



PROFECTUS CAPITAL PRIVATE LIMITED

FIFTH ANNUAL REPORT 2021-22

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Asanka Rodrigo
Mr. Pratik Jain
Mr. Sudarshan Sampathkumar
Mr. Hossameldin Aboumoussa (w.e.f June 28, 2021)
Mr. K V Srinivasan
Mr. Karthik Srinivasan (up to June 29, 2021)

Chief Executive Officer:

Mr. K V Srinivasan

Chief Financial Officer:

Mr. Sandip Parikh

Company Secretary:

Mr. Nitin Pangarkar

STATUTORY AUDITOR:**Batliboi & Purohit**

Chartered Accountants
(FRN: 101048W)

REGISTRAR:

(Electronic connectivity only)

Purva Shareregistry (India) Private Limited

Unit no. 9, Shiv Shakti Ind. Estt.
J .R. Boricha Marg,
Lower Parel (East),
Mumbai 400 011.

Tel: 91-22-2301 2518 / 6761

Website: www.purvashare.com

Contact Person: Mr. Rajesh Shah

BANKERS:

HDFC Bank Limited
IndusInd Bank Limited
IDFC FIRST Bank Limited
Kotak Mahindra Bank Limited

PROFECTUS CAPITAL PRIVATE LIMITED

CIN - U65999MH2017PTC295967

REGISTERED & CORPORATE OFFICE:

B-17, 4th Floor, Art Guild House, Phoenix Market City,
Kurla West, Mumbai 400070, Maharashtra

Tel No: +91 22 4919 4400

Fax No: +91 22 4919 4455

Email: compliance@profectuscapital.com

RATING AGENCIES:

CARE Ratings
CRISIL Ratings Limited
India Ratings and Research Private Limited

FIFTH ANNUAL GENERAL MEETING**Date & Venue:**

*Monday, 26th September 2022 through Video
conferencing from the registered office of the
Company at 12.00 Noon*

DIRECTORS' REPORT

Dear Members

Your directors take pleasure in presenting the Fifth Annual Report of the Company together with the audited financial statements for the year ended March 31, 2022.

STATE OF COMPANY'S AFFAIRS AND FINANCIAL PERFORMANCE

Your Company closed its fifth year of operations with an AUM more than Rs. 1,500 Crore as of March 31, 2022 clocking a growth of 67.60% over previous financial year. Its primary business is to provide Term Loans and Working Capital facilities to SMEs working in the identified eleven Industry-Geographic clusters. These Term Loans are provided in the form of Enterprise Mortgage Loans (EML), Machinery and Equipment Funding (MEF) and School Funding Program (SFP). Your Company continues to provide short tenure funding (less than 24 months) in the Supply Chain and Financial Services space.

Your Company operates from 22 locations with branches in states of Maharashtra (Mumbai, Pune, Kolhapur, Nagpur) Gujarat (Ahmedabad, Surat, Rajkot), Madhya Pradesh (Indore, Bhopal), Rajasthan (Jaipur), Delhi, Haryana (Panchkula, Gurugram), West Bengal (Kolkata), Telangana (Hyderabad), Andhra Pradesh (Vijayawada, Vishakhapatnam), Tamil Nadu (Coimbatore, Chennai, Madurai, Salem) and Karnataka (Bengaluru).

Your Company has deployed essential infrastructure and processes in the areas of customer acquisition and service, risk assessment, technology, fraud control and collections, Enterprise Risk and people management and will continue to optimise these for ensuring smoother scaling up in the coming fiscal.

CRISIL has upgraded the credit rating on bank facilities of your company to CRISIL A-/Stable/A1 during the year 2021-22 reflecting demonstrated portfolio performance in a challenging environment as well as improvement in resource profile with diversification of the lender base. The rating agency has articulated that the ratings reflect healthy capitalisation of your Company supported by capital commitments from 100% shareholder Actis and extensive experience of senior management in the financial services space. The other Credit rating agencies viz., CARE Ratings and India Ratings also have assigned A-/Stable rating to your Company's bank loan facilities, on similar grounds.

IMPACT OF COVID- 19 ON BUSINESS OF THE COMPANY:

The shadow of pandemic, geo-political events and domestic economic environment have had an impact on your Company this financial year as has been the case for the entire SME sector. Even in this challenging environment, your Company disbursed a gross amount of Rs. 2247 Crore and maintained an overall collection efficiency of 97.42% which is nearly comparable to the pre-COVID levels of 99% in FY20. The Net NPA as on March 31, 2022 stood at 0.84% of the portfolio.

In the coming quarters as Covid infections abate, vaccinations increase and business normalcy returns, there will be a pick-up in mobility and industry will see re-emergence of green shoots. The Reserve Bank of India (RBI) in its April 2022 Monetary Policy forecasts real GDP growth at 7.2% in fiscal 2022-23. The demand for loans especially from the MSME sector is likely to receive a boost as a result.

THE COMPANY'S JOURNEY IN THE PAST FIVE YEARS:

Since the incorporation of the Company in June 2017, the Company's emphasis has been on creating a strong foundation in terms of people, processes, technology and organisational culture to ensure that the long term growth plans of the Company are implemented in an accelerated but sustainable manner. The initial two years were focused on creating a distinctive and unique operating model comprising customer selection, underwriting and risk management, quality service delivery and financial and regulatory prudence. Acceleration of business effectively commenced once these basics were in place, with the Company clocking a CAGR of over 100% p.a. since the end of financial year 2019. Despite headwinds caused due to industry-related factors in 2018-19 and subsequent Covid pandemic, the strong foundations have helped the Company to not only maintain its growth trajectory, but also to establish an excellent quality of its loan book.

Your Company has been reporting profits after tax (as per the accounting standards relevant for each year) on a consistent basis over the past three financial years. The profitability parameters have been showing consistent and encouraging improvement and your directors are confident of the Company establishing itself as a significant player in the MSME lending space.

The conservative but pragmatic approach to credit risk and the strength of the internal processes of the Company have also resulted in greater confidence among the Company's lenders. This has resulted in greater flow of debt to the Company at very competitive terms. The Company has established good and transparent relationship with its lenders and expects their support in financing its growth plans.

Being in the financial services business, the Company understands the importance of good governance and has undertaken necessary steps to ensure that every employee of the Company understands its vision and mission and imbibes the values of the Company so that their day-to-day transactions are in line with these values.

Your Company has invested significant time and effort in developing a strong IT backbone, addressing salesforce efficiency, risk management as well as operational and financial control. The flexible technology architecture has enabled the Company in data triangulation and fraud control, while making the customer journey easier and less paper-intensive. Your Company believes that digital revolution will significantly improve effective loan delivery and recovery, especially to the MSME segment and would continue to invest in this in a proactive manner.

FINANCIAL SUMMARY / HIGHLIGHTS:

The financial highlights for the financial year under review is as under:

(Amount in Rs. Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	As per Ind-AS	As per Ind-AS
Total Income	16,167	9,893
Total Expenditure	15,018	9,034
Profit / (Loss) Before Tax	1,149	859
Less- Provision for tax	366	179
Profit / (Loss) after tax (A)	783	680
Other Comprehensive income after tax (B)	5	91
Total Comprehensive income/ (Loss) of the Company (A+B)	788	770

DIVIDEND

Your directors do not recommend declaration of any dividend for the year under review in view of the need to conserve capital for expansion of the Company's lending operations.

AMOUNT CARRIED TO RESERVES

The Company has not transferred any amount to any reserves during the year ended March 31, 2022.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

The Company does not have any subsidiary, joint venture and associate company; accordingly, disclosures required to be made under Rule 8(1) and Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 relating to subsidiary, joint venture and associate companies are not applicable to the Company.

SHARE CAPITAL

The Authorised share capital of the Company is Rs.1,000,00,00,000/- divided into 98,00,00,000 equity shares of Rs.10 each and 2,00,00,000 preference shares of Rs.10 each.

During the year under review, the Company raised further capital of Rs.100,00,00,000/- by issuance of 5,00,00,000 equity shares, on rights basis, to Actis PC Investment (Mauritius) Limited, the shareholder of the Company.

Further, the Company also raised preference share capital of Rs.90,00,000/- by issuance of 6,00,000 Series B Optionally Convertible Redeemable Preference Shares (OCRPS) to Profectus CIP Trust.

The issued, subscribed and paid-up capital of the Company as on March 31, 2022 was Rs. 616,71,66,670/- divided into 61,67,16,667 Equity shares of Rs.10/- each and Rs.13,29,99,000/- divided into 1,32,99,900 Preference Shares of Rs.10 each.

CAPITAL ADEQUACY

The Company continues to maintain a healthy capital adequacy ratio as at March 31, 2022 of 48.23% against the regulatory requirement of 15%.

BORROWINGS / CREDIT RATINGS

During the year under review, the Company raised credit facilities amounting to Rs.697 Crore in the form of term loans and cash credit. The Company expanded its borrowing relationship to 22 lending institutions as on March 31, 2022 from 11 lending institutions as on March 31, 2021.

The total outstanding borrowings amounted to Rs. 848.89 Crore as on March 31, 2022 (Rs. 443.16 Crore as on March 31, 2021). The debt-to-equity ratio stood at 1.1x as on March 31, 2022.

During the year under review, the credit rating of the Company was upgraded from “BBB+ (Stable)” to “**A-(Stable)**” (Single A Minus with Stable outlook) by CRISIL Ratings and India Ratings. The Company has the following credit ratings as on March 31, 2022:

Sl. No.	Credit Facility	Rated Amount (INR Cr)	Credit Rating	Rating Agency
1	Bank Facilities	500	CRISIL A- / Stable & CRISIL A1	CRISIL Ltd.
2	Bank Facilities	500	CARE A- / Stable	CARE Ratings Ltd.
3	Bank Facilities	300	IND A- / Stable	India Ratings and Research Pvt. Ltd.

RESERVE BANK OF INDIA (RBI) GUIDELINES

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in directions/ guidelines issued by Reserve Bank of India, from time to time as applicable to the Company.

The Company adheres to the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide notification no. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 and other guidelines as applicable to the systemically important non-deposit taking NBFCs, as amended from time to time.

PARTICULARS OF DEPOSITS

During the year under review, your Company, being a Non-Deposit Accepting or Holding Non-Banking Financial Company, has neither invited nor accepted any deposits from the public and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India.

Accordingly, the disclosure requirements under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In terms of Section 186(11) of the Companies Act, 2013 as amended from time to time and rules made thereunder, loans made, guarantees given or securities provided by the Company are exempt from the compliance with the requirements of Section 186 of the Companies Act, 2013.

Pursuant to Section 134(3)(g) of the Act, the particulars of investments made under Section 186 of the Act is provided in note no. 6 to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended March 31, 2022, there were no related party transaction(s) entered into by the Company pursuant to Section 188 of the Act.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of Board of Directors of your Company complies with the applicable provisions of the Companies Act, 2013 and other applicable laws. Your Board consisted of five directors as on March 31, 2022 viz. Mr. K V Srinivasan (DIN: 01827316), Whole-Time Director; Mr. Asanka Rodrigo (DIN: 03010463), Mr. Pratik Jain (DIN: 05347739), Mr. Hossameldin Aboumoussa (DIN: 08999601) as Non-Executive Directors and Mr. Sudarshan Sampathkumar (DIN: 01875316) as Non- Executive Independent Director.

There has been no change in the Key Managerial Personnel of your Company viz., Mr. K V Srinivasan, Chief Executive Officer & Whole-time Director, Mr. Sandip Parikh, Chief Financial Officer and Mr. Nitin Pangarkar, Company Secretary.

During the year under review, Mr. Hossameldin Aboumoussa (DIN: 08999601) was appointed as Non-Executive Director with effect from June 28, 2021 and Mr. Karthik Srinivasan, Non- Executive Director (DIN: 07919276) resigned as director of the Company with effect from June 29, 2021. The Board takes this opportunity to place on record its recognition and appreciation for valuable contributions made by Mr Karthik Srinivasan as Director of the Company.

All Directors of the Company being non-rotational Directors as per the Articles of Association, none is liable to retire at the ensuing Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act, your Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures
- appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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/ loss of the Company for that period
- proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities
- the annual accounts have been prepared on a going concern basis and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD MEETINGS

The Board meets at regular intervals. During the financial year 2021-22, four (4) meetings were held on June 28, 2021, September 2, 2021, December 1, 2021 and February 3, 2022. The gap between any two Board meetings did not exceed 120 days.

The attendance of each director at the meetings was as under:

Name of the Director	Number of Meetings attended in 2021-22
Mr. K V Srinivasan	4
Mr. Asanka Rodrigo	4
Mr. Pratik Jain	4
Mr. Karthik Srinivasan	1*
Mr. Sudarshan Sampathkumar	4
Mr. Hossameldin Aboumoussa	4**

*Resigned as director on June 29, 2021

**Appointed as director w.e.f June 28, 2021

AUDIT COMMITTEE

During the year under review, three (3) Audit Committee meetings were held on June 25, 2021, September 2, 2021 and February 3, 2022.

The attendance of each of the member at the meetings was as under:

Name of the Member	Number of Meetings Attended in 2021-22
Mr. Sudarshan Sampathkumar	3
Mr. Pratik Jain	3
Mr. Karthik Srinivasan	3*
Mr. Hossameldin Aboumoussa	2**

*Ceased to be a member on June 29, 2021

**Appointed as member on June 28, 2021

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, one (1) Nomination and Remuneration Committee meeting was held on May 27, 2021. The attendance of each of the members at the meeting is as under:

Name of the Member	Number of Meetings Attended in 2021-22
Mr. Asanka Rodrigo	1
Mr. Pratik Jain	1
Mr. Karthik Srinivasan	1*

*Ceased to be a member on June 29, 2021

RISK MANGEMENT COMMITTEE

During the year under review, two (2) Risk Management Committee meeting were held on June 25, 2021 and November 29, 2021. The attendance of each of the members at the meeting is as under:

Name of the Member	Number of Meetings Attended in 2021-22
Mr. Karthik Srinivasan	1*
Mr. K V Srinivasan	2
Mr. Sandip Parikh	2
Mr. Nimesh Parikh	2
Mr. Vitthal Naik	2
Mr. Pratik Jain	1

*Ceased to be a member on June 29, 2021

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL STATEMENTS:

The Company has designed suitable processes 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. Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and
- (3) 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.

Your directors confirm that the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively.

STATUTORY AUDITORS

The Company has complied the circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by Reserve Bank of India covering guidelines for Appointment of Statutory Auditors (SAs) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs) which inter alia provides for the appointment of Statutory Auditors for a continuous period of three years.

M/s. Batliboi & Purohit, Chartered Accountants (FRN: 101048W) were appointed as statutory auditors of the Company for the term of three years for the financial years 2021-22 to 2023-24 and to hold the office till the conclusion of the 7th Annual General Meeting of the Company.

During the year under review, there were no qualifications, reservation or adverse remark or disclaimer, made by the statutory auditors in their reports.

SECRETARIAL AUDITORS

During the year under review, M/s. Pradeep Purwar & Associates, Practising Company Secretaries (COP No. 5918) were appointed as the Secretarial Auditors of the Company to conduct Secretarial Auditor for the financial year 2021-22. The Secretarial Auditors have conducted secretarial audit in accordance with provisions of Section 204 of the Companies Act, 2013 and issued a Secretarial Audit Report for FY 2021-22, a copy of same is attached as Annexure to this report. The report does not contain any qualification or reservation or any adverse remarks and is self-explanatory.

OBSERVATION OF STATUTORY AUDITORS ON FINANCIAL STATEMENTS

There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report for the financial year under review.

INTERNAL AUDITORS

During the year under review, M/s. Aneja Associates, Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2021-22.

M/s. Aneja Associates, Internal Auditors presented their Report(s) for financial year 2021-22 to the Audit Committee.

COST RECORDS

The Company is not engaged in any business prescribed under Section 148(1) of the Companies Act, 2013 and therefore, the Company is not required to prepare and maintain cost records as specified thereunder.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

The information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not provided as the same is not applicable to the Company.

EMPLOYEE STOCK OPTION SCHEME

The Company has formulated an employee stock option scheme namely, PCPL Employee Stock Option Plan 2018 to align the efforts of the employee towards the long-term value creation in the organisation and to give them opportunity to participate and gain from the Company's performance, thereby, acting as a retention tool.

During the year under review, the Company has granted 19,600 options to the eligible employees in terms of PCPL Employee Stock Option Plan 2018. No stock options are granted to any Key Managerial Personnel of the Company for the period under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company being a Non-banking financial company, the operations of Company are not energy intensive and thus do not require adoption of any specific technology. However, the Company is making continuous efforts to conserve energy by adoption of innovative measures to reduce wastage and optimize consumption.

Hence, the Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not provided in this Report.

The foreign exchange earnings and outgo stood at Rs. Nil and Rs.9,00,000/- respectively during the year under review.

VIGIL MECHANISM POLICY

The Company, pursuant to the provisions of section 177 (9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, has established a vigil mechanism for its directors and employees to report the genuine concerns.

The Company has adopted a Vigil Mechanism Policy which provides a channel to the employees and Directors to raise and report serious irregularities, malpractices, unethical behaviour and actual or suspected fraud etc. in the Company. The mechanism also provides adequate safeguards against the victimization of employees and Directors, who avail the said mechanism to report concerns.

During the year under review, there were no incidents reported under the Vigil Mechanism Policy.

The details of establishment of Vigil Mechanism are disclosed on the Company website: www.profectuscapital.com/vigilmechanismpolicy

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, a copy of annual return of the Company is available on the website of the Company (www.profectuscapital.com).

RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. Risk Management at the Company includes risk identification, risk assessment, risk measurement and risk mitigation with its main objective to minimise negative impact on profitability and capital. Company is exposed to various risks that are an inherent part of any financial service business.

The risk management framework is steered by the Board through the Risk Management Committee (RMC) and Asset Liability Committee (ALCO) for enabling liquidity. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks.

Credit Risk: Credit risk is a risk of loss due to failure of a borrower to meet the contractual obligation of repaying debt as per agreed terms. Credit risk is managed by using a set of credit norms and policies of the company. Company has a structured and standardised credit approval process including customer selection criteria, comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

Market Risk: Market risk is the possibility of loss arising from changes in the value of a financial instrument due to changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company can be exposed to interest rate risk and liquidity risk, if the same are not managed properly. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework.

Operational Risk: Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. The company has established risk control self-assessment to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

Interest Rate Risk: The Company largely depends on resources raised from the banking system and market instruments to carry on their operations. They are therefore significantly vulnerable to interest rate movements in the market. The funding strategies adopted by the company ensure diversified resources raising options to minimise cost and maximise stability of funds.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in the future.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, pursuant to Section 135 of the Companies Act, 2013, the Company was not required to spend any amount of profit towards the Corporate Social Responsibility (CSR) activities.

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

The Company is committed to creating a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees, including other persons who have been dealing with the company, have the right to be treated with respect and dignity. Sexual harassment in any form is an offence and is therefore punishable.

The Company has formulated a code of conduct for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Further, the Company has duly constituted Employee Protection Committee at the Company level to function as the Internal Complaints Committee (ICC) as defined under the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, 1 case of sexual harassment was reported at a workplace of the Company and the same was disposed of by the Internal Complaints Committee.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

Except as mentioned in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial period and the date of this Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022.

ACKNOWLEDGEMENT

The Board takes this opportunity to record its sincere appreciation for the dedicated services rendered by employees at all levels. We would like to express our grateful appreciation for the assistance and support

extended by all government authorities, regulatory authorities, stakeholders, bankers, suppliers, consultants, auditors and other business associates. Your involvement as shareholders is also greatly valued.

Your directors look forward to your continuing support.

for **PROFECTUS CAPITAL PRIVATE LIMITED**

Sd/-

K V SRINIVASAN
WHOLE-TIME DIRECTOR & CEO
DIN: 01827316

Sd/-

PRATIK JAIN
DIRECTOR
DIN: 05347739

Date: May 31, 2022
Place: Mumbai



Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2022

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

UDIN: F005769D000423615

**To,
The Members,
Profectus Capital Private Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Profectus Capital Private Limited (U65999MH2017PTC295967)** (hereinafter called 'the Company'), a company incorporated under the Companies Act, 2013 and registered with the Reserve Bank of India as non-deposit taking systemically Important NBFC. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder, as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rule made thereunder; **Not applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended and to the extend applicable;
- (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, ~~Overseas Direct Investment and External Commercial Borrowings;~~



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable**
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not applicable**
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not applicable**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable**
- (a) The following Master Directions prescribed by Reserve Bank of India (RBI) as applicable to Systematically Important NBFCs on time to time including:
 - (a) Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
 - (b) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s); **Not Applicable**

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



We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in most cases and consents for convening the meetings at a shorter notice were obtained in a few instances and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes, all decision were unanimously approved by the Directors and there were no dissenting members' views which were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has made:

1. Allotment of 6,00,000 Series B Optionally Convertible Redeemable Preference Shares (OCPRS) of Rs. 10 each, at premium, at a price of Rs. 15 per share on 16th July, 2021 to Vistra ITCL (India) Limited (Trustee of Profectus CIP Trust)
2. Allotment of 5,00,00,000 equity shares of Rs. 10/- each, at a premium of Rs. 10/- per share on Right basis on 28th March, 2022 to Actis PC Investment (Mauritius) Limited.
3. The alteration in the Articles of Association of the Company was approved by the shareholders by way of Special Resolution passed at its Annual General Meeting held on 29th September, 2021

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Place: Thane
Date: 30th May, 2022

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

BATLIBOI & PUROHIT

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of PROPECTUS CAPITAL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **PROPECTUS CAPITAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 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.



Chartered Accountants**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Chartered Accountants

- 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.

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

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

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

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

Other Matter

The audit of the figures for the year ended March 31, 2021, was conducted by the predecessor auditors who had expressed an unmodified opinion in their report dated June 28, 2021. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



Chartered Accountants

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the Act are not applicable to the Company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position as at March 31, 2022.
 - 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 during the year ended March 31, 2022.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,



Chartered Accountants

whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

**Janak Mehta**

Partner

Membership No. 116976



Place: Mumbai

Date: May 31, 2022

ICAI UDIN : 22116976AKAJEW2638

Chartered Accountants**Annexure - A to the Independent Auditors' Report**

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **PROFECTUS CAPITAL PRIVATE LIMITED** of even date)

- I In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have ownership of any immovable property.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
 - (e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The quarterly statements filed by the Company with such banks were in agreement with unaudited books of account of the Company as at the respective quarters ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022.
- iii The Company has made investments, granted secured loans to other parties, during the year, in respect of which:
- (a) The Company's principal business is to give loans therefore reporting under Clause 3(iii)(a) of the Order is not applicable.



Chartered Accountants

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of loans, and investments made during the year, prima facie, are not prejudicial to the Company's interest.
- (c) In respect of the loans/advances in the nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a Non-Banking Financial Company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported since it is not practicable to furnish such details owing to the voluminous nature of the data generated in the normal course of Company's business. Further except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Ind AS and the guidelines issued by the RBI for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 39 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (d) In respect of loans/advances in nature of loans, the total amount overdue for more than 90 days as at March 31, 2022 is Rs 1,182 lakhs. In such instances, in our opinion, based on information and explanation provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 39 in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2022.
- (e) The Company's principal business is to give Loans therefore reporting under Clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of investments made and loans given in the current year. Further there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 of the Companies Act 2013 are applicable.
- v According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



- vii In Respect of Statutory Dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, income tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- viii According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks or financial institutions. There were no outstanding loans from government during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- x (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.



Chartered Accountants

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- xi (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, in our opinion and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued upto the date of this Report, for the period under audit.
- xv According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.
- xvi (a) According to the information and explanations given to us, the Company has registered, as required, under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial activities during the year without a valid certificate of registration (CoR) from the RBI. Further as represented by the Management, the Company has not engaged in Housing Finance Activities.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.



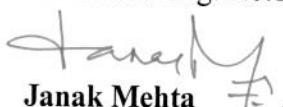
Chartered Accountants

- (d) According to the information and explanations given to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Direction 2016) does not have Core Investment Companies (CICs) as part of the Group.
- xvii In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii There has been resignation of the statutory auditors during the year pursuant to RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021. According to the information and explanations given to us, there were no issues, objections or concerns raised by the outgoing auditors.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

**Janak Mehta**

Partner

Membership No. 116976

Place: Mumbai

Date: May 31, 2022

ICAI UDIN: 22116976AKAJEW2638



Chartered Accountants**Annexure - B to the Auditors' Report**

(referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **PROFECTUS CAPITAL PRIVATE LIMITED** ("the Company") as of March 31, 2022 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 Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.



Chartered Accountants

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

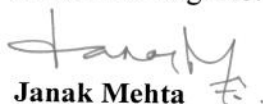
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No.101048W

**Janak Mehta**

Partner

Membership No. 116976

Place: Mumbai

Date: May 31, 2022

ICAI UDIN : 22116976AKAJEW2638



Profectus Capital Private Limited

Balance Sheet

as at March 31, 2022

Amount in Rs. Lakhs

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS				
I.	FINANCIAL ASSETS			
(a)	Cash and Cash Equivalents	3	7,504	2,800
(b)	Bank Balances other than (a) above	4	724	153
(c)	Loans	5	1,51,184	88,365
(d)	Investments	6	8,891	21,438
(e)	Other Financial assets	7	241	180
	Total Financial Assets		1,68,544	1,12,936
II.	NON-FINANCIAL ASSETS			
(a)	Current tax assets (net)	8	56	297
(b)	Deferred tax assets (net)	9	223	317
(c)	Property, Plant and Equipment	10	768	803
(d)	Other Intangible assets	10	190	196
(e)	Other Non-Financial assets	11	439	269
	Total Non-Financial Assets		1,676	1,882
	TOTAL ASSETS		1,70,220	1,14,818
LIABILITIES AND EQUITY				
I.	FINANCIAL LIABILITIES			
(a)	Payables			
	(i) Trade Payables	12	-	-
	- Total outstanding dues of micro enterprise and small enterprise		-	-
	- Total outstanding dues of creditors other than micro enterprise and small enterprise		653	471
(b)	Borrowings other than Debt Securities	13	84,889	44,316
(c)	Other Financial Liabilities	14	5,342	1,931
	Total Financial Liabilities		90,884	46,718
II.	NON-FINANCIAL LIABILITIES			
(a)	Provisions	15	888	786
(b)	Other Non-Financial Liabilities	16	1,757	1,502
	Total Non-Financial Liabilities		2,645	2,288
III.	EQUITY			
(a)	Equity Share Capital	17	61,672	56,672
(b)	Other Equity	18	15,019	9,141
	Total Equity		76,691	65,812
	TOTAL LIABILITIES AND EQUITY		1,70,220	1,14,818
	Significant Accounting Policies	1 & 2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
Firm's Registration No: 101048W

Janak Mehta
Partner

Membership No.: 116976

Mumbai
Date: 31 May, 2022

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

K V Srinivasan
Whole Time Director &
Chief Executive Officer
DIN: 01827316

Sandip Parikh
Chief Financial Officer

Pratik Jain
Director
DIN: 05347739

Nitin Pangarkar
Company Secretary



Profectus Capital Private Limited

Statement of Profit and Loss

for the year ended March 31, 2022

Amount in Rs. Lakhs

Sr. No.	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from Operations			
(a)	Interest Income	19	15,300	9,556
(b)	Fee and Commission Income	20	475	159
(c)	Net gain on fair value changes	21	372	171
	Total Revenue from Operations		16,147	9,886
II.	Other Income	22	20	7
III.	Total Income (I+II)		16,167	9,893
IV.	Expenses			
(a)	Finance Costs	23	5,686	1,948
(b)	Impairment of Financial Instruments	24	614	415
(c)	Employee benefit expenses	25	6,059	4,355
(d)	Depreciation and amortisation	10	419	348
(e)	Other expenses	26	2,240	1,968
	Total Expenses		15,018	9,034
V.	Profit / (Loss) before exceptional items and tax (III-IV)		1,149	859
VI.	Exceptional items		-	-
VII.	Profit / (Loss) before tax (V-VI)		1,149	859
VIII.	Tax Expense			
(a)	Current tax		273	44
(b)	Deferred tax		93	135
	Net tax expense		366	179
IX.	Profit / (Loss) for the year (VII-VIII)		783	680
X.	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit and loss			
	Remeasurement gain/(loss) on defined benefit plan		12	(7)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(3)	2
	Subtotal (A)		9	(5)
	B (i) Items that will be reclassified to profit and loss subsequently		-	-
	- Fair Valuation of Investments		(5)	128
	- Deferred Tax on above		1	(32)
	Subtotal (B)		(4)	96
	Other Comprehensive Income (A+B)		5	91
XI.	Total Comprehensive Income for the year (X + XI)		788	770
XII.	Earning Per Equity Share	27		
	(Face value of Rs. 10 each fully paid up)			
	Basic (In Rupees)		0.14	0.14
	Diluted (In Rupees)		0.13	0.13

Significant Accounting Policies

The accompanying notes form an integral part of the financial statements

1 & 2

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

Firm's Registration No: 101048W

Janak Mehta

Janak Mehta

Partner

Membership No.: 116976

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

K V Srinivasan

Whole Time Director &

Chief Executive Officer

DIN: 01827316

Sandip Parikh

Chief Financial Officer

Pratik Jain

Director

DIN: 05347739

Nitin Pangarkar

Company Secretary

Mumbai

Date: 31 May, 2022



Profectus Capital Private Limited

Cash Flow Statement

for the year ended March 31, 2022

Amount in Rs. Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	1,149	859
Adjusted for		
Depreciation and Amortisation	419	348
Impairment on Financial Assets	526	180
Bad debt written off	92	224
Provision for Gratuity	57	38
Provision for Investments	(4)	11
Amortised Processing fees and DSA commission	(282)	(242)
InDAS adjustment for security deposit	63	-
Interest Expenses	5,380	1,948
Interest on Loans	(13,602)	(8,342)
Interest on Fixed deposits / investments	(1,456)	(1,141)
(Profit)/Loss on Sale of Current Investments (Net)	(372)	(171)
	(9,179)	(7,146)
Operating (Loss)/Profit before Working Capital Changes	(8,030)	(6,288)
Adjusted for		
Other assets	(63,353)	(44,863)
Other liabilities and provisions	3,887	2,430
	(59,466)	(42,433)
Cash Used in Operation	(67,496)	(48,721)
Taxes Paid	39	(140)
Interest Received	13,602	8,342
Interest Paid	(5,380)	(1,948)
	8,261	6,254
Net Cash from / (used in) Operating Activities	(59,235)	(42,468)
B. Cash Flow from Investing Activities		
Purchase of Fixed Asset	(187)	(64)
(Purchase)/Sale of Current Investments (Net)	12,916	(2,537)
(Investment) / Maturity of Fixed deposits	(571)	2,356
Interest on Fixed deposits / investments	1,456	1,140
Net Cash generated from / (used in) Investing Activities	13,614	895
C. Cash Flow from Financing Activities		
Proceeds from issue of Equity and Preference Shares	10,090	10,075
Proceeds from Term Loans	69,050	36,500
Repayments of Term Loans	(28,624)	(2,517)
Payment of Lease Liability	(190)	(294)
Net Cash generated from / (used in) Financing Activities	50,326	43,764
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	4,705	2,192
Opening Balance of Cash and Cash Equivalents	2,800	608
Closing Balance of Cash and Cash Equivalents (Refer Note 3)	7,504	2,800

Disclosure pursuant to Ind AS 7 "Statement of Cash Flows"

Changes in Liabilities arising from financing activities

Particulars	April 1, 2021	Cashflows	Others	March 31, 2022
Borrowings	44,316	40,426	147	84,889

Particulars	April 1, 2020	Cashflows	Others	March 31, 2021
Borrowings	10,333	33,983	0	44,316

Other column includes the effect of amortisation of borrowing cost and interest accrued on borrowings

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

Firm's Registration No: 101048W

Janak Mehta
Partner
Membership No.: 116976

Mumbai

Date: 31 May, 2022



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

K V Srinivasan
Whole Time Director &
Chief Executive Officer
DIN: 01827316

Sandip Parikh
Chief Financial Officer

Pratik Jain
Director
DIN: 05347739

Nitin Pangarkar
Company Secretary

Profectus Capital Private Limited

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

Amount in Rs. Lakhs

Equity Share Capital

Particulars	Note	No of Shares	Rs in Lakhs
Equity Shares of Rs 10 each issued, subscribed and fully paid	18		
Balance as at April 1, 2020		50,00,50,000	50,005
Changes in equity share capital due to prior period errors		-	-
Restated balance as at April 1, 2020		50,00,50,000	50,005
Changes in equity share capital during the year		6,66,66,667	6,667
Balance as at March 31, 2021		56,67,16,667	56,672
Changes in equity share capital due to prior period errors		-	-
Restated balance as at April 1, 2021		56,67,16,667	56,672
Changes in equity share capital during the year		5,00,00,000	5,000
Balance as at March 31, 2022		61,67,16,667	61,672

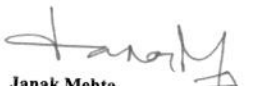
Other Equity

Particulars	Reserves and Surplus				Other Fair Valuation of Investments at FVOCI	Total
	Statutory Reserve	Securities Premium Reserve	Retained Earnings	Share based payment reserve*		
Balance as at March 31, 2020	77	5,521	(1,776)	1,210	(70)	4,961
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at March 31, 2020	77	5,521	(1,776)	1,210	(70)	4,961
Profit for the year	-	-	680	-	-	680
Other comprehensive income for the year (net of tax)	-	-	(5)	-	96	91
Additional Share based payment units issued during the year	-	-	-	60	-	60
Shares issued during the year	-	3,348	-	-	-	3,348
Transferred to / (from)	136	-	(136)	-	-	-
Balance as at March 31, 2021	213	8,869	(1,237)	1,270	26	9,140
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at March 31, 2021	213	8,869	(1,237)	1,270	26	9,140
Profit for the year	-	-	783	-	-	783
Other comprehensive income for the year (net of tax)	-	-	9	-	(4)	5
Additional Share based payment units issued during the year	-	-	-	60	-	60
Shares issued during the year	-	5,030	-	-	-	5,030
Transferred to / (from)	157	-	(157)	-	-	-
Balance as at March 31, 2022	369	13,899	(602)	1,330	22	15,019

*Refer Note 30 on Share Based Payments.

As per our report of even date

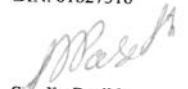
For Batliboi & Purohit
Chartered Accountants
Firm's Registration No: 101048W


Janak Mehta
Partner
Membership No.: 116976

**For and on behalf of the Board of Directors of
Profectus Capital Private Limited**


K V Srinivasan
Whole Time Director &
Chief Executive Officer
DIN: 01827316


Pratik Jain
Director
DIN: 05347739


Sandip Parikh
Chief Financial Officer


Nitin Pangarkar
Company Secretary

Mumbai
Date: 31 May, 2022



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

3 Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	1	1
Balance with Banks in Current Accounts	-	2,799
Fixed Deposits with banks (with original maturity less than 3 months) (of the nature of cash and cash equivalents)	7,503	-
Total	7,504	2,800

4 Bank Balances Other Than Above

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Balance other than (3) above		
Fixed Deposits with banks (with original maturity more than 3 months) *	724	153
Total	724	153

*Note: Out of the fixed deposits mentioned in note 4, the fixed deposits under lien are as follows:

Particulars	As at March 31, 2021	As at March 31, 2021
Rs 62,500/- Fixed Deposit is lien marked in favour of HDFC Bank against Corporate Credit Card.	1	1
Rs 1,00,00,000/- Fixed Deposit is lien marked in favour of Nabsamruddhi Finance Limited against Term Loan facility.	100	100
Rs 4,50,00,000/- Fixed Deposit is lien marked in favour of State Bank of India against Term Loan facility.	450	-
Rs 1,51,25,000/- Fixed Deposit is lien marked in favour of Bnak of Baroda against Term Loan facility.	151	-
Total	702	101

5 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised cost:		
(a) Bills purchased and bills discounted	3,644	592
(b) Term Loans	1,48,511	88,227
Total (A) -Gross	1,52,155	88,819
Less : Impairment loss allowance	971	454
Total (B) - Net	1,51,184	88,365
Break-up of Loans - Security wise		
(a) Secured - Tangible	1,48,962	85,065
(b) Covered by Central Government Guarantee	3,193	3,754
(c) Unsecured	-	-
Total (A) -Gross	1,52,155	88,819
Less : Impairment loss allowance	971	454
Total (B) - Net	1,51,184	88,365
Break-up of Loans - Sector wise		
(a) Public Sector	-	-
(b) Others		
(i) Retail	1,07,549	66,861
(ii) Corporates	44,606	21,958
Total (A) -Gross	1,52,155	88,819
Less : Impairment loss allowance	971	454
Total (B) -Net	1,51,184	88,365

Note: All loans have been sourced and disbursed in India.

There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

6 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Investments at Fair Value through Other Comprehensive Income		
(a) Debt Securities (Quoted)	7,443	20,155
(b) Mutual Funds	-	-
Total (A) -Gross	7,443	20,155
Less : Allowance for impairment	20	28
Total (A)	7,423	20,127
(B) Investments at Amortised cost		
(a) Pass through certificates	624	634
(b) Debt Securities	644	429
Total (B) -Gross	1,268	1,063
Less : Allowance for impairment	6	2
Total (B) - Net	1,262	1,061
(C) Investments at Fair Value through Profit and Loss		
(a) Investment in Security Receipts (Unquoted)	206	250
	206	250
Total Investments (A) + (B) + (C)	8,891	21,438

Note : All investments have been made in India

7 Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security Deposit	216	155
(b) Charges Receivable from Customer	25	6
(c) Other Receivables	-	19
	241	180

8 Current Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax	40	-
Tax deducted at source	334	412
Less : Provision for Tax	318	115
	56	297

9 Deferred Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961	11	-
Business Losses c/f	-	61
Provision for Assets & Investments	-	124
Measurement of financial assets and financial liabilities at amortized cost	-	1
Impact on account of lease accounting as per Ind AS 116	14	21
Income from financial assets based on Effective interest rate	308	224
Income from financial liabilities based on Effective interest rate	-	3
Expected credit loss on financial instruments	254	1
Total	588	435
b) Deferred Tax Liability		
Depreciation on Fixed Assets	18	25
Unamortised Expenditure	347	79
Measurement of financial assets at FVOCI	-	10
Income recognition on credit impaired loans	-	4
Total	365	118
Net Deferred Tax Asset (a) - (b)	223	317



Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

10 Property, Plant and Equipment

S.No.	Particulars	As at April 1, 2020	Gross Carrying Amount	As at March 31, 2021	As at April 1, 2020	Accumulated Depreciation	As at March 31, 2021	As at March 31, 2020
			Addition	Deduction		Depreciation/ Amortisation	Deduction	Net Carrying Amount
(i)	Tangible Assets							
1	Furniture and Fixtures	24	6	-	3	3	-	21
2	Computers	112	55	-	45	45	-	67
3	Office Equipment	-	-	-	-	0	-	-
4	Motor Vehicle	5	-	-	-	1	-	5
5	ROU lease Asset	777	294	-	1,071	200	-	603
	Total	918	355	-	1,273	249	-	696
(ii)	Intangible Assets							
1	Computer Software	399	3	-	402	88	-	281
	Total	399	3	-	402	88	-	281

a. For Depreciation policy refer accounting policy no 1.5 and 1.6

b. Title deeds of Immovable Properties not held in name of the Company.

There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deed is not held in the name of the company.

c. CWIP ageing and Completion schedule:

The Company does not have any CWIP as at March 31, 2022 and March 31, 2021 and hence disclosure of CWIP ageing schedule and CWIP completion schedule is not applicable.

d. Benami properties:

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

c. Intangible assets under development ageing and Completion schedule:

The Company does not have any intangible assets under development as at March 31, 2022 and March 31, 2021 and hence disclosure of C'WIP ageing schedule and C'WIP completion schedule is not applicable.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

11 Other Non - Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital advances	29	33
(b) Prepaid Expense	134	66
(c) Sundry Advances	54	2
(d) GST Credit available	222	168
Total	439	269

12 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables		
(a) Total outstanding dues of micro enterprise and small enterprise	-	-
(b) Total outstanding dues of creditors other than micro enterprise and small enterprise	653	471
Total	653	471

a. Refer note 61 for ageing schedule

13 Borrowings other than Debt Securities

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
(a) Term Loans (Secured)		
Loan to Directors		
Related Party		
(i) From Banks	66,243	37,035
(ii) Others	16,911	7,281
(b) Loans repayable on demand (Secured)		
(i) Working capital demand loans from banks	1,735	-
	84,889	44,316

- Note
- Loans mentioned above, has been fully secured by first exclusive charge (floating) over loan receivables and book debts of the Company.
 - The Company has not defaulted on any of its term loan repayments till date.
 - All the above borrowings have been borrowed in India
 - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Terms of repayment of borrowings and rate of Interest

As per terms of agreements loan from banks aggregating Rs. 67,978 lakh (31 March 2021: Rs. 37,035 lakh) are repayable at maturity ranging between 3 and 60 months from the date of respective loan. Rate of interest payable on term loans varies between 7.00 % to 11.77% (March 31, 2021 : 9.00 % to 11.17%).

As per terms of agreements loan from others aggregating Rs. 16,911 lakh (31 March 2021: Rs. 7,281 lakh) are repayable at maturity ranging between 36 and 38 months from the date of respective loan. Rate of interest payable on term loans varies between 9.25 % to 11.25% (March 31, 2020 : 7.10 % to 11.25%).

- Funds borrowed have been utilised for the purpose for which they were sanctioned.
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- Funds raised on short term basis have not been utilised for long term purpose.

14 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Collateral from Customer	2,317	1,102
(b) Lease Liability	687	738
(c) Other expenses	115	91
(d) Book overdraft	2,223	-
	5,342	1,931

15 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Employee benefits	832	772
(b) Gratuity	45	9
(c) Provisions for Off- Balance sheet Exposure	11	5
	888	786



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

16 Other Non-Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues	141	84
(b) Income received in advance	597	849
(c) Deferred Income on Collateral Deposits from Customers	1,019	569
	1,757	1,502

17 Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
98,00,00,000 Equity Shares of Rs. 10 each	98,000	98,000
2,00,00,000 Preference Shares of Rs. 10 each	2,000	2,000
Total	1,00,000	1,00,000
Issued, Subscribed and Paid-up		
61,67,16,667 Equity Shares of Rs. 10 each	61,672	56,672
(March, 2021: 56,67,16,667 Equity Shares of Rs. 10 each)		
Total	61,672	56,672

Reconciliation of Equity Shares

	No Of Shares	Rs. In Lakhs
Opening balance as on April 1, 2020	50,00,50,000	50,005
Issued during the year	6,66,66,667	6,667
Closing balance as on March 31, 2021	56,67,16,667	56,672
Issued during the year	5,00,00,000	5,000
Closing balance as on March 31, 2022	61,67,16,667	61,672

Rights, Preferences and Restrictions :

Voting Rights :

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by ACTIS PC Investment (Mauritius) Limited (shareholder holding more than 5% of the aggregate shares of the Company)

	No Of Shares	Percentage
Opening balance as on April 1, 2020	50,00,49,500	100%
Issued during the year	6,66,66,667	-
Closing balance as on March 31, 2021	56,67,16,167	100%
Issued during the year	5,00,00,000	-
Closing balance as on March 31, 2022	61,67,16,167	100%

No shares were bought back by the Company during the year.

No shares were allotted by the Company as fully paid up pursuant to any contract without payment being received.

No shares were allotted as fully paid up by way of bonus shares.

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

Particulars of shares held by promoters :

Particulars	No Of Shares	% of Total Shares	% Change
As 31.03.2022			
ACTIS PC Investment (Mauritius) Limited	61,67,16,167	100%	-
ACTIS PC (Mauritius) Limited	500	0%	-
As 31.03.2021			
ACTIS PC Investment (Mauritius) Limited	56,67,16,167	100.00%	-

18 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security Premium Account	13,899	8,869
(b) Statutory Reserve	369	213
(c) Other Comprehensive Income		
- Fair Valuation of Investments	22	26
(d) Retained Earnings	(602)	(1,237)
(e) Share Based Payment Reserve	1,330	1,270
	15,019	9,141



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

18 Other Equity (Continued)

Nature and Purpose of Reserves

Name of Reserve	Nature and Purpose of Reserve
(a) Security Premium account	Premium received upon issuance of equity shares
(b) Statutory Reserve	Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934
(c) Other Comprehensive Income	Created on account of items measured through other comprehensive income
(d) Retained Earnings	Created out of accretion of profits / loss.
(e) Share based payment reserve* (Refer note no. 30 for further details)	Created out of contributions received for CCPS and OCPS from the beneficiaries.

19 Interest Income

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
(A) Financial Assets measured at amortised cost		
(a) Loans	13,602	8,342
(b) Investments in PTC	37	125
(c) Investments in Debt securities	-	1
Others		
(a) Fixed Deposits	36	358
(b) Security Deposit	13	10
(c) Interest Income on Fair Valuation of Collateral Deposit from Customers	230	64
Total (A)	13,918	8,900
Financial Assets measured at FVOCI		
(a) Investment in Debt securities	1,382	656
Total (B)	1,382	656
Total (A) + (B)	15,300	9,556

20 Fee and Commission Income

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
On Financial assets measured at Amortized cost		
(a) Foreclosure charges	358	69
(b) Others	117	90
Total	475	159

21 Net gain on fair value changes

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Net gain on financial instruments at fair value through profit or loss		
- Mutual fund investments	168	49
Net gain on financial instruments at FVOCI		
- Debt securities	204	122
Total Net gain/(loss) on fair value changes	372	171
Fair value changes		
- Realised	372	171
- Unrealised	-	-
Total	372	171



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

22 Other Income

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Interest on income tax refund	15	5
Miscellaneous income	5	2
Total	20	7

23 Finance Costs

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
At amortised cost		
Interest on borrowing from banks and others	5,380	1,807
Interest on lease liability	76	77
Interest on Collateral Deposit from Customers	230	64
	5,686	1,948

24 Impairment on Financial Instruments

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
(a) Write off / Bad debts	92	224
(b) Impairment Loss Allowance -		
- on Loans	519	185
- on Undrawn Commitments	7	2
- on Investments at amortised cost	4	(7)
(c) Investments (at FVOCI)	(8)	11
	614	415

25 Employee Benefits Expense

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Payments to and Provision for Employees		
- Salaries, other allowances and bonus	5,726	4,138
- Gratuity expenses	57	38
- Contribution to Provident and other Funds	249	173
- Staff Welfare expenses	27	6
	6,059	4,355

26. Other Expenses

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Auditor's Remuneration	23	40
Bank Charges	13	4
Credit Assessment Cost	311	206
Operations Cost	5	2
Rent	92	90
Repairs & Maintenance-Others	624	424
Contractual Services	405	279
Rates and Taxes	33	19
Directors' Sitting Fees	10	13
Rating Fees	56	1
Legal & Professional Fees	257	671
Collection Cost	7	4
Printing and Stationary	102	67
Postage, Telegram & Telephone	27	17
Travel & Conveyance	197	88
Miscellaneous Expenses	80	44
	2,140	1,968



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

26. Other Expenses (Continued)

(a) Auditor's Remuneration :

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Statutory Audit Fees (excluding taxes)	18	33
Tax Audit Fees	4	5
Other Services	1	2
Total	23	40

(b) Expenditure in foreign currency

Particulars	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Software Licenses	0	0
Consultancy	9	14
Total	9	14

27 Earnings per Share (EPS):

Particulars	31-Mar-22	31-Mar-21
Profit after Tax	783	680
Net profit/(loss) attributable to equity shareholders	783	680
Weighted average number of equity shares (Nos.) in lakhs	5,673	5,002
Diluted Weighted average number of equity shares (Nos.) in lakhs*	5,804	5,129
Basic earnings per share of face value Rs. 10 each (In Rupees)	0.14	0.14
Diluted earnings per share of face value Rs. 10 each (In Rupees)	0.13	0.13

* Diluted equity shares has CCPS and OCPS conversion in the ratio of 1:1



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

28 Disclosure pursuant to Ind AS 12 Income Taxes

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current tax:		
In respect of current year	273	44
In respect of prior years		
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	93	135
Total Income Tax recognised in profit or loss		
Current tax	273	44
Deferred tax	93	135
Total Income Tax recognised in profit or loss	366	179

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement gain/(loss) on defined benefit plan	-3	2
Fair Valuation of Investments measured at FVOCI	1	(32)
Total Income tax recognised in Other comprehensive income	(2)	(30)

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit before Tax	1,149	859
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	289	216
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	710	375
Dividend income exempt from income tax		
Deductions available under income tax	(689)	(391)
Other Income	99	44
Adjustment against b/f losses	(135)	(200)
Change in rate of Tax		
Income tax for earlier year		
Income Tax expense recognised in profit and loss	273	44
Deferred Tax recognised in profit and loss	93	135
Tax recognised in profit and loss	366	179
Actual effective income tax rate (%)	31.83%	20.83%

(iv) Movement in Deferred Tax

Movement in Deferred Tax Asset/(Liabilities) for the year ended 31st March, 2022:

Particulars	As on 31st March, 2021	Recognised in the Statement of Profit or Loss	Recognised in OCI	As on 31st March, 2022
a. Impact on account of lease accounting as per Ind AS 116	28	(13)	-	14
b. Measurement of financial assets and financial liabilities at amortized cost	(6)	6	-	-
c. Fair value gain/(loss) on investments carried at FVOCI	(10)	9	1	-
d. Income from financial assets based on Effective interest rate	224	(170)	-	55
e. Income from financial liabilities based on Effective interest rate	3	(97)	-	(94)
f. Expected credit loss on financial instruments	2	255	(3)	254
g. Gratuity expenses	-	11	-	11
h. Business Losses c/f	488	(488)	-	-
i. Provision for Assets	10	(10)	-	-
j. Depreciation on Fixed Assets	(421)	403	-	(18)
Total	318	(93)	(2)	223

Movement in Deferred Tax Asset/(Liabilities) for the year ended 31st March, 2021:

Particulars	As on April 1, 2020	Recognised in the Statement of Profit or Loss	Recognised in OCI	As on 31st March, 2021
a. Impact on account of lease accounting as per Ind AS 116	17	11	-	28
b. Measurement of financial assets and financial liabilities at amortized cost	(3)	(3)	-	(6)
c. Fair value gain/(loss) on investments carried at FVOCI	(7)	27	(29)	(10)
d. Income from financial assets based on Effective interest rate	120	105	-	224
e. Income from financial liabilities based on Effective interest rate	-	3	-	3
f. Expected credit loss on financial instruments	22	(17)	(3)	2
g. Remeasurement of employee benefit		(2)	2	-
h. Business Losses c/f	494	(6)	-	488
i. Provision for Assets	12	(3)	-	10
j. Depreciation on Fixed Assets	(171)	(250)	-	(421)
Total	483	(135)	(30)	318



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

29 Employee benefits

Defined Contribution Plan - Provident Fund (PF) Contribution

The Company makes contributions towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 25 "Employee Benefits" under the head "Contribution to Provident and Other Funds" are as under.

The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Employer's Contribution to Provident Fund	249	173

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

The mortality rate is based on the Indian Assured Lives Mortality (2006-08) Ultimate table.

Particulars	As at 31st March 2022	As at 31st March 2021
I. Assumption		
Interest / Discount Rate	5.66%	6.57%
Rate of increase in compensation	8%	7%
Expected average remaining service	3	8
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	118	-
Interest Cost	8	4
Current Service Cost	56	104
Actuarial (Gains) / Losses	(9)	10
Closing Defined Benefit Obligation	173	118



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

29 Employee benefits (Continued)

Particulars	As at 31st March 2022	As at 31st March 2021
(b) Reconciliation of present value of plan asset		
Fair value of plan assets at the beginning of year	109	-
Transfer in of Funds	-	-
Interest Income	7	-
Contributions	9	106
Benefits paid	-	-
Return on Plan Assets excluding Interest Income	3	3
Fair value of plan assets at the end of year	128	-
(c) Reconciliation of net defined benefit (asset)/liability		
Present value of Obligation as at the end of year	173	(118)
Fair value of plan assets as at the end of year	128	109
Funded status	(45)	(9)
Recognised in Balance Sheet - (Asset) / Liability	(45)	(9)
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(45)	-
Due to Financial Assumption	13	-
Due to Experience	23	10
Net Actuarial (Gain)/ Loss on Obligation	(9)	10
IV. Actual Return on Plan Assets	3	3
Actual Interest Income	7	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	10	3
V. Net Interest		
Interest Expense	8	4
Interest Income	(7)	-
Net Interest Exp/(Income)	1	4
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	56	104
Net Interest Exp/(Income)	1	4
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	57	108
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	(9)	10
Return on Plan Assets excluding Interest Income	(3)	(3)
Total Actuarial (Gain)/ Loss recognised in OCI	(12)	7
VIII. Others		
Weighted average duration of defined benefit Obligation	6	9

Sensitivity analysis :

Sensitivity analysis for significant actuarial Assumptions, showing how the defined benefit Obligation would be affected, considering increase/decrease of 100 basis points as at 31-03-22 is as below :

Particulars	As at 31st March 2022	As at 31st March 2021
Change in rate of Discount Rate + 100 basis points	(7)	(9)
Change in rate of Discount Rate- 100 basis points	8	10
Change in rate of Salary Escalation Rate + 100 basis points	7	9
Change in rate of Salary Escalation Rate - 100 basis points	(7)	(9)
Change in rate of Attrition Rate + 100 basis points	(4)	(3)
Change in rate of Attrition Rate - 100 basis points	4	3

The Expected Payout as at 31st March 2021 are as under:

Particulars	As at 31st March 2022	As at 31st March 2021
Year 1	1	1
Year 2	29	1
Year 3	30	10
Year 4	40	12
Year 5	23	27
Year 6 to Year 10	70	61
Year 11 and above	33	102

Movements in the fair value of the plan assets are as follows.

Particulars	As at 31st March 2022	As at 31st March 2021
Opening fair value of plan assets	109	-
Interest income	7	-
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	3	3
Contributions from the employer	9	106
Closing fair value of plan assets	128	109



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

30 Share Based Payments

The Company has issued the Share Based Payment (SBP) Plan to its Key Managerial Personnel (KMP) under Contributory as well as Management Incentive Plan.

As a part of the plan, the Company has allotted Convertible preference shares (Series A, Series B and Series C) in lieu of Share Based Payment which are convertible into equity shares at the time of liquidation/other exit events in accordance with terms and conditions as stated in the agreement. These instruments are held by a trust which acquires and holds the same for the benefit of Key Management Personnel (beneficiaries) and the units of which are issued to the beneficiaries.

In accordance with Ind AS 102, in case of Share Based Payments with employees, the fair value of equity instrument granted is determined and the difference between the fair value and consideration received is recognised as an expense in the profit and loss statement. In case of Share based payment made by the company, the fair value of the Plan is equal to the consideration received by the company.

A. Contributory Incentive Plan

Terms of 0.001% Optionally Convertible Preference Shares (OCPS):

Under the CIP Plan, the Company has issued 0.001% Optionally Convertible Preference Shares which are held by the trust for the benefit of Key Managerial Personnel. These preference shares are bifurcated into Series A Preference Shares and Series B Preference Shares having face value of Rs. 10 each.

Series A Preference Shares are issued in consideration for transaction price of Rs. 10.85 crs. received from the KMP through a trust. The transaction price represents the fair value as on the date of issue of these Preference Shares. The preference Shares will be converted into Equity Shares as on the date of liquidation/exit event in the ratio of 1:1.

Series B Preference Shares are issued annually for a period of 3 years from the date of formation of the Trust. Series B Preference Shares are issued in consideration for transaction price of Rs. 0.90 crs. (FY 21-22), 0.75 crs. (FY 20-21) and 1.04 crs (FY 2019-20) received from the KMP through a trust. The transaction price represents the fair value as on the date of issue of these Preference Shares. The preference Shares will be converted into Equity Shares as on the date of liquidation/exit event in the ratio of 1:1.

These instruments are vested immediately at the time of its issue by the Company.

B. Management Incentive Plan

Terms of 0.001% Compulsory Convertible Preference Shares (CCPS):

Under the MIP Plan, the company has issued Compulsorily Convertible Preference Shares (Series C Preference Shares) which are held by the trust for the benefit of Key Managerial Personnel. These Preference shares have a face value of Rs. 10 each.

Series C Preference Shares are issued in consideration for transaction price of Rs. 0.20 crs. received from the KMP through the trust. The transaction price represents the fair value as on the date of issue of these Preference Shares. The preference Shares will be converted into variable number of Equity Shares as on the date of liquidation/exit event. The number of equity shares to be issued is based on the terms of the Trust.

These instruments are vested based on the vesting schedule mentioned in the agreement. Refer table below on Description of Share Based Payment.

The amounts of CCPS and OCPS are as follows:

Particulars	31-Mar-22	31-Mar-21	31-Mar-20
Series A Preference Shares	1,085	1,085	1,085
Series B Preference Shares	224	164	104
Optionally Convertible Preference Shares	1,309	1,249	1,189
Series C Preference Shares	21	21	21
Compulsorily Convertible Preference Shares	21	21	21
Total Preference Shares	1,330	1,270	1,210

C. Description of Share Based Payment

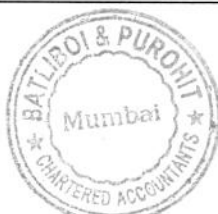
Particulars	Series A	Series B	Series C*
i. Vesting Conditions	Immediate Vesting	Immediate Vesting	10% at the end of each of 12 months & 24 months and 20% at the end of each of 36 months, 48 months & 60 months.
ii. Method of Settlement	Equity Settled	Equity Settled	Equity Settled

* In the event of Liquidation/exit event, there will be accelerated vesting of all the remaining unvested units.

D. Summary of Share Based Payments

The following are the details of vested units in case of MIP Plan (Series C):

Particulars	Mar-22	Mar-21
Total vested units at the beginning of the year	40%	20%
Granted during the year	-	-
Vested during the year	20%	20%
Exercised during the year	-	-
Lapsed during the year	-	-
Total vested units at the end of the year	60%	40%



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

31 Disclosure Pursuant to Ind AS 116 "Leases"

The Company has entered into various lease arrangements for its Office premises and branches. These arrangements are for tenures ranging between 1 to 6 years and are renewable by mutual consent between the parties. Leases for which the lease term is less than 12 months are considered as short term leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Total
As at 1 April 2020	603	603
Additions	294	294
Deletions	-	-
Depreciation expense	(200)	(200)
As at 31 March 2021	697	697
Additions	190	190
Deletions	-	-
Depreciation expense	(257)	(257)
As at 31 March 2022	630	630

Set out below are the carrying amounts of lease liabilities (included in other financial liabilities) recognised and the movements during the period:

Particulars	Total
As at 1 April 2020	630
Additions	277
Deletions	-
Accretion of Interest	77
Payments	(246)
As at 31 March 2021	738
Additions	214
Deletions	(23)
Accretion of Interest	76
Payments	(317)
As at 31 March 2022	687

Amounts recognized in the statement of Profit and loss

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Right of use assets	257	200
Interest expense on lease liabilities	76	77
Expense relating to Short-term leases	92	90
Impact on the statement of profit and loss for the period	425	367

31 Disclosure Pursuant to Ind AS 116 "Leases" (Continued)

Maturity analysis of Lease Liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than 1 year	257	223
Later than 1 year and not later than 5 years	425	514
Later than 5 years	5	1
Total	687	738



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

32 Disclosure of Related party transactions pursuant to (Ind AS – 24) and Companies act 2013 “Related Party Disclosures”

(i) List of Related Parties and relationship:

Name of the related party	Nature of relationship
1. Actis Global 4 LP	Ultimate Holding Company
2. ACTIS PC (Mauritius) Limited	Parent Holding Company
3. ACTIS PC Investment (Mauritius) Limited Holding Company	
4. Mr. K. V. Srinivasan	Key Managerial Personnel-CEO
5. Mr. Sandip Parikh	Key Managerial Personnel-CFO
6. Mr. Nitin Pangarkar	Key Managerial Personnel-CS

31st March 2022

Sr. No.	Name of the related party	Nature of Transaction	FY 21-22	FY 20-21
1	ACTIS PC Investment (Mauritius) Limited	Equity Share Capital issued	61,672	56,672
2	ACTIS PC (Mauritius) Limited	Equity Share Capital issued	-	-
3	Key Managerial Personnel:	Salary	619	526
		Share Based Payments	923	863

Note:

a. The above related party transactions are at Arms Length Price.

b. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

33 Financial Instruments - Accounting classifications and fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following section summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example listed financial instruments that have quoted market price.

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

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by price from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

The following table shows the categories of Financial Instruments:

As at		Carrying Amount		
31st March 2022	FVTPL	Amortised Cost	FVOCI	Total
Financial Assets				
Cash and Cash Equivalents	-	7,504	-	7,504
Bank Balances other than Cash & Cash Equivalent stated above	-	724	-	724
Loans	-	1,51,184	-	1,51,184
Investments:	206	1,262	7,423	8,891
Other Financial assets	-	241	-	241
Total	206	1,60,914	7,423	1,68,544
Financial liabilities				
Trade Payables	-	653	-	653
Borrowings other than Debt Securities	-	84,889	-	84,889
Other Financial Liabilities	-	5,342	-	5,342
Total	-	90,885	-	90,885

As at		Carrying Amount		
31st March 2021	FVTPL	Amortised Cost	FVOCI	Total
Financial Assets				
Cash and Cash Equivalents	-	2,800	-	2,800
Bank Balances other than Cash & Cash Equivalent stated above	-	153	-	153
Loans	-	88,365	-	88,365
Investments:	250	1,061	20,127	21,439
Other Financial assets	-	180	-	180
Total	250	92,559	20,127	1,12,936
Financial liabilities				
Trade Payables	-	471	-	471
Borrowings other than Debt Securities	-	44,316	-	44,316
Other Financial Liabilities	-	1,931	-	1,931
Total	-	46,718	-	46,718



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

33 Financial Instruments - Accounting classifications and fair value measurements (Continued)

The following table summarizes financial assets and financial liabilities measured at fair value:

As at	Fair value hierarchy			
31st March 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at FVTPL				
Investment in Security Receipts	-	206	-	206
Financial Assets at FVOCI				
Debt Securities	7,443	-	-	7,443
Total Financial Assets	7,443	206	-	7,649

As at	Fair value hierarchy			
31st March 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at FVTPL				
Investment in Security Receipts	-	250	-	250
Financial Assets at FVOCI				
Debt Securities	20,155	-	-	20,155
Total Financial Assets	20,155	250	-	20,405

The following table summarizes disclosure of financial assets and financial liabilities measured at amortised cost:

As at	Carrying Amount	Fair Value	Fair Value hierarchy
31st March 2022			
Financial Assets at Amortised Cost			
Loans	1,51,184	1,52,372	Level 3
Investments	1,262	1,268	Level 3
Other Financial Assets	241	241	Level 3
Total Financial Assets	1,52,686	1,53,881	
Financial liabilities			
Trade Payables	653	653	Level 3
Borrowings other than Debt Securities	84,889	85,263	Level 3
Other Financial Liabilities	5,342	5,342	Level 3
Total Financial Liabilities	90,885	91,259	

As at	Carrying Amount	Fair Value	Fair Value hierarchy
31st March 2021			
Financial Assets			
Financial Assets at Amortised Cost			
Loans	88,365	89,102	Level 3
Investments	1,061	1,063	Level 3
Other Financial Assets	180	180	Level 3
Total Financial Assets	89,606	90,345	
Financial liabilities			
Trade Payables	471	471	Level 3
Borrowings other than Debt Securities	44,316	44,304	Level 3
Other Financial Liabilities	1,931	1,931	Level 3
Total Financial Liabilities	46,718	46,706	

Valuation technique

The carrying value of cash and cash equivalents, other bank balances, other financial assets, Pass through certificates, trade payables and other financial liabilities are considered to be approximately equal to the fair value

Portfolio loans - The fair value is determined by discounting the aggregate future cash flows (both principal and interest cash flows) with weighted average IRR for the remaining tenure.

Borrowings - The interest rates on borrowings are based on floating rates reflecting current market pricing, the carrying value of these loans approximate fair values



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

34 Maturity Analysis of Assets & Liabilities

Assets	As at		As at		Total	Within 12 Months	31st March 2021 After 12 months	Total
	Within 12 Months	31st March 2022 After 12 months	Within 12 Months	31st March 2021 After 12 months				
Financial Assets								
Cash and Cash Equivalents	7,504	-	7,504	2,800	-	2,800	2,800	2,800
Bank Balances other than (a) above	466	258	724	52	101	101	153	153
Loans	47,654	1,03,529	1,51,184	23,824	64,541	64,541	88,365	88,365
Investments	8,578	313	8,891	20,933	506	506	21,438	21,438
Other Financial assets	92	149	241	40	140	140	180	180
Non-Financial Assets								
Current tax assets (net)	-	56	56	-	297	297	297	297
Deferred tax assets (net)	-	223	223	-	317	317	317	317
Property, Plant and Equipment	-	137	137	-	106	106	106	106
Right of use assets	-	631	631	0	698	698	698	698
Other Intangible assets	-	190	190	-	196	196	196	196
Other Non-Financial assets	439	-	439	269	-	269	269	269
Total Assets	64,734	1,05,487	1,70,220	47,917	66,900	66,900	1,14,818	1,14,818
LIABILITIES								
Financial Liabilities								
Trade Payables	653	-	653	471	-	471	471	471
Borrowings other than Debt Securities	31,535	53,354	84,889	22,650	21,666	21,666	44,316	44,316
Other Financial Liabilities	2,518	2,824	5,342	160	1,531	1,531	1,691	1,691
Non-Financial Liabilities								
Provisions	888	-	888	786	-	786	786	786
Other non-financial liabilities	970	788	1,757	940	562	562	1,502	1,502
Total Liabilities	36,564	56,966	93,530	25,007	23,759	23,759	48,766	48,766
Net	28,170	48,521	76,691	22,910	43,140	43,140	66,051	66,051



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

35 Capital Management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement
- to provide an adequate return to shareholders
- to maintain the Capital Adequacy ratio as prescribed by RBI

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders return capital to shareholders issue new shares or sell assets to reduce debt.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	84,889	44,316
Less: Cash and other bank balances	8,228	2,953
Net Debt	76,661	41,364
Net equity	76,690	65,812
Net debt to equity ratio	1.00	0.63
Capital Adequacy Ratio	48.23%	63.17%

Note : The above debt does not include book overdraft.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Company primarily offers loans secured by collateral in the nature of residential, commercial and industrial property and in some cases are backed by machinery/equipment as well as financial collateral in the nature of security deposits. In order to mitigate credit risk, Company also seeks collateral appropriate to the product segment.

The main types of collateral obtained are as follows:

School Funding Program and Enterprise Mortgage Loans Portfolio are secured against Financial collateral and Property. Machine Equipment Loan portfolio is secured against Financial collateral and Machinery/Equipment. Microfinance Term Loan portfolio is secured against Financial collateral and Financial receivables

The table represents categories of collaterals available against the loan exposures:

	As at 31st March 2022	As at 31st March 2021
- Categories of Collateral Available		
a) Financial Collateral	3,348	2,885
b) Real Estate (Commercial/Residential/Industrial Property)	2,20,919	1,19,866
c) Machinery and Equipment	55,202	24,197
d) Receivables	39,054	17,346
Total	3,18,523	1,64,294

The table represents categories of collaterals available against the loan exposures that are credit impaired

	As at 31st March 2022	As at 31st March 2021
- Categories of Collateral Available		
a) Financial Collateral	182	2
b) Real Estate (Commercial/Residential/Industrial Property)	17,572	85
c) Machinery and Equipment	1,581	92
d) Receivables	522	8
Total	19,858	187

a) Maximum exposure to the Credit risk

This table below shows the Company's maximum exposure to the credit risk.

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Assets at amortised cost - Loans & Advances (Gross)	1,52,155	88,819
Less : Impairment loss allowances	971	454
Financial Assets at amortised cost - Loans & Advances (Net)	1,51,184	88,365
Financial Assets at amortised cost - Investments (Gross)	1,268	1,063
Less : Impairment loss allowances	6	2
Financial Assets at amortised cost - Investments (Net)	1,262	1,061
Financial Assets at amortised cost - FVOCI (Gross)	7,443	20,155
Less : Impairment loss allowances	20	28
Financial Assets at amortised cost - FVOCI (Net)	7,423	20,128
Total	1,59,868	1,09,554

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

Inputs, assumptions and techniques used for estimating impairment:

Definition of Default

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is 90 days past due and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD).

Calculation of expected credit losses

Profectus Capital has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD. For stage 1 assets, the 12 month ECL is calculated. For assets in stage 2 and 3, Lifetime ECL is calculated using the lifetime PD.

The key elements in calculation of ECL are defined as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. 12 month PD estimation process is done based on historical internal data wherever available. For portfolios where enough historical internal data is not available, entity has resorted to proxies based on peer comparison. While arriving at the PD, the entity also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied

EAD - The Exposure at Default represents the gross carrying amount of financial assets at reporting date which includes principal outstanding and interest accrued on reporting date and expected drawdown on committed facility.

36 Financial Risk Management (Continued)

b) Credit quality analysis (Continued)

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

Forward Looking Economic Inputs

The Company incorporates forward looking information into qualitative and quantitative assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as GDP and Consumer Price Index (CPI), as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at 31st March 2022	As at 31st March 2021
Gross Stage 1 (DPD < 30 days) Performing asset and 12 month ECL	1,43,711	85,415
Less : Impairment loss allowance	607	361
Net Stage 1 Assets	1,43,104	85,054
ECL Prov. Coverage	0.42%	0.42%
Gross Stage 2 (30 < DPD < 90 days) Under performing assets increase in credit risk and Lifetime ECL	7,261	3,210
Less : Impairment loss allowance	160	69
Net Stage 2 Assets	7,101	3,141
ECL Prov. Coverage	2.21%	2.14%
Gross Stage 3 (DPD > 90) Non-performing assets credit impaired and lifetime ECL	1,182	194
Less : Impairment loss allowance	204	24
Net Stage 3 Assets	978	170
ECL Prov. Coverage	17.24%	12.39%
Total Loans & Advances	1,52,155	88,819
Less : Impairment loss allowance	971	454
Net Loans & Advances	1,51,184	88,365
ECL Provision Coverage	0.64%	0.51%

Note : The Company treats all loans with DPD 0-30 days as stage 1 assets. Since the PD and LGD applied is same for a 0 DPD asset and an asset with DPD 1-30, the Company has not shown the same separately.

The following table sets out information about the credit quality of Investments measured at Amortised cost or FVTOCI

Particulars	As at 31st March 2022	As at 31st March 2021
Investments (Investment Grade):		
Gross Investments	8,711	21,219
Less : Impairment loss allowance	26	30
Net Investments	8,685	21,189
ECL Provision Coverage	0.30%	0.14%

Write-offs still under enforcement activity

The contractual amount outstanding on loans and advances that were written off during the year ended March 2022, and are still subject to enforcement activity was Rs. 92 lakhs (March 2021 - Rs. 204.62 lakhs).



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management (Continued)

c) Movement in Gross Exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at 1st April 2020 (Opening Balance)	43,947	-	100	44,047	259	-	9	268
Add / (Less):								
- Changes arising due to movement from lifetime ECL to 12 month ECL:								
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:								
a) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	(2,838)	2,838	-	-	(15)	15	-	-
b) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	(66)	-	66	-	(0)	-	0	-
- Assets originated or purchased	62,080	496	23	62,599	243	5	3	252
- Assets derecognised during the year	(8,472)	-	(13)	(8,485)	(58)	-	-	(58)
- Net Amount recovered during the year	(9,236)	(124)	18	(9,342)	(63)	(1)	1	(63)
- Unwinding OF Discount	-	-	-	-	-	-	-	-
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	(6)	50	10	54
Gross Carrying Amount as at 31st March 2021 (Closing Balance)	85,415	3,210	194	88,819	361	69	24	454
Gross Carrying Amount as at 1st April 2021 (Opening Balance)	85,415	3,210	194	88,819	361	69	24	454
Add / (Less):								
- Changes arising due to movement from lifetime ECL to 12 month ECL:								
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	247	(247)	-	-	4	(4)	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:								
a) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	(5,488)	5,488	-	-	(21)	21	-	-
b) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	(174)	(890)	1,064	-	(1)	(16)	16	-
- Assets originated or purchased	1,02,429	221	-	1,02,650	435	5	-	440
- Assets derecognised during the year	(22,027)	(32)	(106)	(22,164)	(90)	(0)	(11)	(101)
- Net Amount recovered during the year	(16,691)	(489)	30	(17,150)	(82)	(8)	(0)	(90)
- Unwinding of discount	-	-	-	-	-	-	-	-
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	1	94	174	269
Balance as at March 31, 2022	1,43,711	7,261	1,182	1,52,155	607	160	204	971



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management (Continued)

c) Movement in Gross Exposures and credit impairment for Investments (Continued)

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

	Movement in Gross Exposure to Investments			Movement in ECL		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Amount as at 1st April 2020 (Opening Balance)	18,756	-	-	18,756	26	-
Add / (Less):						
- Changes arising due to movement from lifetime ECL to 12 month ECL:						
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:						
a) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	-	-	-	-	-	-
b) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	-	-	-	-	-	-
- Assets originated or purchased	19,126	-	-	19,126	14	-
- Assets derecognised during the year	(16,495)	-	-	(16,495)	(8)	-
- Net Amount recovered during the year	(169)	-	-	(169)	(2)	-
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	(0)	-
Gross Carrying Amount as at 31st March 2021 (Closing Balance)	21,219	-	-	21,219	29.69	-
Gross Carrying Amount as at 1st April 2021 (Opening Balance)	21,219	-	-	21,219	30	-
Add / (Less):						
- Changes arising due to movement from lifetime ECL to 12 month ECL:						
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:						
a) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	-	-	-	-	-	-
b) Changes arising due to movement from 12month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	-	-	-	-	-	-
- Assets originated or purchased	6,905	-	-	6,905	14	-
- Assets derecognised during the year	(18,620)	-	-	(18,620)	(14)	-
- Net Amount recovered during the year	(792)	-	-	(792)	(3)	-
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	-	-
Balance as at March 31, 2022	8,711	-	-	8,711	26	-



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management (Continued)

c) Movement in Gross Exposures and credit impairment for Undrawn Commitment of Loans and Advances (Continued)

	Movement in Undrawn Commitment of Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount as at 1st April 2020 (Opening Balance)	741	-	-	741	3	-	-	3
Add / (Less):								
- Changes arising due to movement from lifetime ECL to 12 month ECL:								
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:								
a) Changes arising due to movement from 12 month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	(1)	1	-	-	(0)	0	-	-
b) Changes arising due to movement from 12 month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	-	-	-	-	-	-	-	-
- Assets originated or purchased	1,437	5	-	1,442	4	0	-	4
- Assets derecognised during the year	(98)	-	-	(98)	(1)	-	-	(1)
- Net Amount recovered during the year	(522)	-	-	(522)	(1)	-	-	(1)
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	(0)	-	-	(0)
Gross Carrying Amount as at 31st March 2021 (Closing Balance)	1,558	6	-	1,563	5	0	-	5
Gross Carrying Amount as at 1st April 2021 (Opening Balance)	1,558	6	-	1,563	5	-	-	5
Add / (Less):								
- Changes arising due to movement from lifetime ECL to 12 month ECL:								
a) Changes arising due to movement from lifetime ECL where credit risk was increased significantly but not credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
b) Changes arising due to movement from lifetime ECL where credit risk was increased significantly and credit impaired to 12 month ECL for financial assets	-	-	-	-	-	-	-	-
- Changes arising due to movement from 12 month ECL to lifetime ECL:								
a) Changes arising due to movement from 12 month ECL to lifetime ECL for financial assets where credit risk has increased significantly but not credit impaired	(63)	63	-	-	(0)	0	-	-
b) Changes arising due to movement from 12 month ECL to lifetime ECL for financial assets where credit risk has increased significantly and credit impaired	(14)	(5)	19	-	-	-	-	-
- Assets originated or purchased	3,625	2	-	3,627	13	0	-	13
- Assets derecognised during the year	(900)	(0)	-	(900)	(3)	(0)	-	(3)
- Net Amount recovered during the year	(1,765)	(24)	3	(1,787)	(7)	(1)	0	(7)
- Changes in Risk Parameters (eg: PD and LGD)	-	-	-	-	1	1	2	4
Balance as at March 31, 2022	2,440	41	22	2,503	9	1	2	11



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management (Continued)

d) Collateral and other credit enhancements

Company would generally have its credit exposures backed by securities, either primary or secondary collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Company grants loans against collateral of real estate including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2021-2022.

e) Credit Concentration

The Company's loan portfolio is primarily concentrated on real estate, as detailed below.

Particulars	As at	As at
	31st March 2022	31st March 2021
Real Estate	0.00%	0.00%
Others	100.00%	100.00%

Note : The Loan against property loans sourced by the Company are working capital loans with collateral as property. Since the repayments for the loans are from the business income of the borrower and not from the property, the same are not treated as real estate exposures.

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.
- Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines.
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Company's principal sources of liquidity are cash and cash equivalents, liquid asset portfolio like Investments in quoted debt securities and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31st March 2022	Contractual cash flows				Total
	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Borrowings other than Debt Securities	31,535	27,364	18,557	7,433	84,889
Trade and Other Payables	653	-	-	-	653
Other Financial Liabilities	2,793	645	895	2,027	6,361
Total	34,982	28,009	19,452	9,460	91,903

As at 31st March 2021	Contractual cash flows				Total
	Upto 1 year	1-2 years	2-3 years	More than 3 years	
Borrowings other than Debt Securities	22,862	11,168	8,030	2,483	44,543
Trade and Other Payables	471	-	-	-	471
Other Financial Liabilities	211	120	420	1,010	1,761
Total	23,544	11,288	8,451	3,493	46,775

iii) Market Risk

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

36 Financial Risk Management (Continued)

iv) Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Particulars	As at	As at
	31st March 2022	31st March 2021
Variable rate Assets		
Loans		
Variable rate Liabilities	1,48,962	85,065
Borrowings (other than debt securities)	84,889	44,316

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on Borrowings (other than debt securities). Below is the sensitivity of profit and loss in interest rates.

Interest rate	31st March 2022	31st March 2021
Loans		
Interest rates – increase by 0.50%		425
Interest rates – decrease by 0.50%	745	(425)
Borrowings (other than debt securities)		
Interest rates – increase by 0.50%	(424)	(222)
Interest rates – decrease by 0.50%	424	222

* Holding all other variables constant

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by ALCO on regular basis. The sensitivities shown are indicative and based on simplified scenarios.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2021

Amount in Rs. Lakhs

37 Operating Segment

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

38 Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Commitments		
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-
ii) Undrawn Committed Credit lines	6,830	3,193
Total	6,830	3,193

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the yearend, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

The Company does not have any litigations or cases filed against the Company.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

39 Disclosure Pursuant to RBI Notification no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
1	2	3	4	(5=3-4)	6	
Performing assets						
Standard	Stage 1	1,43,711	608	1,43,104	576	32
	Stage 2	7,261	160	7,101	124	36
Subtotal		1,50,972	768	1,50,204	700	68
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,182	203	979	282	(79)
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA		1,182	203	979	282	(79)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	2,440	9	2,431	-	9
	Stage 2	41	1	41	-	1
	Stage 3	22	2	20	-	2
Subtotal		2,503	11	2,492	-	11
Total	Stage 1	1,46,152	616	1,45,535	576	41
	Stage 2	7,303	161	7,141	124	37
	Stage 3	1,204	205	999	282	(77)
	Total	1,54,658	982	1,53,676	981	1

Note :

- Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2022, no amount is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

- As at 31 March 2022, there are no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification
- The Company at present does not have a Board approved policy in place for sale / transfer of financial assets classified under amortised cost as there are no such transactions
- Details of stage 3 assets

Count of Borrowers	Value
16	1,182



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

- 40 Disclosure related to Schedule to the balance sheet of the Company, as required by Annex IV of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification")

Particulars	Amount Outstanding		Amount Overdue	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Liabilities Side				
(1) Loans and advances availed by the non banking financials company inclusive of interest accrued thereon but not paid :				
a) Debentures				
i) Secured	-	-	-	-
ii) Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits)	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	83,154	44,316	-	-
d) Inter-corporate Loans and Borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans	1735	-	-	-
(2) Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid)				
a) In the form of unsecured debentures	-	-	-	-
b) In the form of partly secured debentures	-	-	-	-
c) Other Public Deposits	-	-	-	-

Assets Side :			
Particulars			
	Amount Outstanding		
	March 31, 2022	March 31, 2021	
(3) Break up of loans and advances including bills receivable other than those included in (4) below (Gross Amount)			
a) Secured	1,52,155	88,819	
b) Unsecured	-	-	
	<u>1,52,155</u>	<u>88,819</u>	

Particulars			Amount Outstanding	
			March 31, 2022	March 31, 2021
(4) Break up of leased assets and stock on hire and other assets counting towards AFC activities:				
(i) Lease assets including lease rentals under sundry debtors:				
a) Financial lease			-	-
b) Operating lease			-	-
(ii) Stock on hire including hire charges under sundry debtors				
a) Assets on Hire			-	-
b) Repossessed Assets			-	-
(iii) Other loans counting towards AFC activities				
a) Loans where assets have been repossessed			-	-
b) Loans other than (a) above			-	-



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

- 41 Disclosure related to Schedule to the balance sheet of the Company, as required by Annex IV of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification") (Continued)

Particulars	As at March 31, 2022	As at March 31, 2021
(5) Break up of Investments :		
a) Current investments		
1) Quoted		
i) Shares		
a) Equity (stock-in trade)	-	-
b) Preference	-	-
ii) Debentures and bonds	8,087	20,155
iii) Units of Mutual fund	-	-
iii) Government securities	-	-
v) Others	-	-
2) Unquoted		
i) Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Units of Mutual fund	-	-
iv) GOI securities	-	-
v) Others (Pass Through Certificates)	504	521
b) Long term investments		
1) Quoted		
Shares		
a) Equity	-	-
b) Preference	-	-
ii) Debentures and bonds	-	429
iii) Units of Mutual fund	-	-
iv) GOI securities	-	-
v) Others	-	-
2) Unquoted		
i) Shares		
a) Equity	-	-
b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Units of Mutual fund	-	-
iv) GOI securities	-	-
v) Others (Pass Through Certificates and Security receipts)	326	363
Total Investments	8,917	21,468

6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Net of Provision)							
	Secured		Unsecured		Total		
Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
a) Related parties							
1) Subsidiaries	-	-	-	-	-	-	
2) Companies in the same group	-	-	-	-	-	-	
3) Other related parties	-	-	-	-	-	-	
b) Other than related parties	1,52,155	88,819	-	-	1,52,155	88,819	
Total	1,52,155	88,819	-	-	1,52,155	88,819	



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

- 42 Disclosure related to Schedule to the balance sheet of the Company, as required by Annex IV of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (the "Notification") (Continued)

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade)				
Particulars	Market value / Fair Value or NAV		Book Value (Net of provisions)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Related parties				
1) Subsidiaries	-	-	-	-
2) Companies in the same group	-	-	-	-
3) Other related parties	-	-	-	-
b) Other than related parties	8,891	21,438	8,917	21,468
Total	8,891	21,438	8,917	21,468

43 Related party disclosures:

A. List of Related Parties and their relationship:

- Ultimate Holding Company**
Actis Global 4 LP
- Parent Holding Company**
ACTIS PC (Mauritius) Limited
- Holding Company**
ACTIS PC Investment (Mauritius) Limited
- Directors**
Mr. K V Srinivasan
Mr. Pratik Jain
Mr. Karthik Srinivasan (upto June 29, 2021)
Mr. Asanka Haren Edirimuni Rodrigo
Mr. Sudarshan Sampathkumar
Mr. Hossameldin Abdelhamid Mohamed Aboumoussa (from June 28, 2021)
- Key Managerial Person**
Mr. K V Srinivasan - CEO
Mr. Sandip Parikh - CFO
Mr. Nitin Pangarkar - CS

B. Transactions during the year and closing balances as on balance sheet date with related parties:

Particulars	Holding Company	Key Managerial Person
Equity Share Capital		
a) Opening balance as on April 1, 2021	56,672	-
b) Issued during the year	5,000	-
b) Matured /Redeemed during the year	(6,667)	-
c) Balance as at March 31, 2022	61,672	-
Share Based Payments		
K V Srinivasan	-	740
Sandip Parikh	-	(680)
		184
		(184)
Salary Paid		
K V Srinivasan	-	410
Sandip Parikh	-	(379)
		191
Nitin Pangarkar	-	(164)
		18
		(19)

Notes :

- The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
- Figures in brackets represent figures of previous year.



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

44 Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (%)	48.23%	63.17%
CRAR - Tier I Capital (%)	46.89%	61.96%
CRAR - Tier II Capital (%)	1.34%	1.21%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

45 Asset Liability Management - Maturity pattern of certain items of Assets and Liabilities

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days	1,640 (1,952)	519 (443)	-	11,748 (5,666)	7,472 (20,244)	-
Over 1 month to 2 months	1,518 (538)	507 (284)	-	11,080 (2,764)	24 (208)	-
Over 2 months to 3 months	2,853 (872)	509 (285)	-	2,703 (1,712)	638 (98)	-
Over 3 months to 6 months	6,303 (2,371)	1,724 (861)	-	8,198 (5,025)	73 (161)	-
Over 6 months to 1 year	12,747 (13,792)	3,213 (1,250)	-	14,129 (8,547)	381 (252)	-
Over 1 year to 3 years	35,543 (15,123)	10,378 (4,061)	-	41,372 (24,707)	329 (256)	-
Over 3 years to 5 years	7,433 (2,385)	- (97)	-	28,726 (18,048)	-	-
Over 5 years	-	-	-	34,198 (22,350)	- (250)	-
Total	68,038	16,851	-	1,52,155	8,917	-
Total (Previous year)	(37,035)	(7,281)	-	(88,819)	(21,469)	-

46 Disclosure on Liquidity Risk as at March 31, 2022

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	Number of Significant Counterparties	Amount (in lakhs)	% of Total Deposits	% of Total Liabilities
1	22	84,889	-	49.87%

ii) Top 20 large deposits - This is not applicable as the Company is a non deposit taking NBFC

	Amount (in lakhs)	% of Total Borrowings
iii) Top 10 Borrowings	41,665	49.08%



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

46 Disclosure on Liquidity Risk (Continued)

iv) Funding Concentration based on significant instrument / product

Sr. No	Name of Instrument/ Product	Amount (in lakhs)	% of Total Liabilities
1	Long Term Loans/Working Capital Loans	84,889	49.87%

v) Stock ratios are not applicable as, the Company has not issued any Commercial Paper or Non-Convertible Debentures

47 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	
Name of Rating Agency	Care Ratings
Rating Assigned	CARE A-/Stable (Previous year :CARE A-/Stable)
Rating Assigned for	Long term Bank loans
Name of Rating Agency	CRISIL
Rating Assigned	CRISIL A-/Stable & CRISIL A1 (Previous year :CRISIL BBB+/Stable)
Rating Assigned for	Long term Bank loans
Name of Rating Agency	India Ratings & Research Private Limited
Rating Assigned	IND A-/Stable (Previous year : IND BBB / Positive)
Rating Assigned for	Long term Bank loans

48 Investments

Particulars	2021-22	2020-21
Value of Investments		
i) Gross Value of Investments		
a) In India	8,917	21,469
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	26	30
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	8,891	21,439
b) Outside India	-	-
Movement of Provisions held towards depreciation on investments		
i) Opening Balance	30	-
ii) Add: Provisions made during the year	26	30
iii) Less: Write off / Write back of excess provision during the year	30	-
iv) Closing Balance	26	30



Profectus Capital Private Limited

Notes to the Financial Statements (Continued)

for the year ended March 31, 2022

Amount in Rs. Lakhs

49 Exposures

1) Exposure to Real estate sector		
Category	2021-22	2020-21
Direct Exposure		
i) Residential Mortgage Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	-	-

Note : The Loan against property loans sourced by the Company are working capital loans with collateral as property. Since the repayments for the loans are from the business income of the borrower and not from the property, the same are not treated as real estate exposures.

2) Exposure to Capital Market		
Particulars	2021-22	2020-21
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; Residential Mortgage	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

50 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
	2021-22	2020-21
i) Provision/(Write back) for depreciation on Investment	(4)	4
ii) Provision towards NPA*	180	15
iii) Provision made towards Income tax	273	44
iv) Other Provision and Contingencies (with details)	-	-
iv) Provision for Standard Assets*	344	171

* The Company follows ECL provisioning and hence stage 1 and stage 2 assets are considered in Provision for Standard Assets and stage 3 assets are considered in Provision towards NPA.

51 Concentration of Deposits, Advances, Exposures and NPAs

1) Concentration of Advances

Particulars	2021-22	2020-21
Total Advances to twenty largest borrowers	14,367	9,766
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	9%	11%

2) Concentration of Exposures*

Particulars	2021-22	2020-21
Total Exposure to twenty largest borrowers / customers	14,313	9,847
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	9%	10.67%

* Investment in bonds are not included in exposure as the Company holds the same not for Long term Investment but for Liquidity purposes



Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

51 Concentration of Deposits, Advances, Exposures and NPAs (Continued)

Particulars	2021-22	2020-21
Total Exposure to top four NPA accounts	557	193

Sector	Percentage of NPAs to Total Advances in that sector	
	2021-22	2020-21
Agriculture and Allied Activities	0.00%	0.00%
MSME	0.79%	0.11%
Corporate Borrowers	0.00%	0.00%
Services	0.00%	6.87%
Unsecured Personal Loans	0.00%	0.00%
Auto Loans	0.00%	0.00%
Other Personal Loans	0.00%	0.00%

Particulars		2021-22	2020-21
i)	Net NPAs to Net Advances (%)	0.65%	0.19%
ii)	Movements of NPAs (Gross)		
a)	Opening Balance	193	100
b)	Additions during the year	1,094	107
c)	Reductions during the year	106	13
d)	Closing balance	1,182	193
iii)	Movements of NPAs (Net)		
a)	Opening Balance	170	91
b)	Additions during the year	903	91
c)	Reductions during the year	95	12
d)	Closing balance	978	170
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening Balance	23	9
b)	Provisions made during the year	190	15
c)	Write-off/ write back of excess provisions	11	1
d)	Closing balance	204	23

Type of Borrower	Number of borrowers where resolution plan has been implemented under this window	Value of accounts restructured under this scheme
MSME	8	927

Type of Borrower	Number of borrowers where resolution plan has been implemented under this window	Value of accounts restructured under this scheme
MSME	6	815



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

55 Disclosure pursuant to Reserve Bank of India notification RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 pertaining to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

Sr No	Particulars	DA 1 from NBFC'S	DA 2 from NBFC'S
i.	Aggregate Principal outstanding of loans Acquired (In Lakhs)	750	1,381
ii.	Aggregate consideration paid (In Lakhs)	750	1,381
iv.	Weighted average balance maturity of loans (In years)	21	26
v.	Weighted average holding period of Loans (In years)	15	30
vi.	Retention of beneficial economic interest (In %)	80%	80%
vii.	Coverage of Tangible security coverage (In %)	490%	205%
viii.	Rating-wise distribution of rates loans (In Lakhs)	NA	NA

56 Customer Complaints

Particulars	2021-22	2020-21
i) No. of complaints pending at the beginning of the year	-	-
ii) No. of complaints received during the year	10	4
iii) No. of complaints redressed during the year	9	4
iv) No. of complaints pending at the end of the year	1	-

57 The Company has not exceeded the prudential exposure limits for single borrower limit and group borrower limit.

58 The Company has not granted any unsecured loans where the underlying collateral is in the form of intangible securities like charge over the rights, licenses, authority etc.

59 None of the regulators have imposed any penalties on the Company during the financial year 2021-22.(previous year : "Nil")

60 Expenditure in foreign currency

Particulars	2021-22	2020-21
Software Licences	0	0
Consultancy	9	14
TOTAL	9	14

There are no unhedged foreign currency transactions as at the year end. (previous year : "Nil")



Profectus Capital Private Limited

Notes to the Financial Statements (Continued) for the year ended March 31, 2022

Amount in Rs. Lakhs

61 Trade payables aging schedule - March 31, 2022

Sr No	Particulars	outstanding for following periods from due date of payment					Total
		Not due	<1 year	1-2 years	2-3 years	>3 years	
i	MSME	-	-	-	-	-	-
ii	Others	-	452	-	-	-	452
iii	Disputed dues -MSME	-	-	-	-	-	-
iv	Disputed dues - Others	-	-	-	-	-	-
v	Unbilled	-	201	-	-	-	201

Trade payables aging schedule - March 31, 2021

Sr No	Particulars	outstanding for following periods from due date of payment					Total
		Not due	<1 year	1-2 years	2-3 years	>3 years	
i	MSME	-	-	-	-	-	-
ii	Others	-	181	-	-	-	181
iii	Disputed dues -MSME	-	-	-	-	-	-
iv	Disputed dues - Others	-	-	-	-	-	-
v	Unbilled	-	290	-	-	-	290

* The amount includes provision of Rs 290 Lakhs which were unbilled as on March 31, 2021.

62 Relationship with struck off companies:

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

63 Registration and Satisfaction of Charges :

Registration and satisfaction of charges were performed as per the terms of sanction within the due dates during the year ended March 31, 2022 and March 31, 2021 respectively.

64 Utilisation of borrowed funds :

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

65 Registration obtained from other financial sector regulators : None

66 Details of financing of parent Company products : None

67 Draw down from reserves : None

68 There are no Overseas Assets

69 There are no Off-balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms

70 During the current and previous year, the Company has not entered into any derivative contract and at the year-end there is no outstanding derivative contract. Therefore, disclosures pertaining to derivatives are not applicable.

71 The Company has not sold any of its assets during the current year and previous year by way of securitisation or sale of assets to Asset Reconstruction Companies. Therefore, disclosure pertaining to Securitisation or sale to Asset Reconstruction Companies are not applicable.

72 During the current and previous year, the Company has not entered into any sale of financial assets by way of assignment nor purchased or sold any Non-performing asset. Therefore, disclosures pertaining to it are not applicable.

73 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

74 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

75 The Company has not made any Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment

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

77 There were no frauds reported during the year.

78 The Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable to current year.

79 Previous year financials were audited by erstwhile auditor.

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
Firm's Registration No: 101048W

Janak Mehta
Partner
Membership No.: 116976

Mumbai
Date: 31 May, 2022

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

K V Srinivasan
Whole Time Director &
Chief Executive Officer
DIN: 01827316

Sandip Parikh
Chief Financial Officer

Pratik Jain
Director
DIN: 05347739

Nitin Pangarkar
Company Secretary

