deferred Tax Assets (Net)	(216.76)	(209.31)
First loss on Securitised Assets	(2,926.04)	(3,053.99)
Tier I Capital (Net)	**26,879.86**	**20,529.72**
Tier II Capital		
General provisions and loss reserves (including provisions for standard assets)	166.06	38.10
First loss on Securitised Assets *	(166.06)	(38.10)
Tier II Capital (net)	-	-
Total Capital	**26,879.86**	**20,529.72**

Note:

First loss on Securitised Assets is restricted to the extent of Gross Tier II Capital of INR 166.06 lakhs as at March 31, 2022 (March 31, 2021 INR 38.10 Lakhs) and the balance first loss on securitised assets is adjusted from Tier I Capital of INR 2,926.04 lakhs as at March 31, 2022 (March 31, 2021 INR 3,053.99 Lakhs).

38.3 Investments

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
i) Gross Value of Investments		
(a) In India		
(b) Outside India		-
ii) Provisions for Depreciation		
(a) In India		
(b) Outside India		-
iii) Net Value of Investments		
(a) In India		
(b) Outside India		
Movement of provisions held towards depreciation on investments		
i) Opening Balance		-
ii) Add: Provisions made during the year		
iii) Less: Write-off / Written-back of excess provisions during the year		-
iv) Closing balance		

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars
38.4	**Derivatives**

The Company has not entered into any Derivative transactions.

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): Nil
Exchange Traded Interest Rate (IR) Derivative: Nil
Disclosures on Risk Exposure in Derivatives: Not applicable

38.5 i) Securitised Assets

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	2	1
Total amount of securitised assets as per books of the SPVs sponsored	8,932.22	12,489.80
Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss – Cash collateral	511.57	511.57
· Others – Overcollateral	2,580.52	2,580.52
Amount of exposures to securitisation transactions other than MRR		
a) Off balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
· First Loss	-	-
· Others	-	-

* Represents the SPVs relating to outstanding securitisation transactions

ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil
iii) Details of Assignment transactions undertaken by NBFCs: Nil
iv) Details of non-performing financial assets purchased / sold: Nil

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

Note	Particulars
38.6	**Asset Liability Management**

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

Rs. in lakhs

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank	16.53	-	749.69	2,104.40	981.40	2,269.75	4,664.83	16,161.53	7,553.62	1,355.58	**35,857.33**
Market Borrowings	17.97	-	-	310.60	-	724.74	1,035.34	724.72	-	-	**2,813.37**
Assets											
Advances	421.84	533.38	504.69	516.14	531.89	1,655.80	3,599.35	18,983.31	24,063.29	16,505.76	**67,315.44**

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2021:

Rs. in lakhs

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from Bank	169.22	-	563.04	407.79	830.26	1,615.02	3,399.83	15,652.48	7,684.65	664.00	**30,986.29**
Market Borrowings	27.60	-	-	308.92	-	716.07	1,026.28	2,795.39	-	-	**4,874.26**
Assets											
Advances	459.84	-	423.45	384.21	391.56	1,217.92	2,646.63	13,992.30	20,387.58	17,741.48	**57,644.97**

In case of loans, where the loan is not completely disbursed and it is in Pre-EMI stage, the Company has estimated the EMI commencement date based on the technical evaluation and other information available as on date. Accordingly, the maturity pattern for such loans has been considered based on the estimated EMI commencement date.

Note	Particulars
38.7	**A. Exposure to Real Estate Sector**

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Direct Exposure		
(i) Residential Mortgages *		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	67,917.46	57,768.79
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) Limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-

B. Exposure to Capital Market: Nil

C. Details of financing of Parent Company products: Nil

D. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the applicable NBFC:
The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year.

E. Unsecured Advances: Nil

38.8 Other Regulator Registrations

Regulator	Registration No.
1. Ministry of Company Affairs	CIN: U74900TN2015PTC102252
2. Reserve Bank of India	Certificate Registration No. N-07.00824 dated December 16, 2016

38.9 Disclosure of Penalties imposed by RBI and other regulators
During the year ended March 31, 2022 and March 31, 2021,
(i) there are no penalties imposed on the Company by RBI or other Regulators.
(ii) the Company has not received any adverse comments in writing by RBI or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

38.10 Related party Transactions
Details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 28. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

38.11 Ratings assigned by Credit Rating Agencies and migration of ratings during the year

Deposits Instruments	Ratings assigned	
	As at March 31, 2022	As at March 31, 2021
Bank Term Loans	ICRA AA- [Double A minus] CARE A+ [Single A plus]	CARE A+ [Single A plus]
Non-Convertible Debentures	CARE A+ [Single A plus]	CARE A+ [Single A plus]

There has been no migration of ratings during the financial year ended March 31, 2022.

38.12 Net Profit or Loss for the period, prior period items and changes in accounting policies
During the year,
(a) no prior period items occurred which has impact on Statement of Profit and loss,
(b) no change in Accounting policy,
(c) there is no withdrawal from reserve fund.

38.13 Revenue Recognition
There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Note	Particulars

38.14 Provisions and Contingencies (Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account)

Rs. in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Provisions for depreciation on Investment	-	-
2. Provision towards NPA	215.12	55.83
3. Provision made towards current income taxes	2,179.44	1,742.34
4. Provision for standard assets	274.14	32.35

38.15 Draw Down from Reserves

During the financial year ended March 31, 2022 and March 31, 2021, there were no draw down from Reserves.

38.16 Concentration of Loans & Advances

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	294.52	333.44
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the NBFC	0.43%	0.58%

38.17 Concentration of Exposures (including off-balance sheet exposure)

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers/customers	294.52	333.44
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.43%	0.58%

38.18 Concentration of NPAs

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	62.63	49.56

38.19 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that Sector	
	As at March 31, 2022	As at March 31, 2021
1. Agriculture & allied activities	0.00%	0.00%
2. MSME	0.00%	0.00%
3. Corporate borrowers	0.00%	0.00%
4. Services	0.00%	0.00%
5. Unsecured personal loans	0.00%	0.00%
6. Auto loans	0.00%	0.00%
7. Other personal loans	1.65%	0.51%

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004 Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

Note	Particulars
38.20	**Movement of NPAs (Stage 3 assets) (Credit impaired assets)**

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net NPAs to Net Advances(%)	1.24%	0.40%
(II) Movement of NPAs (Gross)		
a) Opening balance	293.90	206.73
b) Additions during the year	985.49	206.27
c) Reductions during the year	(161.26)	(119.10)
d) Closing balance	1,118.13	293.90
(III) Movement of Net NPAs		
a) Opening balance	227.99	196.65
b) Additions during the year	693.87	144.62
c) Reductions during the year	(84.76)	(113.28)
d) Closing balance	837.10	227.99
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	65.91	10.08
b) Provisions made during the year	291.62	61.65
c) Write-off / write-back of excess provisions	(76.50)	(5.82)
d) Closing balance	281.03	65.91

38.21 Overseas Assets - Not applicable

38.22 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil

38.23 Customer Complaints

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	68	78
c) No. of complaints redressed during the year	68	78
d) No. of complaints pending at the end of the year	-	-

Note: The above details are based on the information available with the Company regarding the complaints received from the customers which has been relied upon by the auditors.

R.SUBRAMANIAN AND COMPANY LLP ★ Chennai 600 004 ★ Chartered Accountants

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Note	Particulars

38.24 Disclosure on Liquidity Risk Management

(a) Funding concentration based on significant counterparty*(both deposits and borrowings):

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Number of Significant Counterparties*	12	11
Balance as at year end	38,670.71	35,860.56
% of Total deposits	0.00%	0.00%
% of Total liabilities	99.21%	99.24%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(b) Top 20 large deposits:

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(c) Total of top 10 borrowings

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total of top 10 borrowings	38,170.71	34,491.13
% of Total Borrowings	98.71%	96.18%

(d) Funding concentration based on significant instrument/product#:

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	25,428.29	18,496.49
Securitisation loans	8,932.22	12,489.80
Non-Convertible Debentures	2,813.37	4,874.26
Working capital loans	1,496.82	-
% of Total Liabilities	99.21%	99.24%

Significant instrument/products as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(e) Stock Ratios

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Commercial papers as a % of total public funds, total liabilities and total assets	-	-
(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets	-	-
(iii) Other short-term liabilities, if any as a % of total liabilities	34.02%	25.51%
(iv) Other short-term liabilities, if any as a % of total assets	19.17%	15.34%

(f) Institutional set-up for liquidity risk management

The Board of Directors of Aptus Finance India Private Ltd ("the Company") have adopted a Risk Management Policy. The Board adopted policy contains the framework and guidelines for Risk management. The changes brought in in the Liquidity Risk Management Framework vide its Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 November 04, 2019 are also being covered as part of the Risk Management Policy which will be reviewed by the Board periodically for compliance and implementation.

The Board shall have the overall responsibility for management of liquidity risk by reviewing the implementation of the Risk Management Policy.
The Company has also constituted Risk Management Committee and Asset-Liability Management Committee (ALCO) to carry out the functions as listed out in the said circular.

38.25 The Company has not accepted deposits within the meaning of 'Public Deposits' as defined in the prudential norms issued by the RBI. The board of directors of the Company have passed a board resolution vide board meeting dated May 29, 2020.

38.26 Disclosure on frauds pursuant to Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016
There were no instances of fraud reported during the year ended March 31, 2022 and March 31, 2021.

38.27 Percentage of outstanding loans granted against the collateral of gold jewellery to their outstanding total assets - Nil (March 31, 2021: Nil)

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

Note	Particulars
39	Details of resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated August 6, 2020 and May 05, 2021 are as given below;

(Rs. in Lakhs)

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half year i.e. September 30, 2021	Of(A), aggregate debt that slipped into NPA during the half year end March 31, 2022	Of(A), amount written of during the half year ended March 31, 2022	Of(A), amount paid by the borrowers during the half year end March 31, 2022	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half year i.e. March 31, 2022
	(A)	(B)	(C)	(D)	
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	1,197.57	245.67	-	116.08	835.82
Total	**1,197.57**	**245.67**	-	**116.08**	**835.82**

Note	Particulars
40	The Company has adopted all the norms issued under 'Prudential norms on Income recognition, Asset classification, and provisioning pertaining to advances – clarifications' issued by the Reserve Bank of India (RBI) vide circular no.DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021. Such alignment has resulted in the transition of sub 90 DPD assets as additional non-performing assets as of March 31, 2022, and provided as per norms.
41	The listed Non-Convertible Debentures of the Company aggregating Rs. 1,250 Lakhs as at March 31, 2022 are secured by way of an exclusive first ranking floating charge over specific loan receivables of the Company. The total asset cover is more than one hundred percent of the principal amount of the said debentures.
42	The date on which the Code on Social Security. 2020 (the "Code') relating to employee benefits shall become effective is yet to be notified and the related rules are yet to be finalized. The Company will evaluate the code and its rules, assess the impact, if any, and account for the same when they become effective.
43	Disclosure pursuant to RBI notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below: (a) The Company has not transferred or acquired, any loans not in default during the year ended March 31, 2022. (b) The Company has not transferred or acquired, any stressed loans during the year ended March 31, 2022.

R.SUBRAMANIAN AND COMPANY LLP ★ Chartered Accountants ★ Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI

44 The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

45 The disclosure on the following matters required under Schedule III as amended are not made, as the same are not applicable or relevant for the Company.

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.

c) The company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.

d) The Company has not entered into any scheme of arrangement.

e) All charges or satisfaction are registered with ROC for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) The Company has no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

h) The company has no immoveable properties and accordingly no disclosure has been made with regard to title deeds of immoveable property not held in the name of the company.

i) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person and accordinlgy no disclosures have been made on account of such loans or advances.

j) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

46 The impact of COVID-19 on the Company's future performance will depend on the ongoing and as well as future developments, including, among other things, any new information concerning COVID 19 pandemic and any measure to contain the spread or mitigate its impact, whether mandated by the Government or adopted by us. The management has considered events up to the date of these standalone financial statements to determine the financial implications including in respect of expected credit loss provisioning and has created required provisions.

R.SUBRAMANIAN AND COMPANY LLP Chartered Accountants Chennai 600 004

APTUS FINANCE INDIA PVT. LTD. CHENNAI

Aptus Finance India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2022

Note	Particulars
47	**Previous Year's Figures** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
48	**Events after Reporting Date** There have been no events after the reporting date that require disclosure in the financial statements.

As per our report of even date
For M/s R Subramanian and Company LLP,
Chartered Accountants
Firm Registration. No.: 004137S/S200041

R.Prakash
Partner
Membership No. 205869

R. SUBRAMANIAN AND COMPANY LLP ★ Chennai 600 004 ★ Chartered Accountants

Place : Chennai
Date : May 04, 2022

For and on behalf of the Board of Directors
Aptus Finance India Private Limited
CIN - U74900TN2015PTC102252

K M Mohandass
Director
DIN: 00707839

P Balaji
Director
DIN: 07904681

Vivek Mehta
Manager & CFO

Jyoti Munot
Company Secretary

Place : Chennai
Date : May 04, 2022

APTUS FINANCE INDIA PVT. LTD. ★ CHENNAI