

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH (25<sup>TH</sup>) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF USHA FINANCIAL SERVICES PRIVATE LIMITED ("UFSPL") WILL BE HELD ON WEDNESDAY, SEPTEMBER 29, 2021, AT 4.00 PM (IST) AT THE REGISTERED OFFICE OF THE COMPANY AT 330, MEZANINE FLOOR, FUNCTIONAL INDUSTRIAL ESTATE, PATPARGANJ, EAST DELHI-110092 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. **ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON.**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2021 and the Report of Board of Directors of the Company and the Auditors thereon.

2. **RE-APPOINTMENT OF M/S P. SAHNI & ASSOCIATES, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY AND FIXING THEIR REMUNERATION**

To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013, read with rules framed there under, appointment procedure and eligibility criteria prescribed under the RBI Guidelines as amended from time to time including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, **M/s P. SAHNI & ASOCIATES, Chartered Accountants, having Firm Registration Number FRN- 015369N** be and are hereby re-appointed as the Statutory Auditors of the Company effective from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting to be held in calendar year 2026 on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditors.

**BY ORDER OF THE BOARD  
For USHA FINANCIAL SERVICES PRIVATE LIMITED**

Date: 01.09.2021  
Place: Delhi



*Amit*  
**Amit Kumar Bhardwaj  
(Company Secretary)  
Membership No.ACS-42037**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHT MAY APPOINT SINGLE AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- 2. Corporate Members intending to send their authorised representative to attend the meeting are advised to send a duly certified copy of the Board resolution authorising their representative to attend and vote at the meeting.**
- 3. Members/ proxies attending the meeting are requested to bring their duly filled attendance slip sent along with the notice of Annual General Meeting at the meeting.**
- 4. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Director at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.**
- 5. Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at A.G.M.**
- 6. A route map along with prominent landmark for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting.**



**ROUTE MAP**



## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2021.

### 1. PREAMBLE:

Usha Financial Services Private Limited was incorporated on 16<sup>th</sup> May 1995 as a Private Limited company under Companies Act 1956, registered as a Non-Banking Financial Company and got the RBI License on 4<sup>th</sup> January 2003.

The period under report comprises from the date of 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

### 2. FINANCIAL RESULTS

The Financial performance of your Company for the Financial Year ended on 31<sup>st</sup> March, 2021 and the corresponding figures for the last year is summarized below:

Particulars	(Amount in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue from Operations	2538.83	5082.24
Other Income	49.67	71.31
Less : Total Expenditure	2097.54	3629.75
<b>Profit before Tax</b>	<b>490.96</b>	<b>1523.81</b>
Less: Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	105.40	402.35
<b>Profit after Tax</b>	<b>385.56</b>	<b>1121.46</b>
Provision for transfer to Statutory Reserve Fund (RBI Norms)	77.11	224.29
<b>Balance carried to Balance Sheet</b>	<b>308.45</b>	<b>897.17</b>

### 3. RESERVE & SURPLUS

The balance as at 31st March, 2021 amounted to Rs.3716.51 Lakhs which is increased by Rs.465.57 Lakhs in the current year. Out of the Net Profit of Rs. 385.56 Lakhs, the Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

#### **4. STATUTORY RESERVE FUND :**

During the year, the Company has transferred Rs. 77.11 Lakhs being 20% of Net Profits to the Statutory Reserve in accordance with the provisions of section 45-IC of Reserve Bank of India Act, 1934.

#### **5. PROVISION FOR STANDARD ASSETS:**

The Company has transferred Rs.25.51 Lakhs at the rate of 0.25 % as a provision for Standard Assets.

#### **6. MAJOR EVENTS DURING THE YEAR**

##### **STATE OF AFFAIRS AND PERFORMANCE REVIEW OF THE COMPANY**

The Company is carrying out the business as Non-Banking Finance Company without accepting any Public Deposits for which the Certificate of Registration (RBI = B-14.02818 dated 04.01.2003) has been obtained from Reserve Bank of India, New Delhi. Following is the brief highlight of the operations:

- Gross revenue, which decreased from Rs. 5153.56 Lakhs in FY 2019-20 to Rs. 2588.51 Lakhs in FY 2020-21.
- Profit after tax decreased from Rs. 1121.45 Lakhs to Rs. 385.56.Lakhs.
- The aggregate gross loan portfolio (GLP) of the Company stood at Rs. 10728.98 Lakh as on 31<sup>st</sup> March, 2021.This represents declined as compared Rs. 21377.75 to 31<sup>st</sup> March, 2020.
- The Company disbursed 155754 loans during FY 2020-21.
- The Company has operations spread across 10 states/union territories.

#### **7. IMPACT OF COVID-19**

NBFCs have been struggling to keep alive in wake of the pandemic. The financial regulator in India has been taking rigorous steps to counter the impact of the pandemic on the shadow banking sector. The central bank has been continuously tracking the sector in India and has taken a number of steps to support the NBFC sector in India and prevent its collapse. The steps include measures to maintain adequate liquidity in the system, facilitate smooth bank credit flow and ease financial strain amidst the deadly virus outbreak. Some of these have been introduced during the last quarter of the FY 2020-21 even before the actual outbreak of the disruption in our country. Covid-19 is a natural crisis, people have lost their assets, homes and capital in that sense post lockdown collections will pick up and clients make efforts to restore normalcy, they will find us ready and waiting to help given the RBI and the government priority in ensuring liquidity, the lending banks will extend support. The management of the Company has strong belief and strategic plans to come out of this period of pandemic in positive way.

#### **8. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of the business of the Company during the year under review.

## **9. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

## **10. DIVIDEND**

To strengthen the financial position of the Company and to augment working capital, your directors do not consider it desirable to recommend / declare any dividend.

## **11. NUMBER OF MEETINGS OF THE BOARD**

During the year under review, Board of Directors of the Company met 14 (Fourteen) times 1<sup>st</sup> April, 2020, 8<sup>th</sup> June, 2020, 30<sup>th</sup> June, 2020, 5<sup>th</sup> September, 2020, 18<sup>th</sup> September, 2020, 19<sup>th</sup> October, 2020, 3<sup>rd</sup> December, 2020, 26<sup>th</sup> December, 2020, 7<sup>th</sup> January, 2021, 29<sup>th</sup> January, 2021, 5<sup>th</sup> February, 2021, 3<sup>rd</sup> March 2021, 15<sup>th</sup> March, 2021 and 26<sup>th</sup> March, 2021.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Directors	Number of Board Meeting held during the year	Number of Board Meeting attended during the year	Attended the previous AGM (Yes or No)
Mr. Rajesh Gupta	14	14	YES
Mr. Anoop Garg	14	13	YES
Ms. Geeta Goswami	14	13	YES
Mr. Gauri Shanker	14	9	YES
Mr. Bhupinder Nayyar	14	9	YES

## **12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL :**

During the year under review, Mr. Lakshay Vaid has resigned from the post of Company Secretary on 26.12.2020 and Mr. Amit Kumar Bhardwaj was appointed on 28.12.2020 as a Company Secretary. Independent directors of our company Mr. Gauri Shankar and Mr. Bhupinder Nayyar have been reappointed for a period of 3 years in the Extra-ordinary General Meeting held on 28.05.2021 as their tenure was expiring on 01.06.2021

As on 31.03.2021, the composition of Board of Directors and KMP is follows:

S. No.	Name	Designation	DIN/Mem. No.	Date of Appointment	Date of Cessation , if any
1.	Mr. Rajesh Gupta	Executive Director	01941985	18/03/2015	NA
2.	Mr. Anoop Garg	Executive Director	01941972	15/06/2015	NA

3.	Ms. Geeta Goswami	Executive Director	07810522	03/05/2017	NA
4.	Mr. Gauri Shankar	Non-Executive Independent Director	06764026	28/05/2021	NA
5.	Mr. Bhupinder Nayyar	Non-Executive Independent Director	06790358	28/05/2021	NA
6.	Mr. Lakshay Vaid	Company Secretary	ACS45438	---	26.12.2020
7.	Mr. Amit Kumar Bhardwaj	Company Secretary	ACS 42037	28/12/2020	NA

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

### **13. DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The above confirmations were placed before the Board at its meeting held on April 16, 2021 and duly noted. It is the opinion of the Board that the Independent Directors possess relevant expertise, qualifications and experience in the fields of strategy, finance, people management, risk advisory, financial services, investment and they hold the highest standards of integrity.

### **14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES :**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

### **15. RISK MANAGEMENT POLICY :**

The Board of Directors has adopted the Risk management policy which sets out the framework for the management of risks faced by the Company in the conduct of business to ensure that all business risks are identified, managed and monitored.

### **16. SUBSIDIARY, JOINT-VENTURE AND ASSOCIATE COMPANY :**

The Company is not having any Subsidiary, Joint Venture and Associate Companies during the year under review.

### **17. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant and material orders passed by the regulators or courts or any tribunals during the year under review which has an impact on the Going Concern status and Company's operations in future.

## **18. CAPITAL STRUCTURE :**

During the period under review, the paid up capital of the Company is Rs. 6,35,16,853/- which comprises of 45,51,685 equity shares of Rs 10 each fully paid up and amount to Rs.4,55,16,850, 20,00,000 equity shares of Rs.9 Paid up amount to Rs.1,80,00,003. During the year, the company received call money at the rate of Rs 2 per share Face value and Rs. 4 per share premium on 2000000 shares.

The Company has not issued/allotted Equity Shares in the financial year under review.

## **19. DEBENTURE STRUCTURE:**

During the year under review, the Company has allotted 951 (Nine Hundred Fifty One) Non-Convertible Debentures having nominal value of Rs.1,00,000/- (One Lakh) aggregating amounting to Rs. 9,51,00,000/- (Rupees Nine Crore Fifty One Lakh only) under Series F in March, 2021.

As per the provisions of the Companies act, 2013 and other applicable laws, the Company has appointed Beacon Trusteeship Ltd. having its registered office located at 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai 400 051 through its authorized representative(s) to act as Trustee for the Debenture holders ("Trustees") for Series "F".

## **20. STATUTORY AUDITORS:**

Pursuant to the provisions of the Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Shareholders in the Annual General Meeting held on 9th May, 2016 had appointed M/s. P. Sahni & Associates, Chartered Accountants, (Firm reg. No.015369N) as the Statutory Auditors for a term of five (5) consecutive years i.e, from the conclusion of Annual General Meeting held in 2016 to the conclusion of Annual General Meeting to be held in the year 2021. The Auditors are eligible for Re-appointment as per Procedure mentioned in the Companies Act, 2013. The Re-appointment is proposed to be approved in Board Meeting, subject to approval of members.

The observation made in Auditors' Report are self-explanatory and do not contain any reservation, qualification or adverse remarks and, therefore needs no further clarification/ explanations as required under Section 134 of the Companies Act, 2013.

## **21. COMPLIANCE WITH SECRETARIAL STANDARDS :**

Your Company is in Compliance with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) for the Financial Year ended on 31st March, 2021

## **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The Related Party Transactions that were entered during the financial year under review were on arm's length basis and were in the ordinary course of business details of which,



as required to be provided under Section 134(3)(h) of the Companies Act, 2013 are disclosed in form AOC-2 as “Annexure I” and form of this Board’s Report. Further, details of Related Party Transactions as required to be disclosed as per Accounting Standard 18 “Related Party Disclosures” specified under Section 188 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

### **23. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2021 is available on the Company’s website on [www.ushafinancial.com](http://www.ushafinancial.com)

### **24. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :**

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has contributed towards CSR activities the details of which is annexed as “Annexure- II”.

### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 :**

Pursuant to Section 186 of the Companies Act, 2013 and Rules made thereunder, requiring disclosure in the Financial Statements of the full particulars of the loans made and guarantees given or securities provided by a Non- Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report. Further, the details of investments made by the Company are given in the Notes to the Financial Statements.

### **26. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The policies and procedures adopted by your Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of your Company’s assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorized use or disposition of assets and Misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

### **27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN AND OUTGO:**

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8 of the (Accounts) Rules 2014 in respect of conservation of energy and technology absorption are not applicable to your Company.

The total foreign exchange earnings during the year under review and previous period is NIL and total foreign exchange out go during the year under review and the previous period is NIL.

### **28. COMPLIANCE WITH RBI GUIDELINES:**

The Company being an NBFC has complied with all applicable regulations of Reserve Bank of India for Non-deposit taking NBFC, As per Non-Banking Finance Companies RBI Directions, 1998, the directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

### **29. CODE OF CONDUCT, TRANSPARENCY AND CLIENT PROTECTION**

The Company has fully implemented the Reserve Bank of India's Fair Practice Code and also adopted the unified Code of Conduct of Usha Financial Services Pvt. Ltd.

### **30. PARTICULARS OF EMPLOYEES**

The provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.

### **31. REPORTING OF FRAUDS BY AUDITORS:**

During the period under review, the Statutory Auditors have not reported to the Board or Central Government any instances of material fraud in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

### **32. SEXUAL HARASSMENT POLICY FOR WOMEN UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :**

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and has adopted a policy on Sexual Harassment to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Further, during the year under review, there was no case filed under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **33. MAINTENANCE OF COST RECORDS :**

The nature of Company's business/ activities is such that maintenance of cost records under Section 148 (1) of the Companies Act, 2013 is not applicable to the Company.

#### **34. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In accordance with Clause (C) Of Sub-Section (3) Of Section 134 of the Companies Act, 2013 the Board of Directors of the company informed the members that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **35. ACKNOWLEDGEMENTS**


The Board expresses its sincere gratitude to the shareholders, bankers and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.



Place: Delhi  
Date: 1<sup>st</sup> September, 2021

For and on Behalf of  
USHA FINANCIAL SERVICES PRIVATE LIMITED

  
Rajesh Gupta  
(Director)  
DIN: 01941985

  
Anoop Garg  
(Director)  
DIN: 01941972

**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 transaction under third proviso thereto.**

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

There were no contracts or arrangements or transactions entered during the year ended 31<sup>st</sup> March, 2021, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm's length basis, the details of which are given in the notes to financial Statements.

**For and on Behalf of  
USHA FINANCIAL SERVICES PRIVATE LIMITED**



**Place: Delhi  
Date: 1<sup>st</sup> September, 2021**

  
**Rajesh Gupta  
(Director)  
DIN: 01941985**

  
**Anoop Garg  
(Director)  
DIN: 01941972**

## ANNEXURE II

### 1. A brief outline of Company's CSR policy, including overview of project or program to be undertaken:

Corporate Social Responsibility is an integral part of the Company's ethics and policy and it has been pursuing this on a sustained basis. Usha Financial Service Private Limited is committed to conduct business in a socially, economically and environmentally responsible and sustainable manner, which enables the creation and distribution of wealth for the betterment of societies through the implementation and integration of ethical systems and sustainable management practices. In compliance with Section 135 and amendments in the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is able to contribute by approval of Board of Directors only if contribution amount is less than 50 Lakh. There is no need to constitute corporate social responsibility committee if contribution amount is up to 50 Lakh. Your Company has the policy of giving back to the society and has carried a host of CSR activities this year in accordance with the requirement of Section 135 of the Companies Act, 2013.

The web-link CSR Policy are disclosed on the website of the Company: [www.ushafinancial.com](http://www.ushafinancial.com)

### 2. Average Net profit of the Company for last three Financial Year:

The Company has achieved a net profit of Rs. 152,638,365/- during the Financial Year 2019--2020, and the average net profit of the last 3 Financial years is Rs. 76,418,769.67/- and as per the provisions of Companies Act, 2013, Company has to contribute 2% of the average net profit of last 3 Financial year in CSR activities, hence the budget for CSR activities is Rs. 15,28,375/- on CSR activities.

### 3. Details of CSR spent for the Financial Year:

(a) Total amount spent for the financial year: Rs. 15,28,376/-

(b) Amount unspent: NIL

(c) Manner in which the amount spent for the financial year is detailed below:

S.No.	CSR project/Fund	Sector in which the project or activity covered	Project or programs 1. Local area or other 2. Specify the state and district where projects/activity undertaken	Amount outlay (budget) project or programs (in Rs.)	Amount spent on the projects or programs (in Rs.)	Mode of Amount Spend
1.	PM CARES	Relief Fund	NA	15,28,376/-	15,28,376/-	Direct Contribution

4. In case the company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

N.A

5. A responsibility statement of the CSR committee/Board of Directors that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company:

Implementation of CSR activities is in compliance with Companies Act, 2013 to meet the CSR objectives and policy of the Company.



For and on Behalf of  
USHA FINANCIAL SERVICES PRIVATE LIMITED

Place: Delhi  
Date: 1<sup>th</sup> September, 2021

  
Rajesh Gupta  
(Director)  
DIN: 01941985

  
Anoop Garg  
(Director)  
DIN: 01941972



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+91-11-43016763, Cell: +91-98101 87101

*P. Sahni & Associates*

**CHARTERED ACCOUNTANTS**

Date :.....

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
M/s Usha Financial Services Private Limited**

### Opinion

We have audited the accompanying Standalone financial statements of M/s Usha Financial Services Private Limited, which comprise the Balance Sheet as at March 31, 2021, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting standards prescribed under sec 133 of the act read with the companies Accounting Standards Rules 2006 as, principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit and its cash flow for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's 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 Act and the rules made there under, 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.

### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibility**

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

2



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

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

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

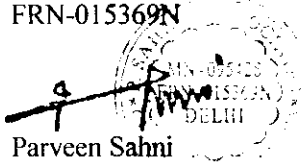
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the company and 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 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 as at 31/03/2021 which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For P. Sahni & Associates  
Chartered Accountants  
FRN-015369N



Parveen Sahni

(Proprietor)

M. No.: 095428

Place: Delhi

Date: 01st September, 2021

**UDIN:** 21095428AAAADL1430



*P. Sahni & Associates*

**CHARTERED ACCOUNTANTS**

101, 1st Floor, Ganga Apartments,  
1/50, Lalita Park, Laxmi Nagar, Delhi-110092 (India),  
E-mail :psahni@psaindia.co.in  
Tel.:+91-11-2254 0606, 2205 0607  
+91-11-43016763, Cell: +91-98101 87101

Date : .....

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/s USHA  
FINANCIAL SERVICES PRIVATE LIMITED FOR THE YEAR ENDED 31st MARCH 2021**

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties and accordingly, clause 3(i)(c) of the Order is not applicable.

(2) The Company is a Non-Deposit taking Non-banking Financial Company (NBFC-ND) and primarily engaged in lending activities; accordingly it does not hold any physical inventories. Thus, clause 3(ii) of the Order is not applicable.

(3) The Company has granted the unsecured loans to companies, firms, limited liability Partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013 in respect of which:-

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(4) The Company have any loan, investment, guarantees and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is applicable.

(5) The Company has not accepted deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods & services tax and any other material statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax; value added tax, wealth tax, duty of customs, duty of excise and



cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods & service tax and any other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax and goods & service tax, which have not been deposited with the appropriate authorities on account of any dispute.

(8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding loans or borrowings to government or dues to debenture holders during the year.

(9) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

(10) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(11) The Company being a private Company, the provisions of section 197 read with schedule V to Companies Act, 2013 is not applicable.

(12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

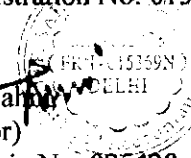
(13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(14) According to the information and explanations given to us and based on our examinations of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions during the year with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(16) According to the information and explanations given to us any and based on our examination of the records of the Company, the Company is required and has obtained the certificate of registration dated 4<sup>th</sup> January 2003, required under section 45-IA of the Reserve Bank of India Act 1934.

For P. Sahni & Associates  
Chartered Accountants  
Firm Registration No: 015369N

  
Paryen Sahni  
(Proprietor)  
Membership No: 095428

Place: New Delhi  
Date: 01st September, 2021  
UDIN: 21095428AAAADL1430



101, 1st Floor, Ganga Apartments,  
1/50, Lalita Park, Laxmi Nagar, Delhi-110092 (India),  
E-mail :psahni@psaindia.co.in  
Tel.:+91-11-2254 0606, 2205 0607  
+91-11-43016763, Cell: +91-98101 87101

*P. Sahni & Associates*

**CHARTERED ACCOUNTANTS**

Date : .....

### **Annexure "B" to the Independent Auditor's Report**

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Usha Financial Services Private Limited of even date)

#### **Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Usha Financial Services Private Limited as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

The board of directors of the Company 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. 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, 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.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

#### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of internal financial controls over financial reporting**

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



## Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Sahni & Associates  
Chartered Accountants  
FRN-015369N



Parveen Sahni  
(Proprietor)  
M. No.: 095428  
Place: Delhi  
Date: 01st September, 2021  
UDIN: 21095428AAAADL1430

**INCOME TAX RETURN**

NAME : USHA FINANCIAL SERVICES (P) LTD  
 ADDRESS : 330, Mezzanine Floor Functional Industrial Estate, Patparganj  
 Delhi - 110092  
 STATUS : Private Ltd Co.  
 PAN/GIR NO : AAACU0841J  
 FINANCIAL YEAR : 2020-21  
 ASSESSMENT YEAR : 2021-22  
 DATE OF INCORPORATION : 16-May-95

**COMPUTATION OF TOTAL INCOME**

<u>INCOME FROM BUSINESS &amp; PROFESSION</u>		AMOUNT "RS"
Net Profit As Per Profit & Loss Account	49,096,936	
Add: Depreciation As Per Companies Act, 2013	4,564,338	
Add: Loss on Sale of Shares	4,790,935	
Add: Share Trading Expenses	59,273	
Add: Interest on TDS	133,944	
Add: Bonus Paid	198,044	
Add: Provision for Gratuity	1,099,757	
Add: Provision for Standard Assets	-2,036,617	
Add: Provision for Sub Standard & Doubtful Assets	-536,291	
Add: CSR Expenses	1,528,376	
	58,898,695	
Less: Depreciation As Per Income Tax Act, 1961	3,501,696	
Less: Income from other heads	4,054,394	51,342,605
<b>CAPITAL GAIN</b>		
Sale Consideration of Shares	8,640,961	
Less: Purchase Cost of Shares	13,431,896	
(Losses to be carried forward)	(4,790,935)	-
<b>INCOME FROM OTHER SOURCES</b>		
Interest on FDR's		4,054,394
Gross Total Income		55,396,999
Deduction under Section 80 G		1,528,376
Net Assessable Income		53,868,623
Rounded Off U/s 288		53,868,620
Income Tax Normal @22%		11,851,096
Add: Surcharge @10%		1,185,110
		13,036,206
Add: Health & Education Cess @4%		521,448
<b>Total Tax Payable</b>		13,557,654
Less: TDS	8,175,403	
Less: TCS	-	
Less: Advance Tax	4,100,000	12,275,403
Income Tax Payable		1,282,252
Add: Interest u/s 234A	-	
Add: Interest u/s 234B	-	
Add: Interest u/s 234C	164,809	164,809
Net Tax Payable		1,447,061
Less: Self Assessment Tax paid u/s 140A		-
<b>Total Tax Payable/ (Refundable)</b>		1,447,061

FOR USHA FINANCIAL SERVICES PVT LTD

*Butta*

**Rajesh Gupta**  
 Director  
 DIN: 01941985

*Geta Goswami*  
**Geta Goswami**  
 Director  
 DIN: 07810522

*Anup*

**Anoop Garg**  
 Director  
 DIN: 01941972

*Amit*

**Amit Kumar Bhardwaj**  
 Company Secretary  
 M. No. 42037



**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor, Functional Industrial Estate, Patparganj, Delhi-110092**

**Balance Sheet as at 31st March, 2021**

(Amount in Rs)

		As at 31st March 2021	As at 31st March 2020
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
(a) Share Capital	3	63,516,853	59,516,853
(b) Reserves and Surplus	4	<u>371,651,124</u>	<u>325,094,530</u>
		<u><b>435,167,977</b></u>	<u><b>384,611,383</b></u>
(2) <b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	374,675,979	493,676,128
(b) Other Long Term Liabilities	6	21,369,888	13,602,706
(c) Long Term Provisions	7	<u>2,227,330</u>	<u>956,053</u>
		<u><b>398,273,197</b></u>	<u><b>508,234,887</b></u>
(3) <b>Current Liabilities</b>			
(a) Short-Term Borrowings	8	1,967,434	-
(b) Trade Payables	9		5,329,736
Total Outstanding dues of Micro and Small Enterprises		1,752,520	16,087,760
Total Outstanding dues other than Micro and Small Enterprises		7,418,221	1,578,308,842
(c) Other Current Liabilities	10	308,384,509	49,479,771
(d) Short-Term Provisions	11	<u>20,037,280</u>	<u>1,649,206,108</u>
		<u><b>339,559,964</b></u>	<u><b>2,542,052,378</b></u>
<b>Total</b>		<u><b>1,173,001,138</b></u>	<u><b>2,542,052,378</b></u>
<b>II. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Property, Plant and Equipment			13,202,259
Tangible Assets	12	9,297,782	469,004
Intangible assets	13	145,780	-
Intangible assets Under Development	14	254,238	299,211
(b) Non Current Investments	15	21,894,152	1,063,198
(c) Deferred Tax Assets (Net)	16	3,173,392	382,421,363
(d) Long Term Loans & Advances	17	451,029,293	23,263,292
(e) Other Non-Current Assets	18	<u>12,876,652</u>	<u>420,718,327</u>
		<u><b>498,671,289</b></u>	<u><b>420,718,327</b></u>
(2) <b>Current assets</b>			
(a) Cash and Cash Equivalents	19	28,035,770	298,111,102
(b) Short Term Loans & Advances	17	621,862,629	1,755,354,286
(c) Other Current Assets	20	<u>24,431,450</u>	<u>67,868,662</u>
		<u><b>674,329,849</b></u>	<u><b>2,121,334,050</b></u>
<b>Total</b>		<u><b>1,173,001,138</b></u>	<u><b>2,542,052,378</b></u>

Significant Accounting Policies (Refer note no. 1 and 2)  
The accompanying notes no. 1 to 35 form an integral part of the financial statements.

As per our report of even date

For **P. SAHNI & ASSOCIATES**  
Chartered Accountants  
FRN: 015369N

(Parveen Sahni)  
Proprietor  
Membership No. : - 095428  
Place: Delhi  
Date: 01/09/2021

For & on Behalf of the Board of Directors of  
Usha Financial Services Private Limited

*Rajesh Gupta*  
**Rajesh Gupta**  
Director  
DIN:01941985

*Anoop Garg*  
**Anoop Garg**  
Director  
DIN:01941972

*Geeta Goswami*  
**Geeta Goswami**  
Director  
DIN: 07810522

*Amit Kumar Bhardwaj*  
**Amit Kumar Bhardwaj**  
Company Secretary  
M. No. 42037

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor, Functional Industrial Estate, Patparganj, Delhi-110092**

**Statement of Profit and Loss for the Year Ended 31st March, 2021**

(Amount in Rs)

Particulars	Note No.	For The Year Ended 31st March 2021	For The Year Ended 31st March 2020
I. Revenue from Operations	21	253,883,852	508,224,330
II. Other Income	22	4,967,690	7,131,922
<b>III. Total Revenue (I +II)</b>		<b>258,851,541</b>	<b>515,356,252</b>
IV. Expenses:			
Employee Benefit Expenses	23	31,522,563	41,239,655
Finance Costs	24	107,823,638	201,586,494
Depreciation and Amortization Expense	25	4,564,338	4,977,839
Provision & Write-off	26	2,920,748	7,616,987
Other Expenses	27	62,923,319	107,554,158
<b>Total Expenses</b>		<b>209,754,606</b>	<b>362,975,134</b>
V. Profit before Exceptional and Extraordinary Items and Tax		49,096,936	152,381,119
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax		49,096,936	152,381,119
VIII. Extra-ordinary items		-	-
<b>IX. Profit before Tax</b>		<b>49,096,936</b>	<b>152,381,119</b>
X. Tax expense:			
-Current Tax		13,557,654	40,255,717
-Previous Year Tax		(907,118)	377,362
-Deferred Tax		(2,110,194)	(397,617)
<b>XI. Profit for the year</b>		<b>38,556,594</b>	<b>112,145,657</b>
XIII. Earnings per equity shares (of Rs. 10/- each)			
a) Basic		6.00	17.00
a) Diluted		6.00	17.00

Significant Accounting Policies (Refer note no. 1 and 2)

The accompanying notes no. 1 to 35 form an integral part of the financial statements.

As per our report of even date

For & on Behalf of the Board of Directors of  
**Usha Financial Services Private Limited**

For **P. SAHNI & ASSOCIATES**  
Chartered Accountants  
FRN: 015369N

(**Parveen Sahni**)  
Proprietor  
Membership No. : - 095428  
Place: **Delhi**  
Date: **01/09/2021**

*Rajesh Gupta*

**Rajesh Gupta**  
Director  
DIN:01941985

**Geeta Goswami**  
Director  
DIN: 07810522

*Anoop Garg*

**Anoop Garg**  
Director  
DIN:01941972

*Amit Kumar Bhardwaj*

**Amit Kumar Bhardwaj**  
Company Secretary  
M. No. 42037

**USHA FINANCIAL SERVICES PVT. LTD**  
**330, Mezzanine Floor, Functional Industrial Estate, Patparganj, Delhi-110092**  
**Cash Flow Statement For The Year Ended 31st March, 2021**

(Amount in Rs)

	As at Mar 31, 2021	As at Mar 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	49,096,936	152,401,374
Adjustments for:		
Interest Income on Fixed Deposit	(4,967,690)	(7,050,934)
Depreciation & Ammortization	4,564,338	4,977,839
Loss on Sale of Shares	4,790,935	-
Provision for Standard and Non performing assets	(2,572,908)	4,925,098
Portfolio loans written off	5,493,656	2,691,889
<b>Operating Profit before Working Capital Changes</b>	<b>56,405,267</b>	<b>157,945,266</b>
Adjustments for:		
Decrease/(Increase) in Short term Loan & Advances	1,127,998,001	(398,027,894)
Decrease/(Increase) in Long term Loan & Advances	(68,607,930)	(246,147,889)
Decrease/(Increase) in Other Current Assets	55,712,614	(289,529,816)
Decrease/(Increase) in Other Non Current Assets	10,386,640	16,064,649
Increase/(Decrease) in Payables	(12,246,754)	8,738,866
Increase/(Decrease) in Other Current Liabilities	(1,247,444,451)	489,206,485
Increase/(Decrease) in Other Non Current Liabilities	9,038,459	8,581,826
<b>Cash Generated/ (Used) in Operating Activities</b>	<b>(68,758,153)</b>	<b>(253,168,507)</b>
Income Tax Refund/ (Paid)	(12,275,403)	(15,557,961)
<b>Net Cash flow from Operating activities</b> (A)	<b>(81,033,556)</b>	<b>(268,726,468)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(590,875)	(5,722,736)
Interest Income on Fixed Deposits	4,967,690	7,050,934
Proceeds from Sale of Shares	8,640,961	-
Purchase of Investments	(35,026,837)	(299,211)
<b>Net Cash used in Investing activities</b> (B)	<b>(22,009,061)</b>	<b>1,028,987</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Shares	12,000,000	37,829,998
Proceeds/(Repayment) from Issuance of Debentures(Net)	(85,100,000)	90,900,000
Preceeds/(Repayment) of Long term Borrowings(Net)	(95,900,150)	(12,905,205)
Preceeds/(Repayment) of Short term Borrowings(Net)	1,967,434	427,952,418
<b>Net Cash used in financing activities</b> (C)	<b>(167,032,716)</b>	<b>543,777,211</b>
Net increase in cash & Cash Equivalents (A+B+C)	(270,075,333)	276,079,730
Cash and Cash equivalents as at 01.04.2020	298,111,102	22,031,372
Cash and Cash equivalents as at 31.03.2021	<b>28,035,769</b>	<b>298,111,102</b>

As per our report of even date

For & on Behalf of the Board of Directors of  
Usha Financial Services Private Limited

For P. SAHNI & ASSOCIATES  
Chartered Accountants  
FRN: 015369N

(Farveen Sahni)  
Proprietor  
Membership No. :- 095428  
Place: Delhi  
Date: 01/09/2021

*Rajesh*

**Rajesh Gupta**  
Director  
DIN:01941985

**Geeta Goswami**  
Director  
DIN: 07810522

*Anoop*

**Anoop Garg**  
Director  
DIN:01941972

*Amit*  
**Amit Kumar Bhardwaj**  
Company Secretary  
M. No. 42037

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092

**Notes to Financial Statements for the Year Ended March 31, 2021**

(Amount in Rs)

	As at Mar 31, 2021		As at Mar 31, 2020	
	Number	Amount	Number	Amount
<b>3 Share Capital</b>				
(a) <b>Authorized Share Capital</b>				
Equity shares of Rs. 10 each	10000000	100,000,000	10000000	100,000,000
	<b>10000000</b>	<b>100,000,000</b>	<b>10000000</b>	<b>100,000,000</b>
(b) <b>Issued, subscribed &amp; fully paid up share capital</b>				
Equity shares of Rs. 10 each	4551685	45,516,850	4551685	45,516,850
<b>Partly paid up share capital</b>				
Equity shares of Rs. 10 each				
Rs. 9 per share paid up	2000000	18,000,003	2000000	14,000,003
(Previous Year Rs. 7 per share paid up)				
	<b>6551685</b>	<b>63,516,853</b>	<b>6551685</b>	<b>59,516,853</b>

\*Note: During the FY 2018-2019 9487 Equity Shares of Rs 10/- each fully paid up were issued & Paid Up at a premium of Rs 517/- each.

\* In the FY 2019-20, We have received Rs.5.50 per share face value & Rs 12.5 per share Premium was called up & Paid on 1333333 shares. and we have received Rs. 2.5 per share face Value and Rs. 5 per share Premium was called up & paid on 1825700 shares and We have received Rs. 0.262478 per share face value and Rs. 0.52495697 per share Premium on 174300 shares. In the FY 20-21, We have received Rs. 2 per share Face value and Rs. 4 per share premium on 2000000 shares.

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at Mar 31, 2021		As at Mar 31, 2020	
	(In No's)	(In Rs.)	(In No's)	(In Rs.)
<b>Equity shares</b>				
At the beginning of the year	6551685	59,516,853	6551685	47,573,519
Issued/ Called up during the year				
-Partly Paid Up	-	4,000,000	-	11,943,335
<b>Outstanding at the end of the year</b>	<b>6,551,685</b>	<b>63,516,853</b>	<b>6,551,685</b>	<b>59,516,853</b>

**b. Terms/rights attached to shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the period ended 31st March, 2021 the company did not recognize dividend as distributions to equity shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the company after distribution of all preferential amount in proportion to their shares.

**c. Details of shareholders holding more than 5% of the equity shares in the company**

Name of Share Holder	As at Mar 31, 2021		As at Mar 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Anoop Garg	1,797,949	27.44%	1,797,949	27.44%
Rajesh Gupta	2,311,651	35.28%	2,311,651	35.28%
Shikha Gupta	513,700	7.84%	513,700	7.84%
Priya Garg	513,700	7.84%	513,700	7.84%
Uninav Developers Private Limited	1,268,333	19.36%	1,268,333	19.36%

**4 Reserve & Surplus**

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>A) Statutory Reserve u/s 45-IC of RBI Act, 1934</b>		
Opening Balance	36,322,745	13,893,614
Statutory Reserves Fund	7,711,319	22,429,131
<b>Closing Balance</b>	<b>44,034,064</b>	<b>36,322,745</b>

*Enkta*

*Amix*

*Geeta Goswami*  
*Amix*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092

**Notes to Financial Statements for the Year Ended March 31, 2021**

<b>B) Securities Premium</b>		
Opening Balance	155,075,645	129,188,982
Add: Addition during the year	8,000,000	25,886,663
<b>Closing balance</b>	<b>163,075,645</b>	<b>155,075,645</b>
<b>C) Surplus in Statement of Profit and Loss</b>		
Opening Balance	133,696,140	43,979,614
Add: Profit during the year	38,556,594	112,145,657
Less: Transferred to Reserve Fund u/s 45 IC of RBI Act, 1934*	7,711,319	22,429,131
<b>Closing balance</b>	<b>164,541,414</b>	<b>133,696,140</b>
* Statutory Reserve		
<b>Balance C/f to Balance sheet</b>	<b>Total (a+b+c) 371,651,124</b>	<b>325,094,530</b>

5 <u>Long term Borrowing</u>	As at Mar 31, 2021		As at Mar 31, 2020	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>Particulars</b>				
<b>Debentures (Secured)</b>				
-1582 (PY 3384) 14.00% Redeemable Non-Convertible Debentures of Rs. 100000 each	96,900,000	61,300,000	215,100,000	123,300,000
-951 (PY Nil) 12.00% Redeemable Non-Convertible Debentures of Rs. 100000 each	95,100,000	-	-	-
<b>Term Loans</b>				
<b>Secured</b>				
-From Banks	57,998,758	22,369,149	80,178,182	22,369,149
-From Financial Institutions	89,886,562	161,914,083	155,371,036	335,772,997
<b>Unsecured</b>				
<b>Loans and Advances from Related Parties</b>				
-From Relatives	-	-	-	2,962,947
<b>Other Loans and Advances</b>				
-From Financial Institutions	34,790,659	8,236,251	43,026,910	35,716,386
-From Corporate Entities	-	-	-	470,447,808
<b>Total</b>	<b>374,675,979</b>	<b>253,819,483</b>	<b>493,676,128</b>	<b>990,569,287</b>

For details, refer to Note No. 5(i) and 5(ii)

**Note No. 5(i)**

Name of the lender	Rate of interest	No. of Pending installments	Term of Redemption/ Repayment	Non-Current	Current
<b>Debentures (Secured):</b>					
Series 'C' Secured Redeemable Non-Convertible Debenture	14.00%	1	At the time of Redemption	-	61,300,000
Series 'D' Secured Redeemable Non-Convertible Debenture	14.00%	1	At the time of Redemption	33,500,000	-
Series 'E' Secured Redeemable Non-Convertible Debenture	14.00%	1	At the time of Redemption	63,400,000	-
Series 'F' Secured Redeemable Non-Convertible Debenture	12.00%	1	At the time of Redemption	95,100,000	-
<b>Secured Term Loans:</b>					
<b>From Banks</b>					
South Indian Bank	9.35%	45	Monthly	54,991,000	20,004,000
ICICI Bank Ltd (Vehicle Loan)	8.50%	26	Monthly	778,225	619,013
Yes Bank Ltd (Vehicle Loan)	8.25%	26	Monthly	2,229,533	1,746,136
<b>From Financial Institutions</b>	3.36%-16.50%	4-26	Monthly/Quarterly	89,886,562	161,914,083
<b>Unsecured Term Loans:</b>					
<b>From Financial Institutions</b>	17.00%	16 (PY 19)	Quarterly	34,790,659	8,236,251

*Bhita*

*Amit*

*Geetika Joshi*  
*Amit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

**Note No. 5(ii)**

**Terms and conditions of secured loans and nature of security**

- a. During the year the company has issued 951 Non Convertible Debentures at the face value of Rs. 100000 each aggregating to Rs. 9,51,00,000 at the coupon rate of 12%. The NCDs will mature in March 2024.
- b NCDs are secured by way of exclusive charge on identified pool of assets.
- c. Vehicle loans from Daimler Financial Services Ltd, ICICI Bank and Yes Bank were secured against hypothecation of respective vehicles.
- d. Term loans from Agile Finserv Pvt Ltd, Jainsons Finlease Ltd, Eclear Leasing & Finance Pvt Ltd, Satin Creditcare Network Ltd, Satin Finserv Ltd, Nabkisan Finance Ltd, Nabsamurdhi Finance Ltd and South Indian Bank are secured by hypothecation of receivables as per their respective loan agreements.
- e. Term Loan form South Indian bank is further secured by way of collateral security of a Residential Property.
- f. Term loans from Agile Finserv, Eclear Leasing and Finance, Nabkisan Finance Ltd, Nabsamruddhi Finance Ltd, Satin Creditcare and Satin Finserv Ltd are further secured by cash collateral in the shape of Fixed deposit/ security deposit as per their loan agreement in addition to hypothecation of receivables.
- g. In addition to the above, all secured loans are also secured by way personal guarantee of promoter director.

**6 Other Long Term Liabilities**

**Others**

Security Deposits against the Loan Portfolio	17,580,000	11,100,000
Interest Payable on Security Deposit	88,911	140,590
Advance EMI Received (Refer Note No. 6(i))	3,700,977	2,362,116
	<b>21,369,888</b>	<b>13,602,706</b>

Note No. 6(i) Advance EMI received against loan agreements are repayable/ adjusted over the period of the contract.

**7 Long Term Provisions**

	As at Mar 31, 2021	As at Mar 31, 2020
<b>Provision for Employee Benefits</b>		
- Provision for Gratuity	1,099,757	-
<b>Other Provisions</b>		
- Provision for Standard Assets	1,127,573	956,053
	<b>2,227,330</b>	<b>956,053</b>

**8 Short Term Borrowings**

**Secured**

Loans Repayable on Demand:

From Banks:

Bank Overdraft Facility (Refer Note No. 7(i))	1,967,434	-
	<b>1,967,434</b>	<b>-</b>

Note No. 7(i) The bank overdraft facilities are secured against the FDR

*Eshita*

*Amit*

*Geetika Goswami*  
*Amit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092

**Notes to Financial Statements for the Year Ended March 31, 2021**

**9 Trade Payable**

Total Outstanding dues of Micro and Small Enterprises	1,752,520	5,329,736
Total Outstanding dues other than Micro and Small Enterprises	7,418,221	16,087,760
	<b>9,170,741</b>	<b>21,417,496</b>

\*\* Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a Principal amount and Interest due thereon remaining unpaid to any supplier as on	1,752,520.22	5,329,736.00
b Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d The amount of interest accrued and remaining unpaid during the accounting year.	-	-
e The amount of further interest remaining due and payable even in the succeeding years. until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

**10 Other Current Liabilities**

Current Maturity of Long Term Borrowings (Refer Note no. 5)	253,819,483	990,569,287
Interest accrued on Loan From Bank/NBFC but not due	2,368,587	4,646,312
Interest Payable on Debenture	2,558,119	3,689,490
Advance EMI Received	2,480,514	1,086,055
Security Deposits against the Loan Portfolio	40,938,141	546,800,000
Interest Payable on Security Deposit	1,632,000	5,220,908
Other Payable	4,587,665	26,296,790
	<b>308,384,509</b>	<b>1,578,308,842</b>

**11 Short term Provisions**

<b>Other Provisions</b>		
Provision for Income Tax	13,557,654	40,255,717
Contingent Provision Against Standard Assets	1,423,520	3,631,657
Provision for Substandard and Doubtful Assets	5,056,106	5,592,397
	<b>20,037,280</b>	<b>49,479,771</b>

**15 Non Current Investment**

<b>Others</b>				
<b>Quoted</b>				
<u>In Equity Shares (Fully Paid Up):</u>				
	<u>No. of shares</u>	<u>Amount</u>	<u>No. of shares</u>	<u>Amount</u>
Omaxe Ltd (Unquoted)	135,678	21,594,941	-	-
<b>Investment in Others</b>				
Investment in Equity Share Warrants of Capfront Technologies Pvt. Ltd.		299,211		299,211
		<b>21,894,152</b>		<b>299,211</b>
Aggregate amount of Quoted Investments at cost		21,594,941		-
Aggregate amount of Quoted Investments at market value		9,212,536		-
Aggregate amount of Unquoted Investments		299,211		299,211

**16 Deferred Tax assets**

Tax effect of items constituting Deferred Tax Assets				
Difference between book balance and tax balance of Property Plant and Equipments and Intangible Assets		1,258,812		1,063,198
Provision for Non Performing Assets		1,272,521		-
Contingent Provision for Standard Assets		642,059		-
		<b>3,173,392</b>		<b>1,063,198</b>

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*Geet G Joshi*  
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**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092

**Notes to Financial Statements for the Year Ended March 31, 2021**

17 <b>Loans &amp; Advances</b>	As at Mar 31, 2021		As at Mar 31, 2020	
	Non Current	Current	Non Current	Current
<b>(A) Loan to Customers</b>				
<b>Secured</b>				
-Considered Good Assets	219,795,402	563,227,390	103,556,017	287,797,958
-Sub-Standard Assets	-	12,894,259	-	2,481,394
	<u>219,795,402</u>	<u>576,121,649</u>	<u>103,556,017</u>	<u>290,279,352</u>
<b>Unsecured</b>				
-Considered Good Assets	231,233,891	6,180,541.52	278,865,346	1,164,864,775
-Sub-Standard Assets	-	20,055,022	-	9,241,086
-Doubtful Assets	-	1,761,178	-	4,420,149
	<u>231,233,891</u>	<u>27,996,742</u>	<u>278,865,346</u>	<u>1,178,526,010</u>
<b>Total Loans to Customers (A)</b>	<b>451,029,293</b>	<b>604,118,390</b>	<b>382,421,363</b>	<b>1,468,805,362</b>
Note: The Portfolio amounting Rs. 11,51,59,142.69 comprises of the Managed Portfolio of Mas Financial Services Limited and the same is not included in the Portfolio given above in FY 19-20.				
Secured exposures are exposures secured wholly or partly by way of hypothecation of assets and/ or undertaking to create security.				
<b>(B) Other Loans &amp; Advances</b>				
<b>Unsecured, Considered Good</b>				
Security Deposits	-	620,000	-	706,500
Other Advances	-	30,535	-	251,357,007
Prepaid expenses	-	117,538	-	153,443
Income Tax Paid	-	12,275,403	-	26,717,795
TDS Recoverable	-	130,849	-	1,602,600
GST Input	-	2,327,771	-	1,179,585
Other Receivable	-	720,795	-	1,122,128
Advance EMI	-	-	-	2,083,333
Insurance Claim Receivable	-	1,521,349	-	1,626,533
<b>Total Other Loans &amp; Advances (B)</b>	<b>-</b>	<b>17,744,239</b>	<b>-</b>	<b>286,548,924</b>
<b>Total Loans &amp; Advances (A+B)</b>	<b>451,029,293</b>	<b>621,862,629</b>	<b>382,421,363</b>	<b>1,755,354,286</b>

18 <b>Other Non current Assets</b>		
<b>Non Current Bank Balances</b>		
In Fixed Deposit Accounts:		
Deposits given as security against borrowings	-	5,300,000
<b>Others</b>		
Deposit given as security against borrowings	12,500,000	17,500,000
Interest Receivable on Security Deposit	376,652	463,292
	<u>12,876,652</u>	<u>23,263,292</u>
19 <b>Cash &amp; Cash Equivalent</b>		
A) Cash-In-Hand	2,075,896	1,434,048
Balances with Banks		
-in Current Accounts	4,159,874	279,577,054
B) Other Bank Balances		
In Fixed Deposit Accounts		
Deposits given as security against borrowings and other commitments (Refer Note no. 19(i))	21,800,000	17,100,000
	<u>28,035,770</u>	<u>298,111,102</u>

Note No. 19(i)

- Represents deposits of Rs. 0.53 Crore placed as margin money to avail term loans from financial institutions.

- Bank deposits of Rs. 1.65 Crore are lien against the overdraft limit availed from banks

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*Geetika Joshi*  
*Amit*



**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

	As at Mar 31, 2021	As at Mar 31, 2020
<b>20 Other Current Assets</b>		
Interest Accrued on Loan & Advances but not due	20,605,451	22,823,932
Interest Accrued on FDR	586,344	320,951
Deposit given as security against borrowings	3,000,000	43,400,000
Interest Receivable on Security Deposit	239,655	1,323,779
	<b>24,431,450</b>	<b>67,868,662</b>
<b>21 Revenue from operations</b>		
Interest Income from Financing Activities	237,577,687	451,005,335
Portfolio Management Fees	-	15,881,102
Processing and Other Fees	16,306,165	41,337,894
	<b>253,883,852</b>	<b>508,224,330</b>
<b>22 Other Income</b>		
Interest income:		
on Bank Deposit	4,054,393.63	1,494,428
on Security Deposit against Borrowings	913,296	5,556,506
Recovery of Loan Write-off	-	80,988
	<b>4,967,690</b>	<b>7,131,922</b>
<b>23 Employee Benefit Expense</b>		
Salaries	20,122,674	29,951,869
Staff Welfare	146,884	557,388
Director Remuneration	8,730,726	8,750,000
EPF- Administration charges	44,151	48,029
EPF- Employer contribution	969,183	1,139,480
ESIC-Employer contribution	90,856	158,682
Bonus Paid	198,044	-
Gratuity	1,099,757	-
Insurance -Employee Medclaim	-	214,792
Incentive Expenses	120,288	419,415
	<b>31,522,563</b>	<b>41,239,655</b>
<b>24 Finance Costs</b>		
Interest:		
Term Loan	68,760,701	141,699,120
Security Deposits	5,399,638	11,379,373
OD limit	511,726	741,567
Non Convertible Debentures	31,516,573	41,951,825
Other Borrowing Costs	1,635,000	5,814,610
	<b>107,823,638</b>	<b>201,586,494</b>
<b>25 Depreciation &amp; Amortization Cost</b>		
Depreciation on Properties, Plant & Equipments	4,241,114	4,699,175
Depreciation on Intangible Assets	323,224	278,664
	<b>4,564,338</b>	<b>4,977,839</b>
<b>26 Provision &amp; Write-off</b>		
Provision on Standard Assets	(2,036,617)	1,581,295
Provision on Sub-standard & Doubtful Assets	(536,291)	5,592,397
Loan Write off during the period	5,493,656	443,295
	<b>2,920,748</b>	<b>7,616,987</b>

*Amit*

*Amit*

*Geetika Goswami*  
Amit

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

<b>27 Other expenses</b>		
Business Promotion Expenses	145,551	1,036,046
Payment to Statutory Auditors (Refer Note No. 27(i))	162,400	141,450
Professional Fees	4,694,448	25,815,794
Portfolio Management Fees	43,162,911	69,195,625
Repair and Maintenance:		
Computer	49,625	398,038
Others	344,729	445,160
Insurance Expenses	237,787	225,048
Electricity expenses	376,602	504,729
Bank Charges	18,125	91,052
Conveyance	909,119	793,574
Recruitment expenses	166,093	115,233
Office expenses	573,278	572,880
Misc. Expenses	209,704	28,643
Postage & Courier	22,248	116,018
Printing & Stationery	104,995	193,757
Communication expenses	148,610	247,531
Lease/ Rent	2,409,256	2,637,712
Travelling Exp.	187,316	2,193,052
Fees Rates & Taxes	2,046,613	622,169
IT Support Charges	103,778	647,299
Training & Development Expenses	495,560	138,500
Stamp Duty Expenses	35,260	708,398
Loss on Sale of Shares	4,790,935	-
Advertising Expenses	-	121,427
Corporate Social Responsibility Expenditure (Refer Note No. 28)	1,528,376	565,025
	<u>62,923,319</u>	<u>107,554,158</u>
<b>Note No. 27(i): Payment to Statutory Auditors</b>		
For Statutory Audit Fee	66,000	66,000
For Tax Audit Fee	19,400	15,000
For Other Services	77,000	60,450
	<u>162,400</u>	<u>141,450</u>

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*Amit*

*Geetie G. Bhowani*

*Amit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

**28 Corporate Social Responsibility (CSR) Expenses:**

The Gross amount required to be spent by the Company during the year towards Corporate Social Responsibility is Rs. 15.28 lakhs (Previous year: Rs. 5.65 lakhs) as per section 135 of Companies Act, 2013. Details of amount spent towards CSR as below:

**(Amount in Rs)**

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
(Previous Year)	-	-	-
(ii) On purposes other than (i) above	1,528,376	-	1,528,376
(Previous Year)	565,025	-	565,025

**29 Details of Non-Performing Assets (NPA) and % of Assets Under Management (AUM) are as follow.**

**(Amount in Rs)**

Particulars	As at 31st March 2021	As at 31st March 2020
Gross NPA on AUM	34,710,459.00	16,142,628.82
Net NPA on AUM	29,654,353.02	10,550,231.84
Gross NPA as % of AUM	3.29%	0.87%
Net NPA as % of AUM	3.05%	0.57%

**30 Disclosures for operating leases under Accounting Standard 19 – “Accounting for Leases”.**

The Company has entered into lease and license agreements for taking office premises on rental basis for 60 months ending in February 2023.

The specified disclosure in respect of these agreements is given below:

**(Amount in Rs)**

Particulars	As at 31st March 2021	As at 31st March 2020
Lease payments recognised in the Statement of Profit and Loss	2,409,256.00	2,637,712.00

Note: (i) The Company has given refundable, interest free security deposits under the agreement.

(ii) The agreement contains a provision for its renewal.

**31 Segment Reporting**

The Company is engaged primarily in the business of Financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17 – “Segment Reporting”.

**32 Contingent Liabilities and Commitments**

The company has no contingent liability during the year.

**33 Impact of COVID-19**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The company has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The company will continue to closely monitor any material changes to future economic conditions.

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*[Handwritten signature: Geeta Joswani]*  
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**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

**34 Related Party Disclosures**

**Names of Related Parties and Nature of relationship**

**Key Management Personnel:**

Anoop Garg	:	Director
Rajesh Gupta	:	Director
Geeta Goswami	:	Director
Lakshay Vaid	:	Company Secretary (Apr-20 to Dec-20)
Amit Kumar Bhardwaj	:	Company Secretary (Dec-20 to Present)

**Related of Key Management Personnel**

Anoop Garg HUF	:	Director's Concern
Arushi Garg	:	Director's Daughter
Kanta Rani	:	Directors' Mother
Mahesh Kumar Gupta	:	Directors' Brother in Law
Mahesh Kumar Gupta HUF	:	Directors' Brother in Law's Concern
Nupur Gupta	:	Director's Daughter
Priya Garg	:	Director's Wife
Rajesh Gupta HUF	:	Director's Concern
Sandhya Gupta	:	Directors' Sister
Shikha Gupta	:	Director's Wife
Sumer Chand Garg	:	Directors' Father
Sumer Chand Garg HUF	:	Director's Father's Concern
Nupur Recyclers Private Limited.	:	Common Director
Uninav Developers Private Limited	:	Common Director
Vertex Buildwell Pvt. Ltd	:	Common Director

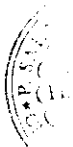
(Amount in Rs.)

Nature of Transaction	Year Ended 31st Mar 21	Year Ended 31st Mar 20
<b>Director Remuneration</b>		
Anoop Garg	3,600,000	3,600,000
Geeta Goswami	1,530,726	1,563,500
Rajesh Gupta	3,600,000	3,600,000
<b>Interest on Loan Paid</b>		
Anoop Garg	1,381	3,378
Anoop Garg HUF	119,805	153,914
Arushi Garg	6,147	20,590
Kanta Rani	61,177	21,098
Mahesh Kumar Gupta	736	1,368
Mahesh Kumar Gupta HUF	102,798	53,927
Nupur Gupta	39,547	36,643
Priya Garg	32,079	27,156
Rajesh Gupta	13,637	6,756
Rajesh Gupta HUF	77,673	18,550
Sandhya Gupta	9,521	64,322
Shikha Gupta	7,818	26,414
Sumer Chand Garg	224,240	52,595
Sumer Chand Garg HUF	31,501	78,334
Uninav Developers Private Limited	500,000	20,871,481
<b>Interest on NCD</b>		
Anoop Garg HUF	417,428	732,941
Arushi Garg	99,877	11,852
Geeta Goswami	189,241	145,595
Kanta Rani	807,164	1,528,032
Mahesh Kumar Gupta	21,862	42,114

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*Geeta Goswami*



**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

Mahesh Kumar Gupta HUF	323,959	1,555,574
Nupur Gupta	489,415	798,035
Priya Garg	305,047	517,427
Rajesh Gupta HUF	43,264	536,484
Sandhya Gupta	579,410	1,155,861
Shikha Gupta	393,532	784,038
Sumer Chand Garg	171,104	1,384,960
Sumer Chand Garg HUF	550,139	1,365,367
Uninav Developers Private Limited	513,091	2,929,795
Vertex Buildwell Private Limited	64,280	59,679
<b>Investment in NCD</b>		
Anoop Garg HUF	-	7,500,000
Arushi Garg	100,000	600,000
Geeta Goswami	200,000	800,000
Kanta Rani	2,700,000	1,500,000
Mahesh Kumar Gupta HUF	-	6,800,000
Nupur Gupta	100,000	2,000,000
Priya Garg	-	200,000
Rajesh Gupta HUF	-	300,000
Sandhya Gupta	200,000	2,800,000
Shikha Gupta	-	100,000
Sumer Chand Garg	-	900,000
Sumer Chand Garg HUF	200,000	6,600,000
Uninav Developers Private Limited	-	500,000
Vertex Buildwell Private Limited	-	200,000
<b>Loan Given</b>		
Nupur Recyclers Private Limited	190,950,000	89,400,000
Uninav Developers Private Limited	60,000,000	-
<b>Loan Repaid</b>		
Anoop Garg	75,000	-
Anoop Garg HUF	4,320,000	4,055,000
Arushi Garg	300,000	440,000
Kanta Rani	3,270,000	700,000
Mahesh Kumar Gupta	40,000	-
Mahesh Kumar Gupta HUF	3,560,000	775,000
Nupur Gupta	1,345,000	720,000
Priya Garg	975,000	140,000
Rajesh Gupta	150,000	-
Rajesh Gupta HUF	3,074,000	721,000
Sandhya Gupta	250,000	345,000
Shikha Gupta	655,000	1,060,000
Sumer Chand Garg	8,710,000	1,175,000
Sumer Chand Garg HUF	1,855,000	1,435,000
Uninav Developers Private Limited	-	75,000,000
<b>Interest Received</b>		
Nupur Recyclers Private Limited	7,621,330	-
Uninav Developers Private Limited	-	75,000
<b>Loan Taken</b>		
Anoop Garg HUF	3,110,000	5,265,000
Anoop Garg	-	75,000
Arushi Garg	285,000	460,000
Kanta Rani	3,270,000	685,000
Mahesh Kumar Gupta	-	40,000
Mahesh Kumar Gupta HUF	3,490,000	845,000
Nupur Gupta	1,315,000	750,000

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*Anup*

*Geeta Goswami*  
*Amit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

Priya Garg	460,000	655,000
Rajesh Gupta	-	150,000
Rajesh Gupta HUF	3,035,000	760,000
Sandhya Gupta	250,000	5,055,000
Shikha Gupta	415,000	1,300,000
Sumer Chand Garg	8,670,000	1,215,000
Sumer Chand Garg HUF	1,790,000	1,500,000
Uninav Developers Private Limited	-	440,000,000
<b>Loan Taken Back</b>		
Nupur Recyclers Private Limited	180,848,821	79,550,000
<b>Redemption of NCD</b>		
Anoop Garg HUF	4,000,000	-
Arushi Garg	300,000	-
Geeta Goswami	200,000	-
Kanta Rani	11,200,000	-
Mahesh Kumar Gupta HUF	6,700,000	3,100,000
Nupur Gupta	4,800,000	1,000,000
Priya Garg	3,700,000	-
Rajesh Gupta HUF	3,700,000	-
Sandhya Gupta	7,300,000	1,800,000
Shikha Gupta	5,200,000	-
Sumer Chand Garg	9,700,000	-
Sumer Chand Garg HUF	5,800,000	2,300,000
Uninav Developers Private Limited	14,700,000	-
Vertex Buildwell Private Limited	400,000	-
<b>Salary</b>		
Amit Bhardwaj	128,603	-
Lakshay Vaid	453,719	203,587
<b>Call Money on Shares</b>		
Anoop Garg	2,729,692	3,412,120
Priya Garg	1,045,800	137,250
Rajesh Gupta	6,398,708	7,998,385
Shikha Gupta	1,825,800	2,282,250
Uninav Developers Private Limited	-	23,999,995

*Arushi*

*Amit*

*Geeta Goswami*

*Amit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

**Balance Outstanding at the end of the year**

**(Amount in Rs.)**

Nature of Transaction	Year Ended 31st Mar 21	Year Ended 31st Mar 20
<b>Director Remuneration payable</b>		
Anoop Garg	131,000	334,015
Geeta Goswami	12,730	59,968
Rajesh Gupta	168,840	-
<b>Interest on NCD Payable</b>		
Arushi Garg	10,233	6,421
Geeta Goswami	16,730	16,050
Kanta Rani	18,900	127,702
Mahesh Kumar Gupta HUF	335	84,540
Nupur Gupta	335	59,927
Sandhya Gupta	4,825	107,012
Sumer Chand Garg	2,200	115,930
Anoop Garg HUF	-	44,841
Mahesh Kumar Gupta	-	3,210
Rajesh Gupta HUF	-	46,253
Priya Garg	-	39,595
Shikha Gupta	-	28,894
Uninav Developers Private Limited	-	157,310
Sumer Chand Garg HUF	669	78,119
Vertex Buildwell Private Limited	2,200	6,420
<b>Loan given</b>		
Nupur Recyclers Private Limited	20,951,179	10,850,000
Uninav Developers Private Limited	60,000,000	-
<b>NCD</b>		
Arushi Garg	1,000,000	600,000
Anoop Garg HUF	-	4,100,000
Geeta Goswami	1,500,000	1,500,000
Kanta Rani	3,000,000	11,600,000
Mahesh Kumar Gupta	-	300,000
Mahesh Kumar Gupta HUF	100,000	7,800,000
Nupur Gupta	100,000	5,600,000
Priya Garg	-	3,700,000
Rajesh Gupta HUF	-	3,400,000
Sandhya Gupta	600,000	7,500,000
Shikha Gupta	-	5,200,000
Sumer Chand Garg	200,000	600,000
Sumer Chand Garg HUF	200,000	6,400,000
Vertex Buildwell Private Limited	200,000	600,000
Uninav Developers Private Limited	-	14,700,000
<b>Unsecured Loan</b>		
Uninav Developers Private Limited	-	348,000,000
Anoop Garg HUF	-	1,210,000
Anoop Garg	-	75,000
Arushi Garg	-	20,000
Mahesh Kumar Gupta HUF	-	70,000
Mahesh Kumar Gupta	-	40,000
Nupur Gupta	-	30,000
Priya Garg	-	515,000
Rajesh Gupta HUF	-	39,000
Rajesh Gupta	-	150,000

*Burha*

*Anup*

*Geeta Goswami*  
*Anit*

**USHA FINANCIAL SERVICES PRIVATE LIMITED**  
**330, Mezzanine Floor Functional Industrial Estate, Patparganj, Delhi-110092**

**Notes to Financial Statements for the Year Ended March 31, 2021**

Shikha Gupta	-	240,000
Sumer Chand Garg HUF	-	65,000
Sumer Chand Garg	-	40,000
<b>Interest on Loan Payable</b>		
Uninav Developers Private Limited	-	19,794,932
Anoop Garg HUF	-	138,522
Anoop Garg	-	3,040
Arushi Garg	-	18,530
Kanta Rani	-	6,097
Mahesh Kumar HUF	-	48,536
Mahesh Kumar Gupta	-	1,231
Nupur Gupta	-	32,978
Priya Garg	-	24,439
Rajesh Gupta HUF	-	16,694
Rajesh Gupta	-	6,080
Shikha Gupta	-	10,027
Sumer Chand Garg HUF	-	70,502
Sumer Chand Garg	-	47,335
<b>Interest Receivable</b>		
Nupur Recyclers Private Limited	427,845	265,812
Uninav Developers Private Limited	-	
<b>Salary Payable</b>		
Lakshay Vaid	-	55,328
Amit Kumar Bhardwaj	38,914	-

35 Previous year figures have been regrouped / reclassified to conform to current year's classification.

Significant Accounting Policies (Refer note 1 and 2)

The accompanying notes 1 to 35 form an integral part of the financial statements.

As per our report of even date

For **P. SAHNI & ASSOCIATES**  
Chartered Accountants  
FRN: 015369N

(**Darveen Sahni**)  
Proprietor  
Membership No. : - 095428  
Place: **Delhi**  
Date: **01/09/2021**

For & on Behalf of the Board of Directors of  
**Usha Financial Services Private Limited**

**Rajesh Gupta**  
Director  
DIN:01941985

**Anoop Garg**  
Director  
DIN:01941972

**Geeta Goswami**  
Director  
DIN: 07810522

**Amit Kumar Bhardwaj**  
Company Secretary  
M. No. 42037



Notes to Financial Statements for the Year Ended 31st March 2021

12 Property, Plant and Equipment  
For the financial year 2020-21

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Computer	1,849,252	-	-	1,849,252	1,554,140	142,967	-	1,697,107	152,145	295,112
Office Equipments	906,059	244,550	-	1,150,609	581,704	223,186	-	804,890	345,719	324,355
Furniture & Fittings	2,405,313	92,087	-	2,497,400	1,149,070	340,503	-	1,489,573	1,007,827	1,256,243
Vehicles	18,350,798	-	-	18,350,798	7,024,249	3,534,458	-	10,558,707	7,792,091	11,326,549
<b>Total</b>	<b>23,511,422</b>	<b>336,637</b>	<b>-</b>	<b>23,848,059</b>	<b>10,309,163</b>	<b>4,241,114</b>	<b>-</b>	<b>14,550,277</b>	<b>9,297,782</b>	<b>13,202,259</b>
Previous Year	18,175,824	5,335,598	-	23,511,422	5,609,987	4,699,175	-	10,309,162	13,202,260	12,565,837

13 Other Intangible Assets  
For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Website	175,000	-	-	175,000	170,234	4,766	-	175,000	-	4,766
Software	1,675,737	-	-	1,675,737	1,250,230	283,995	-	1,534,225	141,512	425,507
Mobile App	243,600	-	-	243,600	204,869	34,463	-	239,332	4,268	38,731
<b>Total</b>	<b>2,094,337</b>	<b>-</b>	<b>-</b>	<b>2,094,337</b>	<b>1,625,333</b>	<b>323,224</b>	<b>-</b>	<b>1,948,557</b>	<b>145,780</b>	<b>469,004</b>
Previous Year	1,707,199	387,138	-	2,094,337	1,346,670	278,664	-	1,625,334	469,003	360,529

14 Intangible Assets under Development  
For the financial year 2020-21

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposals	As at Mar 31, 2021	As at April 01, 2020	Charged during the year	Disposals	As at Mar 31, 2021	As at Mar 31, 2021	As at March 31, 2020
Software	-	254,238	-	254,238	-	-	-	-	254,238	-
<b>Total</b>	<b>-</b>	<b>254,238</b>	<b>-</b>	<b>254,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,238</b>	<b>-</b>
Previous Year	-	-	-	-	-	-	-	-	-	-

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# USHA FINANCIAL SERVICES PVT. LTD.

Office at 330, Mezzanine Floor, Functional Industrial Estate, Patparganj, Delhi- 110092

Notes forming part of the financial statements Year Ended 31<sup>st</sup> March, 2021

## Background

Usha Financial Services Private Limited (CIN: U74899DL1995PTC068604) ('the Company') was incorporated on 16/05/1995. The Company has received the Certificate of Registration dated 04/01/2003 from the Reserve Bank of India ("RBI") to carry on the business of Non-Banking Financial Institution without accepting deposits ("NBFC-ND").

The Company is engaged in extending credit to Individuals and small enterprises typically self-employed business. The Company follows the cash flow based credit assessment with suitable adaptations for each type of business, where the loans are given for business expansion, working capital or for purchase of assets.

## Significant accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India (Indian GAAP) and conform to the statutory requirements, circulars, regulations and guidelines issued by Reserve Bank of India (RBI) from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The financial statements have been prepared to comply in all material aspects with the Accounting Standards ("AS") notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the RBI for Non-deposit taking Non-Banking Finance Companies (NBFC-ND).

### 2.2 Use of estimates

The preparation of financial statements in conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balance of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### 2.3 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Interest income is recognized in the statement of profit and loss on an accrual basis. In case of Non- Performing Assets (NPA) interest income is recognised upon realisation as per the RBI Guidelines. Interest accrued and not realised before the classification of the asset as an NPA is reversed in the month in which the loan is classified as NPA.
- ii. Upfront /processing fees are recovered and recognised at the time of disbursement of loan / receipt.
- iii. Interest income on other deposits are recognised on a time proportion basis. Income from dividend is recognized in the statement of profit and loss when the right to receive is established.
- iv. Profit / Loss on disposal of an investment is recognised at the time of such sale / redemption and is computed based on weighted average cost

**2.4 Tangible fixed assets, intangible fixed assets and intangible fixed assets under development**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses incurred directly related to the acquisition and installation of the asset. Subsequent expenditure on fixed assets after their purchase / completion is capitalized, only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The cost of intangible fixed assets not ready for the intended use at each balance sheet date is disclosed as intangible fixed assets under development.

**2.5 Impairment**

The Company determines periodically whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**2.6 Depreciation and Amortization:**

Depreciation on tangible fixed assets is provided on pro-rata basis (i.e. from the date on which the asset is ready to use) on written down value method. Depreciation on fixed assets is provided over the useful lives of the asset, as estimated by the management based on internal technical assessment. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life. Pursuant to this policy, the estimated useful life of assets are as follows:

Computers and accessories	3 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years

- Intangible assets are amortized over their estimated useful life on written down value method as follows:

Intangible Assets - Computer Software	License period or 3 years, whichever is lower
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**2.7 Borrowing costs**

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss at the time of availment of the loan.

**2.8 Loan origination costs**

Brokerage, commission and other costs paid at the time of acquisition of loans are charged to the Statement of Profit and Loss.

*Usha*      *Anil*      *Geetika Swain*  
*Anil*

### **2.9 Earnings per share:**

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

### **2.10 Income taxes**

- Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in statement of profit and loss except that tax expense relating to items recognized directly in reserves is also recognized in those reserves.
- Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

### **2.11 Provisions, contingent liabilities and contingent assets**

A provision is recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc., are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated

### **2.12 Classification and provisioning on receivables from financing activities**

- Receivable from financing activities are recognised on disbursement of loan to customers. The details of the policy are given below:
- Receivable from financing activities are classified as standard, sub - standard and doubtful assets and provided for as per the Company's policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

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Amit

Geetika Joshi  
Amit

**Non-Performing Assets (NPA)**

Sub-Standard Assets	Overdue for 181 days and more but up to 18 months.
Doubtful Assets	Overdue for more than 18 months and more but up to 3 years.
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

"Overdue" refers to interest and / or principal and / or instalment remaining unpaid from the day it became receivable.

**Provisioning norms for loans:**

Standard Assets (disclosed under Contingent provision against standard assets)	0.25%	0.25%
<b>Non-Performing Assets (NPA)</b>		
Sub-Standard Assets	10%	10%
Doubtful Assets	20% to 50%	100%
Loss Assets	100%	100%

- d) Under exceptional circumstances, Management may renegotiate loans by rescheduling repayment terms for customers who have defaulted in repayment but who appear willing and able to repay their loans under a longer term agreement. Rescheduled Standard Assets are classified / provided for as Sub-Standard Assets as per (b) above which classification / provisioning is retained for a period of 1 year of satisfactory performance. Rescheduled Non Performing Assets are not upgraded but are retained at the original classification / provisioning for a period of 1 year of satisfactory performance.

**2.13 Operating cycle**

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realized and settled, within a period of 12 months from the date of Balance sheet have been classified as current and other assets and liabilities are classified as non-current. All Non-Performing Assets are classified as non-current.

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*Geetika Joswan*

*Amit*