

**DIRECTORS' REPORT**

**To  
The Members,  
Angel Fincap Private Limited**

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the financial year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL SUMMARY OF THE COMPANY:**

<b>Financial Highlights</b>	<b>Amount (Rs)</b>	
	<b>2019-20</b>	<b>2018-19</b>
Total Revenue	98,927,522	139,733,264
Total Expenditure	46,547,585	71,776,309
<b>Profit before Interest, Depreciation and Tax</b>	<b>44,277,827</b>	<b>35770036</b>
Finance Cost	1,867,387	25,500,884
Depreciation and Amortisation Expense	6,234,723	6,686,035
<b>Profit Before Tax</b>	<b>52,379,937</b>	<b>67,956,955</b>
Tax expense	11,860,091	17,994,643
<b>Profit After Tax</b>	<b>40,519,846</b>	<b>49,962,312</b>
Balance profit / (Loss) as at the beginning of the year	223,861,518	184,773,352
Less: Assets useful life adjustment		
<b>Amount available for appropriations</b>	<b>264,392,011</b>	<b>233,756,876</b>
Interim Dividend		
Corporate Tax Dividend		
Transfer to General / Statutory Reserve	(8,106,099)	(9,895,358)
<b>Balance as at the end of the year</b>	<b>256,285,912</b>	<b>223,861,518</b>
Earnings Per Share	7.35	9.06

**2. DIVIDEND:**

Considering the future expansion plans and capital requirements, the Directors have decided to conserve cash flow and hence have not recommended any dividend for the year under review.

**3. TRANSFER TO STATUTORY RESERVE FUND:**

As per Section 451C of The Reserve Bank of India Act, 1934, the Company has transferred Rs.8,106,099 to the Statutory Reserve Fund during the financial year.

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**Corporate Office:** 6th Floor, Akruti Star, Central Road, MIDC, Andheri (E), Mumbai - 400 093.  
**Tel.:** (022) 4000 3600 / 3935 7600 **Fax:** (022) 3935 7699.

**CSO & Regd Office:** G-1, Akruti Trade Centre, MIDC, Road No. 7, Andheri (E), Mumbai - 400 093. **Tel:** (022) 3083 7700  
**Fax:** (022) 2835 8811 **E-mail:** feedback.afpl@angelfincap.com | grievances@angelfincap.com **Website:** www.angelfincap.com

***Directors' Report of Angel Fincap Private Limited dated 08<sup>st</sup> May 2020***

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**4. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR:**

The gross revenue of the Company has declined from Rs. 139,733,264 in financial year 2018-19 to Rs. 98,927,522 in 2019-20 and profit after tax has decreased from Rs. **49,962,312** in financial year 2018-19 to Rs. **40,519,846** in 2019-20.

**5. IMPACT OF COVID-19**

The company is involved in stock broking service which is essential service hence the Company has continue to carry its activities in this lockdown period. Company has adopted work from home model to make enable its employee to work without Physical presence at office.

**6. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed and there are no material departures from prescribed accounting standards;

b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis; and

e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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CIN No.: U67120MH1996PTC245680

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**7. CHANGE IN THE NATURE OF BUSINESS:**

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

**8. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year 2019-20 and the date of the report.

**9. EXTRACT OF ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form MGT-9 is appended as *Annexure-1* to the Board's Report.

**10. NUMBER OF MEETINGS OF THE BOARD AND THE COMMITTEES:**

The Board met 15 (Fifteen) times during the financial year 2019-20 viz. 09<sup>th</sup> April, 2019, 16<sup>th</sup> April 2019, 21<sup>st</sup> May 2019, 17<sup>th</sup> June 2019, 09<sup>th</sup> July 2019, 29<sup>th</sup> July 2019, 13<sup>th</sup> August 2019, 09<sup>th</sup> September 2019, 23<sup>rd</sup> September, 2019, 30<sup>th</sup> September 2019, 23<sup>rd</sup> October, 2019, 14<sup>th</sup> November 2019, 02<sup>nd</sup> December 2019, 07<sup>th</sup> February 2020, 18<sup>th</sup> February 2020.

**Details of Committee Meetings:**

Sr. No.	Name of the Committee	No. of meetings held during financial year 2019-20
1.	Corporate Social Responsibility Committee	1 (One)
2.	Audit Committee	5 (Five)

**11. STATUTORY AUDITORS:**

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), have tendered their resignation from the position of Statutory Auditors on 01<sup>st</sup> July, 2019 due to inability to act as statutory auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act").

M/s. R. R. Falod & Co., Chartered Accountants (Firm Registration No. 102834W) were appointed as Statutory Auditors and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of the Extraordinary General Meeting held on 18<sup>th</sup> July,

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**Directors' Report of Angel Fincap Private Limited dated 08<sup>st</sup> May 2020****: 4 :**

2019 until the conclusion of the ensuing Annual General Meeting and that they shall conduct the Statutory Audit for the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

Pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors recommends the appointment of M/s Falod & Maheshwari (**Firm Registration Number-151051W**) as the Statutory Auditors of the Company, for a period of five (5) years i.e. till the conclusion of the Company's 30<sup>th</sup> AGM i.e. 2024-2025..

The Company has received appropriate consent for appointment and certificate from the Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Necessary resolution seeking approval of the members for appointment of new statutory auditors has been incorporated in the Notice convening the Annual General Meeting forming part of this Annual Report.

**12. AUDITORS' REPORT:**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors' remarks in their report are self-explanatory and do not call for any further comments.

**13. DIRECTORS AND KEY MANAGERIAL PERSONNEL - APPOINTMENT AND RESIGNATION:**

Following changes took place in the Director and KMP of the Company during the financial year 2019-20:

Sr. No.	Name	Designation	Date	Nature of Change
1	Mr. Ankit Parikh	Company Secretary	11 <sup>th</sup> July, 2019	Resignation
2	Mr. Harikrishna Negi	Company Secretary	02 <sup>nd</sup> December, 2019	Appointment

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**14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013, in the prescribed Form AOC-2, is appended as *Annexure II* to the Board's Report.

**15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

As per the Companies Act, 2013, all prescribed companies shall spend at least 2% of the average net profits of the Company's three immediately preceding financial years.

Accordingly, the Company has spent Rs. 14,15,000/- towards the CSR activities in financial year 2019-20.

CSR activities, as per the Companies Act, 2013, may be undertaken by the Company through a registered trust or a registered society. Your Company has undertaken CSR activities in promoting healthcar facilities to poor through Sau Aadhar foundation Vejalpur, District Ahemdabad, a charitable trust.

The report on the CSR activities of the Company is appended as *Annexure III* to the Board's report.

**16. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**17. CHANGES IN SHARES CAPITAL :**

The Company has not issued any equity shares during the financial year under review.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

**19. DEPOSITS:**

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

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***Directors' Report of Angel Fincap Private Limited dated 08<sup>st</sup> May 2020***

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**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

(A) Information on Conservation of energy as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is not applicable to the present activities of the Company and hence no annexure forms part of this report.

(B) Technology Absorption:

The management keeps itself abreast of the technological advancements in the industry and has adopted the state of the art transaction, billing and accounting systems and also risk management solutions.

(C) Foreign Exchange Earnings and Outgo for the period under review was Nil.

**21. RETIREMENT BY ROTATION:**

In terms of Section 152 of the Act, Mr. Santanu Syam (DIN:03163144) would retire by rotation at the forthcoming Annual General Meeting ("AGM") and is eligible for re-appointment. Mr. Santanu Syam (DIN:03163144) has offered himself for re-appointment.

The Board has recommended his re-appointment.

**22. DECLARATION OF INDEPENDENT DIRECTORS:**

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

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

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

The constitution of the Internal Complaints and the Appeals Committee as on 31<sup>st</sup> March, 2020 was as follows:

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**Internal Complaints Committee:**

Sr. No.	Name	Position Held
1.	Anita D'Souza	Chairperson/Presiding Officer
2.	Naheed Patel	Member
3.	Vineet Agrawal	Member
4.	Nilesh Gokral	Member
5.	Shabnam Kazi	Member

**Appeals Committee:**

Sr. No.	Name	Position Held
1.	Camillia Sequiera	Chairperson/Presiding Officer
2.	Pramita Shetty	Member
3.	Bhavin Parekh	Member
4.	Ketan Shah	Member
5.	Pratibha Naitthani	Member

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All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Following are the details of the complaints received by the Company during the financial year 2019-20:

Sr. No.	Particulars	Number
1	No. of complaints received	0
2	No. of complaints disposed of	0
3	No. of cases pending for more than 90 days	0

**24. INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

**25. PARTICULARS OF EMPLOYEES:**

Statement containing the names of employees employed throughout the financial year in receipt of remuneration of one crore and two lakh rupees or more or employed for part of the year in receipt of eight lakhs and fifty thousand rupees or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as *Annexure IV* to the Board's Report.

**26. ACKNOWLEDGEMENTS:**

Your Directors would like to express their appreciation for assistance and co-operation received from the investors, clients, banks, regulatory and government authorities and members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services by the executives and staff of the Company.

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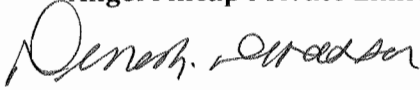
*Directors' Report of Angel Fincap Private Limited dated 08<sup>st</sup> May 2020*

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**27. Significant Changes during the Financial Year:**

As on 30<sup>th</sup> September, 2019, the Company has changed its place for keeping of books of accounts of the company to 6<sup>th</sup> floor, Ackruti Star, Central Road, MIDC, Andheri East, Mumbai-400093.

**For and on behalf of the Board  
Angel Fincap Private Limited**



**Dinesh Thakkar  
Director  
(DIN :00004382 )**



**Vinay Agrawal  
Director  
(DIN: 01773822)**



**Place: Mumbai  
Date: 08<sup>th</sup> May, 2020**

**ANNEXURE-I**
**FORMMGT-9**
**EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

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

**1. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U67120MH1996PTC245680
ii.	Registration Date	27 <sup>th</sup> February, 1996
iii.	Name of the Company	Angel Fincap Private Limited
iv.	Category/Sub-Category of the Company	Private Limited Company
v.	Address of the Registered office and contact details	G-1, Akruiti Trade Centre, Road No.7, MIDC, Andheri East, Mumbai-400 093 Tel:-022-40003600
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Mumbai - 400083

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Interest from lending activities	99715210	98.89%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Angel Broking Limited G-1 Ackruti Trade Centre, Road No 7, MIDC, Andheri (E), Mumbai 400093	U67120MH1996PLC101709	Holding	99.99	2(46)

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/HUF	-	6	6	0.00	-	6	6	0.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	5516394		5516394	100	5516394	-	5516394	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>5516394</b>	<b>6</b>	<b>5516400</b>	<b>100</b>	<b>5516394</b>	<b>6</b>	<b>5516400</b>	<b>100</b>	<b>-</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>B. Public Shareholding</b>										-
<b>1. Institutions</b>										-
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>										
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c)	--	--	-	-	-	-	-	-	-	-

Others(Specif y)									
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholdin g (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5516394</b>	<b>6</b>	<b>5516400</b>	<b>100</b>	<b>5516394</b>	<b>6</b>	<b>5516400</b>	<b>100</b>	<b>-</b>

**ii. Shareholding of Promoters :**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the compan y	%of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the compan y	%of Shares Pledged / encumber ed to total shares	
1.	Angel Broking Ltd	5516394	99.99	Nil	5516394	99.99	Nil	-
2.	Angel Broking Ltd jointly with Mr.DineshThakkar	1	0.00	Nil	1	0.00	Nil	-
3.	Angel Broking Limited jointly with Mr. Ashok Thakkar	1	0.00	Nil	1	0.00	Nil	0.00
4.	Angel Broking Limited jointly with Mr. Deepak Thakkar	1	0.00	Nil	1	0.00	Nil	0.00
5.	Angel Broking Limited with Mahesh Thakkar	1	0.00	Nil	1	0.00	Nil	0.00
6.	Angel Broking Limited jointly with Mr. Vijay Thakkar	1	0.00	Nil	1	0.00	Nil	0.00
7.	Angel Broking Limited with Mr. Rahul Thakkar	1	0.00	Nil	1	0.00	Nil	0.00

**iii. Change in Promoters' Shareholding (please specify, if there is no change) : No change**

Sr.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sr.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>	-	-	-	-

**v. Shareholding of Directors and Key Managerial Personnel :**

Sr.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	-	-	-	-
	Date wise Increase / Decrease in Promoters				

Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
<b>At the end of the year</b>	-	-	-	-

## 5. INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	1,85,123	-	-	1,85,123
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,85,123</b>			<b>1,85,123</b>
Change in Indebtedness during the financial year				
Addition		-	-	
Reduction	<b>Reduction</b>			<b>Reduction</b>
<b>Net Change</b>	<b>1,85,123</b>	-	-	<b>1,85,123</b>
Indebtedness at the end of the financial year				
Principal Amount	-	-	-	-
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil

2.	StockOption	Nil	Nil
3.	Commission - as%ofprofit - others,specify...	Nil	Nil
4.	Others,pleasespecify	Nil	Nil
5.	Total(A)	Nil	Nil
6.	CeilingaspertheAct	Nil	Nil

**B. Remuneration to other Directors:**

Particulars of Remuneration	Total Amount	
	Mr. Ashok Thakkar	
Independent Directors • Fee for attending board committee meetings • Commission • Others,pleasespecify	Nil	Nil
Total(1)	Nil	Nil
Non-ExecutiveDirectors	38,00,282	38,00,282
Total(2)	38,00,282	38,00,282
Total(B)=(1+2)	38,00,282	38,00,282
TotalManagerialRemuneration	38,00,282	38,00,282
OverallCeilingaspertheAct	Nil	Nil

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD :**

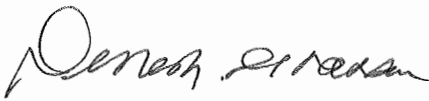
Sr.No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1.	Gross salary (a)Salary as per provisions containedinsection17(1) oftheIncome-taxAct,1961 (b)Value of perquisites u/s 17(2)Income-taxAct,1961 (c)Profits in lieu of salary undersection17(3)Income-taxAct,1961	Nil	10,80,806	Nil	10,80,806
2.	StockOption	Nil	Nil	Nil	Nil
3.	Commission - as%ofprofit - others,specify...	Nil	Nil	Nil	Nil
4.	Others,pleasespecify	Nil	Nil	Nil	Nil
5.	Total(A)	Nil	10,80,806	Nil	10,80,806
6.	CeilingaspertheAct	Nil	Nil	Nil	Nil



**7. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers In Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board  
Angel Fincap Private Limited



**Dinesh Thakkar**  
Director  
(DIN : 00004382 )



**Vinay Agrawal**  
Director  
(DIN: 01773822)



Place: Mumbai  
Date: 08/05/2020

**ANNEXURE-II****FORM NO. AOC.2**

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

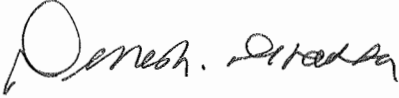
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2020: NIL**

For and on behalf of the Board  
Angel Fincap Private Limited



**Dinesh Thakkar**  
Director  
(DIN :00004382 )



**Vinay Agrawal**  
Director  
(DIN: 01773822)



**ANNEXURE-III****ANNUAL REPORT ON CSR ACTIVITIES  
(Pursuant to Section 135 of the Companies Act, 2013)****CSR Policy and Composition of the CSR Committee:**

We strive to be a socially responsible Company and strongly believe in development which is beneficial for the society at large. Through the CSR program, the Company sets the goal of reaching a global balance that integrates human, environmental and community resources. By means of integrating and embedding CSR into its business operation and participating proactively in CSR initiatives, the Company intends to contribute continuously to the global sustainable development.

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

Our CSR Committee comprises Mr. Dinesh Thakkar and Mr. Vinay Agrawal. The Committee is responsible for formulating and monitoring the CSR policy of the Company.

**Financial Details:**

Sr. No.	Particulars	Amount(Rs.)
1.	Average net profit of the company for last three financial years	70,610,599
2.	Prescribed CSR Expenditure (two per cent. of the average net profit)	1,412,212
3.	Details of CSR spent during the financial year	1,415,000
4.	Total amount to be spent for the financial year	1,415,000
5.	Amount unspent, if any	Nil

**Corporate Office:** 6th Floor, Ackruti Star, Central Road, MIDC, Andheri (E), Mumbai - 400 093.  
Tel.: (022) 4000 3600 / 3935 7600 Fax: (022) 3935 7699.

**CSO & Regd Office:** G-1, Ackruti Trade Centre, MIDC, Road No. 7, Andheri (E), Mumbai - 400 093. Tel: (022) 3083 7700  
Fax: (022) 2835 8811 E-mail: feedback.afpl@angelfincap.com | grievances@angelfincap.com Website: www.angelfincap.com

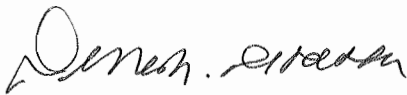
**Manner in which the amount spent during the financial year is detailed below.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the Project is covered	Location of the project or program	Amount outlay (budget)	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Aadhar Foundation	Providing healthcare facilities to the poor and under privileged children	Ahmedabad	Rs. 14,15,000	Rs. 14,15,000	6,630,000	Through the Trust

**Responsibility statement:**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

**For and on behalf of the Board  
Angel Fincap Private Limited**



**Dinesh Thakkar**  
Director  
(DIN :00004382 )



**Vinay Agrawal**  
Director  
(DIN: 01773822)



**ANNEXURE - IV**

Statement containing the names of every employee employed throughout the financial year (2019-20) and in receipt of remuneration of one crore and two lakh rupees or more or employed for part of the year and in receipt of eight lakhs and fifty thousand rupees or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Name of Employee	Designation	Remuneration per annum	Nature of employment (Contractual / Otherwise)	Qualification & Experience	Date of joining	Age	Last employer	% of Equity shares held along with spouse & dependent children	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Ketan Shah	Associate Director	1,03,84,569.00	Permanent	Bachelor's degree in commerce	17/01/2000	49	-	-	-

For and on behalf of the Board  
Angel Fincap Private Limited

*Dinesh Thakkar*

Dinesh Thakkar  
Director  
(DIN : 00004382 )

*Vinay Agrawal*

Vinay Agrawal  
Director  
(DIN: 01773822)



Place : Mumbai  
Date : 08<sup>th</sup> May, 2020

**Corporate Office:** 6th Floor, Akruti Star, Central Road, MIDC, Andheri (E), Mumbai - 400 093.  
**Tel.:** (022) 4000 3600 / 3935 7600 **Fax:** (022) 3935 7699.

**CSO & Regd Office:** G-1, Akruti Trade Centre, MIDC, Road No. 7, Andheri (E), Mumbai - 400 093. **Tel:** (022) 3083 7700  
**Fax:** (022) 2835 8811 **E-mail:** feedback.afpl@angelfincap.com | grievances@angelfincap.com **Website:** www.angelfincap.com

**Radheyshyam Falod**  
**B. Com. (Hons.) F.C.A.**

**R. R. FALOD & CO.**  
**CHARTERED ACCOUNTANTS**

108, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Angel Fincap Private Limited**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the accompanying financial statements of Angel Fincap Private Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss, including other comprehensive income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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 as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, 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 (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors is also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reported 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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





## Other Matters

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2019 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 21<sup>st</sup> May, 2019. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";
  - (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



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

- i. In our opinion and according to the information and explanations given to us, the Company does not have any pending litigations which have impact on its financial position in its financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. R. Falod & Co.**  
**Chartered Accountants**  
**Firm Registration No. 102834W**

*Radheyshyam Falod*

**Radheyshyam Falod**  
**(Proprietor)**  
**Membership No. 31914**



**Place: Mumbai**  
**Date : 08<sup>th</sup> May, 2020**

## **Annexure “A” to the independent Auditor’s Report**

The Annexure A referred to in Independent Auditor’s report to the Members of the Company on the Financial Statement for the year ended 31<sup>st</sup> March, 2020, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) All fixed assets were physically verified by the management during the year under review in accordance with a planned program of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.  
  
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no immovable properties, the requirement under paragraph 3(i)(c) of the order are not applicable to the company.
- (ii) The company’s business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the order is not applicable to the company.
- (iii) (a) The company has granted loans to company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanation given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.  
  
(b) The company has granted loans that are repayable on demand, to company covered in the register maintained under section 189 of the Companies Act, 2013. In absence of stipulated terms of repayment, we do not make any comment on the regularity of repayment of principal. However interest on such loans granted have been paid as per stipulated terms of interest repayment.  
  
(c)#There is no repayment schedule for repayment of principle dues and therefore there is no overdue amount. There is no overdue amounts of interest outstanding.
- (iv) The company is a Non- Banking Finance company registered with Reserve Bank of India and engaged in the business of financing. Accordingly, the provision of Sec 185 of the Companies Act, 2013 is not applicable to the Company.

According to the information and explanations given to us, the provision of section 186 of Companies Act, 2013 in respect of loans and advances given and investments made have been complied with by the company.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable.
- (vi) We have been informed by the management that the Central Government has not prescribed maintenance of cost records for the Company under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Therefore the provision of paragraph 3 (vi) is not applicable.
- (vii) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, wealth tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they become payable.
- (b) As per the records maintained by the company and according to the information and explanation given to us, there is no disputed income tax or wealth tax or goods and service tax or duty of customs or duty of excise or cess which have not been deposited on account of any dispute.
- (viii) As per the information and explanation given to us by the management we are of the opinion that as on 31<sup>st</sup> March, 2020 the Company has not defaulted in repayment of loans to banks. The Company does not have any loans or borrowings from financial institutions and debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised money through initial public offer or further public offer (including debt instruments) and term loans and hence the provisions of paragraph 3(ix) of the Order are not applicable.
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



- (xii) In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable, details of such transactions are disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him Hence the provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) According to the information and explanation given to us, we report that the company as registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

**For R. R. Falod & Co.**  
**Chartered Accountants**  
**Firm Registration No. 102834W**

*Radheyshyam Falod*

**Radheyshyam Falod**  
**(Proprietor)**  
**Membership No. 31914**



**Place: Mumbai**  
**Date : 08<sup>th</sup> May, 2020**

## **Annexure “B” to the Independent Auditor’s Report**

**Annexure B to the independent Auditor’s report of even date on the financial statements of Angel Fincap Private Limited.**

**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 **Angel Fincap Private Limited** (“the Company”) as of March 31, 2020 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 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, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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 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.

### **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 31<sup>st</sup> March, 2020, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

**For R. R. Falod & Co.**  
**Chartered Accountants**  
**Firm Registration No. 102834W**

*Radheyshyam Falod*  
\_\_\_\_\_  
**Radheyshyam Falod**  
**(Proprietor)**  
**Membership No. 31914**



**Place: Mumbai**  
**Date : 08<sup>th</sup> May, 2020**

Angel Fincap Private Limited  
Balance Sheet as at 31 March 2020

(Amount in Rs.)

	Note No.	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
(a) Cash and cash equivalents	5	20,75,13,276	4,12,38,726	19,13,82,862
(b) Loans	6	30,99,66,928	69,86,31,911	1,05,04,55,916
(c) Investments	7	21,22,64,628	4,52,30,902	-
(d) Other financial assets	8	10,06,60,000	-	-
<b>Non-financial Assets</b>				
(a) Deferred tax assets (Net)	9	23,56,749	11,29,889	-
(b) Property plant and equipment	10	32,40,050	77,15,575	1,21,91,102
(c) Intangible assets	11	-	17,59,198	39,69,707
(d) Other non-financial assets	12	74,72,836	74,78,015	73,53,541
<b>Total Assets</b>		<b>84,34,74,467</b>	<b>80,31,84,216</b>	<b>1,26,53,53,128</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
(a) Trade Payables	13			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	9,93,353	3,73,000
(b) Borrowings (Other than Debt Securities)	14	-	1,85,123	51,13,01,775
(c) Other financial liabilities	15	52,58,553	47,71,207	61,23,477
<b>Non-Financial Liabilities</b>				
(a) Current tax liabilities (Net)	16	4,48,390	24,62,888	21,17,561
(b) Provisions	17	49,13,532	42,32,156	39,28,723
(c) Deferred tax liabilities (Net)	9	-	-	6,06,936
(d) Other non-financial liabilities	18	5,98,487	7,01,053	21,61,345
<b>EQUITY</b>				
(a) Equity Share capital	19	5,51,64,000	5,51,64,000	5,51,64,000
(b) Other Equity	20	77,70,91,505	73,46,74,436	68,35,76,311
<b>Total Liabilities and Equity</b>		<b>84,34,74,467</b>	<b>80,31,84,216</b>	<b>1,26,53,53,128</b>

The accompanying notes are an integral part of the financials statements

As per our report of even date

For R. R. Falod & Co

Chartered Accountants

Firm Registration No: 102834W

For and on behalf of the Board of Directors

Angel Fincap Private Limited

Radheyshyam Falod

Proprietor

Membership No. 31914



Place : Mumbai

Date : 08 May 2020

Dinesh Thakkar

Director

DIN : 00004382

Place : Mumbai

Date : 08 May 2020

Vinay Agrawal

Director

DIN : 01773822

Harikrishna Negi

Company Secretary

Membership No. ACS60161



Angel Fincap Private Limited  
Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Rs.)

	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
(a) Interest income	21	9,11,66,045	13,70,31,793
(b) Net gain on fair value changes	22	10,23,878	-
<b>Total Revenue from operations (I)</b>		<b>9,21,89,923</b>	<b>13,70,31,793</b>
Other income (II)	23	67,37,599	27,01,471
<b>Total Income (I+II=III)</b>		<b>9,89,27,522</b>	<b>13,97,33,264</b>
<b>Expenses</b>			
(a) Finance Costs	24	18,67,387	2,55,00,884
(b) Employee Benefits Expenses	25	3,12,68,913	2,93,35,735
(c) Depreciation, amortization and impairment	26	62,34,723	66,86,035
(d) Others expenses	27	71,76,562	1,02,53,655
<b>Total Expenses (IV)</b>		<b>4,65,47,585</b>	<b>7,17,76,309</b>
<b>Profit/(loss) before tax (III - IV=V)</b>		<b>5,23,79,937</b>	<b>6,79,56,955</b>
<b>Tax Expense:</b>			
(a) Current Tax	9	1,31,78,200	1,98,10,600
(b) Deferred Tax	9	(12,30,448)	(18,15,957)
(c) Taxes of earlier years	9	(87,661)	-
<b>Total income tax expense (VI)</b>		<b>1,18,60,091</b>	<b>1,79,94,643</b>
<b>Profit / (loss) for the year (V-VI=VII)</b>		<b>4,05,19,846</b>	<b>4,99,62,312</b>
<b>Other Comprehensive Income (OCI)</b>			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains / (losses) on defined benefit plans	9	14,228	2,28,673
(ii) Income tax relating to above items	9	(3,581)	(79,139)
<b>Other Comprehensive Income for the year (VIII)</b>		<b>10,647</b>	<b>1,49,534</b>
<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>4,05,30,493</b>	<b>5,01,11,846</b>
<b>Earnings per equity share (FV Rs. 10 each)</b>	28		
Basic and diluted (Rs.)		7.35	9.06

The accompanying notes are an integral part of the financials statements

As per our report of even date

For R. R. Falod & Co  
Chartered Accountants

Firm Registration No: 102834W

Radheyshyam Falod  
Proprietor  
Membership No. 31914



For and on behalf of the Board of Directors  
Angel Fincap Private Limited

Dinesh Thakkar  
Director  
DIN : 00004382

Vinay Agrawal  
Director  
DIN : 01773822

Harikrishna Negi  
Company Secretary  
Membership No. ACS60161

Place : Mumbai  
Date : 08 May 2020

Place : Mumbai  
Date : 08 May 2020

Angel Fincap Private Limited  
Statement of Cash Flows for the year ended 31 March 2020

	(Amount in Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from Operating activities</b>		
Net profit / (loss) before taxation	5,23,79,937	6,79,56,955
Adjustments for:		
Depreciation and amortization expenses	62,34,723	66,86,035
Dividend income	(47,81,810)	(2,30,902)
Gain on fair valuation of mutual funds	(10,23,878)	-
Interest on income tax refund	(72,771)	-
Write back of contingent provisions against standard assets	(14,00,734)	(8,74,079)
Provision for Loss and Doubtful Assets	23,88,651	6,38,620
Expense on employee stock option scheme	18,86,576	9,86,279
<b>Operating profit/(loss) before working capital changes</b>	<b>5,56,10,694</b>	<b>7,51,62,908</b>
<b>Changes in working capital</b>		
(Decrease)/ increase in trade payables	(9,93,343)	6,20,347
(Decrease)/ increase in financial liabilities	4,87,346	(13,52,270)
(Decrease)/ increase in other non financial liabilities	(1,02,566)	(14,60,292)
(Decrease)/ increase in provision	6,95,604	5,32,106
(Increase) / Decrease in loan given	38,76,77,066	35,20,59,464
(Increase) / Decrease in financial/non-financial assets	5,176	(1,24,474)
<b>Cash generated/ (used) in operations</b>	<b>44,33,79,977</b>	<b>42,54,37,789</b>
Income tax paid	(1,50,32,266)	(1,94,65,273)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>42,83,47,711</b>	<b>40,59,72,516</b>
<b>Cash flow from Investing activities</b>		
Inter Corporate deposits given	(10,06,60,000)	-
Investment in units of mutual fund	(52,25,30,907)	(4,50,00,000)
Proceeds from sale of units of mutual funds	35,65,21,059	-
Dividend received on investment in mutual fund	47,81,810	2,30,902
<b>Net cash flow generated from / (used in) investing activities (B)</b>	<b>(26,18,88,038)</b>	<b>(4,50,00,000)</b>
<b>Cash flow from Financing activities</b>		
Repayments of borrowings taken from financial institutions	(1,85,123)	(11,16,652)
Repayments of borrowings taken from others	-	(51,00,00,000)
Proceeds from inter-corporate loans	38,70,00,000	30,36,00,000
Repayment of inter-corporate loans	(38,70,00,000)	(30,36,00,000)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>(1,85,123)</b>	<b>(51,11,16,652)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>16,62,74,550</b>	<b>(15,01,44,136)</b>
Cash and cash equivalents at the beginning of the year	4,12,38,726	19,13,82,862
Cash and cash equivalents at the end of the year	<b>20,75,13,276</b>	<b>4,12,38,726</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In current accounts	20,54,53,261	4,12,38,726
Cheques in hand	20,60,015	-
	<b>20,75,13,276</b>	<b>4,12,38,726</b>



Angel Fincap Private Limited  
Statement of Cash Flows for the year ended 31 March 2020

**Notes:**

1. Changes in liabilities arising from financing activities

(Amount in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	1,85,123	51,13,01,775
Borrowing taken during the year	38,70,00,000	45,54,00,000
Repayments during the year	(38,71,85,123)	(96,65,16,652)
Closing balance	-	1,85,123

2. The above statement of cash flow has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flow".

The accompanying notes are an integral part of the financials statements

As per our report of even date

For R. R. Falod & Co

Chartered Accountants

Firm Registration No: 102834W

*Radheyshyam Falod*

Radheyshyam Falod  
Proprietor  
Membership No. 31914



For and on behalf of the Board of Directors  
Angel Fincap Private Limited

*Dinesh Thakkar*

Dinesh Thakkar  
Director  
DIN : 00004382

*Vinay Agrawal*

Vinay Agrawal  
Director  
DIN : 01773822

*Harikrishna Negi*

Harikrishna Negi  
Company Secretary  
Membership No. ACS60161

Place : Mumbai  
Date : 08 May 2020

Place : Mumbai  
Date : 08 May 2020

## 1 Corporate information

Angel Fincap Private Limited (the 'Company') is a Non-Banking Financial Company registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and the Companies Act, 1956 and is a 100% subsidiary of Angel Broking Limited (Formerly known as Angel Broking Private Limited) ('Holding Company'). The company is primarily engaged in lending business. The registered office of the Company is located at G - 1, Akruti Trade Centre, Road No. 7, MIDC, Andheri (East), Mumbai - 400 093.

## 2 Basis of Preparation and presentation

The financial statements (Financial Statements) of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'Previous GAAP').

The transition to Indian Accounting Standard (Ind AS) has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 01 April 2018 and the comparative previous year has been restated/reclassified.

An explanation of how the transition to Ind AS from the previous GAAP has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 4. Accounting policies have been consistently applied to all the financial year presented in the financial statements, including the preparation of the opening Ind AS balance sheet as at 01 April 2018 being the 'date of transition' to Ind AS, except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities, defined benefit- plan liabilities and share based payments being measured at fair value.

These financial statements are presented in Indian Rupees (INR)/(Rs.), which is also its functional currency and all values are rounded to the nearest rupee. Except when otherwise indicated.

The financial statements for the year ended 31 March 2020 are being authorised for issue in accordance with a resolution of the directors on 08 May 2020.

### Significant accounting policy

#### 2.1 Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.**

#### (i) Dividend income

Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.



**(ii) Interest income**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

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

**2.2 Property, plant and equipment****(i) Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

**(ii) Subsequent expenditure**

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

**(iii) Depreciation, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The estimated lives used are noted in the table below:-

Property Plant and equipment	Useful life (In Years)
Office equipments	5
Computer equipment	3 to 6
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of Profit and Loss when the item is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

For transition to Ind AS, the Company has elected to continue with carrying value of its property, plant and equipment recognised as of 01 April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**2.3 Intangible assets**

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Software and system development expenditure are capitalised at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The useful life of these intangible assets is estimated at 5 years with zero residual value. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with carrying value of its intangible assets recognised as of 01 April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The residual values, useful lives and methods of amortisation are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.



**2.4 Financial instruments****(i) Date of recognition**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**(ii) Initial measurement**

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Recognised financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(iii) Classification and subsequent measurement****(A) Financial assets**

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories :

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit or loss ('FVTPL')

**(a) Financial assets carried at amortised cost**

A financial assets is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held to collect contractual cash flows'); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in profit or loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in profit or loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records Cash and cash equivalents, Loans and Inter Corporate Deposits at amortised cost.

**(b) Financial assets at fair value through other comprehensive income (FVOCI)**

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except interest / dividend income which is recognised in profit and loss. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments however, in case of equity instruments it will be directly transferred to reserves. Equity instruments at FVOCI are not subject to an impairment assessment.

**(c) Financial assets at fair value through profit and loss (FVTPL)**

Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss. The Company records investments in mutual funds at FVTPL. Objective of managing investment in mutual fund portfolios is to park additional fund available with the Company and to utilise the same whenever demand arises.

**(B) Financial liabilities and equity instrument**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(a) Equity instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

**(b) Financial liabilities**

Financial liabilities are measured at amortised cost. The carrying amounts are initially recognised at fair value and subsequently determined based on the EIR method. Interest expense is recognised in profit or loss. Any gain or loss on de-recognition of financial liabilities is also recognised in profit or loss. The company does not have any financial liability which are measured at FVTPL.



**(iv) Reclassification**

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

**(v) Sale out of amortised cost portfolios**

The business model may be to hold assets to collect contractual cash flows even if the company sells financial assets when there is an increase in the assets' credit risk. To determine whether there has been an increase in the assets' credit risk, the entity considers reasonable and supportable information, including forward looking information. Irrespective of their frequency and value, sales due to an increase in the assets' credit risk are not inconsistent with a business model whose objective is to hold financial assets to collect contractual cash flows because the credit quality of financial assets is relevant to the entity's ability to collect contractual cash flows.

Sales that occur for other reasons, such as sales made to manage credit concentration risk (without an increase in the assets' credit risk), may also be consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows. In particular, such sales may be consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). If more than an infrequent number of such sales are made out of a portfolio and those sales are more than insignificant in value (either individually or in aggregate), the management assess whether and how such sales are consistent with an objective of collecting contractual cash flows. An increase in the frequency or value of sales in a particular period is not necessarily inconsistent with an objective to hold financial assets in order to collect contractual cash flows, if the company can explain the reasons for those sales and demonstrate why those sales do not reflect a change in the entity's business model.

In addition, sales may be consistent with the objective of holding financial assets in order to collect contractual cash flows if the sales are made close to the maturity of the financial assets and the proceeds from the sales approximate the collection of the remaining contractual cash flows.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**(vi) Derecognition****(A) Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss (except for equity instruments measured at FVOCI).

**(B) Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in profit or loss.

**(vii) Impairment of financial assets****(A) Trade receivables :**

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for all trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on average of historical loss rate adjusted to reflect current and available forward-looking information affecting the ability of the customers to settle the receivables. The Company has also computed expected credit loss due to significant delay in collection.



**(B) Other financial assets:**

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**2.5 Lease****Company as a lessee**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assess whether (i) the contract involves the use of an identified assets ; (ii) the company has substantially all the economic benefits from use of the assets through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

Lease liability has been included in borrowing and ROU asset has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Company as a Lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

**2.6 Cash and cash equivalents**

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.





**2.7 Impairments of Non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

**2.8 Retirement and other employee benefits****(i) Provident fund**

Retirement benefit in the form of provident fund, is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**(ii) Gratuity**

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefit vest after five years of continuous service.

The company's gratuity scheme is a defined benefit plan. The company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior period. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit credit Method which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**(iii) Compensated absences**

The employees of the Company are entitled to compensated absences as per the policy of the Company. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing compensated absences are determined using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of Profit and Loss.

**(iv) Presentation**

For the purpose of presentation of defined benefit plans and other long term employee benefits, the allocation between current and non-current has been made as determined by an actuary.

**(v) Share based payments**

Angel Broking Limited, the parent, grants options to eligible employees of the Company under Angel Broking Employee Stock Option Plan. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

**2.9 Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements. Provisions are reviewed at each balance sheet date and adjusted to effect current management estimates. Contingent liabilities are recognised when there is possible obligation arising from past events.



## 2.10 Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

### (i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

### (ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the standalone statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

## 2.11 Earning per share (basic and diluted)

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have been computed by dividing net profit/loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## 2.12 Borrowing costs

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.13 Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables, respectively, in the balance sheet.

## 3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Following are estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet.



### 3.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

### 3.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

### 3.3 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to base rate and other fee income/expense that are integral parts of the instrument.

### 3.4 Provisions and other contingent liabilities

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the company's business.

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

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

### 3.5 Share based payments

Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share based payments transactions are discussed in Note 30.



### 3.6 Expected Credit loss

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward looking information.

The inputs used and process followed by the company in determining the ECL have been detailed in Notes.

### 3.7 Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### 3.8 Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 3.9 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.



## 4 Reconciliations

(A) Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables presents the reconciliation from regrouped previous GAAP/Indian GAAP to Ind AS.

## (a) Reconciliation of equity as at date of transition 01 April 2018

(Amount in Rs.)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents		19,13,82,862	-	19,13,82,862
Loans	B(iii)	1,05,03,37,209	1,18,706	1,05,04,55,916
<b>Total (A)</b>		<b>1,24,17,20,072</b>	<b>1,18,706</b>	<b>1,24,18,38,778</b>
<b>Non-financial Assets</b>				
Property, Plant and Equipment		1,21,91,102	-	1,21,91,102
Intangible assets		39,69,707	-	39,69,707
Other non-financial assets		73,53,541	-	73,53,541
<b>Total (B)</b>		<b>2,35,14,350</b>	<b>-</b>	<b>2,35,14,350</b>
<b>Total assets (A+B)</b>		<b>1,26,52,34,422</b>	<b>1,18,706</b>	<b>1,26,53,53,128</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Trade Payables		3,73,000	-	3,73,000
Borrowings (Other than Debt Securities)		51,13,01,775	-	51,13,01,775
Other financial liabilities		61,23,477	-	61,23,477
<b>Total (A)</b>		<b>51,77,98,252</b>	<b>-</b>	<b>51,77,98,252</b>
<b>Non-Financial Liabilities</b>				
Current tax liabilities (Net)		21,17,562	-	21,17,562
Provisions		39,28,723	-	39,28,723
Deferred tax liabilities (Net)	B(ii)	5,59,665	47,270	6,06,935
Other non-financial liabilities		21,61,345	-	21,61,345
<b>Total (B)</b>		<b>87,67,295</b>	<b>47,270</b>	<b>88,14,565</b>
<b>Total Liabilities (A+B)</b>		<b>52,65,65,547</b>	<b>47,270</b>	<b>52,66,12,817</b>
<b>EQUITY</b>				
Equity Share capital		5,51,64,000	-	5,51,64,000
Other Equity	B(iii)	68,35,04,875	71,436	68,35,76,311
<b>Total Equity</b>		<b>73,86,68,875</b>	<b>71,436</b>	<b>73,87,40,311</b>
<b>Total equity and liabilities</b>		<b>1,26,52,34,422</b>	<b>1,18,706</b>	<b>1,26,53,53,128</b>

\* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



## (b) Reconciliation of equity as at 31 March 2019

(Amount in Rs.)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents		4,12,38,726	-	4,12,38,726
Loans	B(iii)	69,66,47,102	19,84,809	69,86,31,911
Investment		4,52,30,902	-	4,52,30,902
<b>Total (A)</b>		<b>78,31,16,730</b>	<b>19,84,809</b>	<b>78,51,01,539</b>
<b>Non-financial Assets</b>				
Property, Plant and Equipment		77,15,575	-	77,15,575
Intangible assets		17,59,198	-	17,59,198
Deferred tax (Net)	B(ii)	14,21,926	(2,92,037)	11,29,889
Other non-financial assets		74,78,015	-	74,78,015
<b>Total (B)</b>		<b>1,83,74,714</b>	<b>(2,92,037)</b>	<b>1,80,82,677</b>
<b>Total assets (A+B)</b>		<b>80,14,91,444</b>	<b>16,92,772</b>	<b>80,31,84,216</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Trade Payables		9,93,353	-	9,93,353
Other Payables		-	-	-
Borrowings (Other than Debt Securities)		1,85,123	-	1,85,123
Other financial liabilities		47,71,207	-	47,71,207
<b>Total (A)</b>		<b>59,49,683</b>	<b>-</b>	<b>59,49,683</b>
<b>Non-Financial Liabilities</b>				
Current tax liabilities (Net)		24,62,888	-	24,62,888
Provisions		42,32,156	-	42,32,156
Other non-financial liabilities		7,01,053	-	7,01,053
<b>Total (B)</b>		<b>73,96,097</b>	<b>-</b>	<b>73,96,097</b>
<b>Total Liabilities (A+B)</b>		<b>1,33,45,780</b>	<b>-</b>	<b>1,33,45,780</b>
<b>EQUITY</b>				
Equity Share capital		5,51,64,000	-	5,51,64,000
Other Equity	B(iii)	73,29,81,664	16,92,772	73,46,74,436
<b>Total Equity</b>		<b>78,81,45,664</b>	<b>16,92,772</b>	<b>78,98,38,436</b>
<b>Total equity and liabilities</b>		<b>80,14,91,444</b>	<b>16,92,772</b>	<b>80,31,84,216</b>

\* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



## (c) Reconciliation of profit or loss for the year ended 31 March 2019

(Amount in Rs.)

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Revenue from operations				
Interest Income		13,79,00,737	(8,68,944)	13,70,31,793
<b>Total Revenue from operations</b>		<b>13,79,00,737</b>	<b>(8,68,944)</b>	<b>13,70,31,793</b>
Other Income	B(iii)	12,59,464	14,42,007	27,01,471
<b>Total Income</b>		<b>13,91,60,201</b>	<b>5,73,063</b>	<b>13,97,33,264</b>
<b>Expenses</b>				
Employee benefits expenses	B(i)	2,83,49,456	9,86,279	2,93,35,735
Finance cost		2,55,00,884		2,55,00,884
Depreciation and amortisation expenses		66,86,035	-	66,86,035
Other expenses	B(iii)	1,15,46,695	(12,93,040)	1,02,53,655
<b>Total Expenses</b>		<b>7,20,83,070</b>	<b>(3,06,761)</b>	<b>7,17,76,309</b>
<b>Profit before tax</b>		<b>6,70,77,131</b>		<b>6,79,56,955</b>
<b>Tax Expense</b>				
Current tax		1,98,10,600	-	1,98,10,600
Deferred tax	B(ii)	(20,60,724)	2,44,767	(18,15,957)
<b>Total Income Tax Expense</b>		<b>1,77,49,876</b>	<b>2,44,767</b>	<b>1,79,94,643</b>
<b>Profit for the year</b>		<b>4,93,27,255</b>		<b>4,99,62,312</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of net defined benefit liability	B(i)	-	2,28,673	2,28,673
Income tax effect	B(ii)	-	(79,139)	(79,139)
		-	1,49,534	1,49,534
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>1,49,534</b>	<b>1,49,534</b>
<b>Total comprehensive income for the year</b>		<b>4,93,27,255</b>	<b>1,49,534</b>	<b>5,01,11,846</b>

\* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



(d) Reconciliation of total equity as at 31 March 2019

(Amount in Rs.)

	Notes to first-time adoption	As at 31 March 2019
Equity Share Capital		5,51,64,000
Securities Premium Account		45,14,76,000
Statutory Reserve Fund		5,72,22,368
Surplus in statement of profit and loss account		22,42,83,296
<b>Adjusted Shareholder's equity as per Indian GAAP</b>		<b>78,81,45,664</b>
<b>Adjustment</b>		
Transfer to impairment reserve		(11,28,322)
Transfer from retained earnings		11,28,322
Expected credit loss on loan receivable	B(iii)	19,84,809
Deferred tax on employee stock option plan reserve	B(ii)	(2,92,037)
<b>Total Adjustment</b>		<b>16,92,772</b>
<b>Shareholder's equity as per Ind AS</b>		<b>78,98,38,436</b>

(e) Reconciliation of total comprehensive income for the year ended 31 March 2019

(Amount in Rs.)

	Notes to first-time adoption	As at 31 March 2019
Profit / (Loss) as per Indian GAAP		4,93,27,255
<b>Adjustment</b>		
Remeasurement of net defined benefit liability	B(i)	
Expected credit loss on loan receivable	B(iii)	18,66,103
Deferred tax on Ind AS adjustment	B(ii)	(2,44,767)
Fair value of employee stock option plan	B(iv)	(9,86,279)
<b>Profit / (Loss) as per Ind AS</b>		<b>4,99,62,312</b>
Other comprehensive income:		
Re-measurement gains / (losses) on defined benefit plans, (net off tax)	B(i) and B(ii)	1,49,534
<b>Total Comprehensive Income as per Ind AS</b>		<b>5,01,11,846</b>

(B) Notes to first-time adoption

(i) Actuarial gain/loss

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements are recognised in other comprehensive income. Thus, employee benefits expense is increased by INR 2,28,673 and is recognised in other comprehensive income during the year 31 March 2019. The related deferred tax income of INR 79,139 for the year ended 31 March 2019 has also been reclassified from Profit and loss account to other comprehensive income.

(ii) Deferred tax

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the balance sheet and its corresponding tax base. Consequently deferred tax assets has been decreased by INR 2,92,307 as at 31 March 2019.

(iii) Expected credit loss on loan receivable

Under Indian GAAP, the Company recognized impairment on loans based on the ageing of the due balance. Under Ind AS, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss. The loans are categorized into three stages and the 12 month or lifetime expected loss as applicable is calculated. The provision made in erstwhile Indian GAAP has been reversed and ECL is recognised on gross amount of loan receivable. This has resulted in an increase the statement of profit and loss of INR 19,84,809 for the year ended 31 March 2019.





(iv) Fair value of employee stock option plan

The holding company has granted equity settled options to the employees of the Company. Under previous GAAP, the Company had not recognised for these share-based payment arrangement as the exercise price was equivalent to the fair value of share price. Under Ind AS, the Company has opted to account for the unvested options for comparative period. Consequently the amount recognised in contribution from holding company account stands at INR 9,86,279 as at 31 March 2019. The profit for the year ended 31 March 2019 decreased by INR 9,86,279.

(v) Statement of cash flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2019 as compared with the previous GAAP

(C) Optional exemptions and Mandatory exception

(i) Optional exemptions availed

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also applicable for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property plant and equipment and intangible assets at their previous GAAP carrying value.

(b) Revenue from contracts with customers

The company

> for completed contracts, did not restate contracts that begin and end within the same annual reporting period;

> for completed contracts that have variable consideration, the company use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods; and

> for all reporting periods presented before the beginning of the first Ind AS reporting period, an entity need not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue.

(ii) Mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 31 March 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(d) Impairment of financial assets

The company has applied the impairments requirement of Ind AS 109 retrospectively; however as permitted by Ind AS 101, it has used the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS.



## 5 CASH AND CASH EQUIVALENTS

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Balances with banks			
-in current accounts	20,54,53,261	4,12,38,726	19,13,82,862
Cheques in hand	20,60,015	-	-
<b>Total</b>	<b>20,75,13,276</b>	<b>4,12,38,726</b>	<b>19,13,82,862</b>

## 6 LOANS

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Loans measured at Amortised Cost</b>			
(A) Loans against securities	31,65,08,745	70,41,91,447	1,05,74,57,459
<b>Total (A) Gross</b>	<b>31,65,08,745</b>	<b>70,41,91,447</b>	<b>1,05,74,57,459</b>
Less: Provision for expected credit loss	65,41,817	55,59,536	70,01,543
<b>Total (A) Net</b>	<b>30,99,66,928</b>	<b>69,86,31,911</b>	<b>1,05,04,55,916</b>
(B) (i) Secured by shares/securities	31,06,57,138	70,03,32,904	1,05,39,41,342
(ii) Unsecured	58,51,607	38,58,543	35,16,117
<b>Total (B) Gross</b>	<b>31,65,08,745</b>	<b>70,41,91,447</b>	<b>1,05,74,57,459</b>
Less: Provision for expected credit loss	65,41,817	55,59,536	70,01,543
<b>Total (B) Net</b>	<b>30,99,66,928</b>	<b>69,86,31,911</b>	<b>1,05,04,55,916</b>
(C) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	31,65,08,745	70,41,91,447	1,05,74,57,459
<b>Total (C) Gross</b>	<b>31,65,08,745</b>	<b>70,41,91,447</b>	<b>1,05,74,57,459</b>
Less: Provision for expected credit loss	65,41,817	55,59,536	70,01,543
<b>Total (C) Net</b>	<b>30,99,66,928</b>	<b>69,86,31,911</b>	<b>1,05,04,55,916</b>

## 7 INVESTMENTS

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Investment in India</b>			
<b>Unquoted</b>			
Investments measured at Fair Value through Profit or Loss			
Investments in mutual fund units	21,22,64,628	4,52,30,902	-
<b>Total (Gross)</b>	<b>21,22,64,628</b>	<b>4,52,30,902</b>	<b>-</b>
Less: Allowance for Impairment loss	-	-	-
<b>Total (Net)</b>	<b>21,22,64,628</b>	<b>4,52,30,902</b>	<b>-</b>

## Details of investments -

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Investments measured at Fair Value through Profit or Loss</b>			
Investments in mutual funds			
19,69,995.288 units (31 March 2019- Nil units and 01 April 2018 - Nil) of ICICI Prudential Overnight Fund DP Growth (NAV 107.7488)	21,22,64,628	-	-
Nil units (31 March 2019- 4,51,463.430 units and 01 April 2018 - Nil) of ICICI Prudential Liquid Plan - DP Daily Dividend (NAV 100.1873)	-	4,52,30,902	-
<b>Total</b>	<b>21,22,64,628</b>	<b>4,52,30,902</b>	<b>-</b>

## 8 Other financial assets

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Inter Corporate Deposits	10,06,60,000	-	-
<b>Total</b>	<b>10,06,60,000</b>	<b>-</b>	<b>-</b>



9 DEFERRED TAX

(A) Deferred tax relates to the following:

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Deferred tax assets</b>			
- Provision for gratuity	9,84,583	9,38,885	8,60,044
- Provision for compensated absences	2,52,055	2,38,501	2,32,926
- Provision for expected credit loss on loan	14,72,732	12,94,143	14,53,569
- On employee stock option plan	-	2,74,383	-
	<b>27,09,370</b>	<b>27,45,912</b>	<b>25,46,539</b>
<b>Deferred tax liabilities</b>			
- Difference between book and tax depreciation	97,032	16,16,021	31,53,474
- Fair valuation of mutual funds	2,55,589	-	-
	<b>3,52,621</b>	<b>16,16,021</b>	<b>31,53,474</b>
<b>*Deferred tax asset/ (liability) (net)</b>	<b>23,56,749</b>	<b>11,29,891</b>	<b>(6,06,935)</b>

\* Deferred tax asset and deferred tax liability have been offset as they relate to the same governing taxation laws.

(B) The movement in deferred tax assets and liabilities during the year:

	Amount
<b>Deferred tax assets/(liabilities)</b>	
As at 01 April 2018	(6,06,935)
Expense allowed in the year of payment (Gratuity and compensated absences)	84,416
Difference between book and tax depreciation	15,37,453
Provision for expected credit loss on loan	(1,59,426)
On employee stock option plan	2,74,383
As at 31 March 2019	11,29,891
Expense allowed in the year of payment (Gratuity and compensated absences)	59,252
Difference between book and tax depreciation	15,18,989
Provision for expected credit loss on loan	1,78,589
Fair valuation of mutual funds	(2,55,589)
On employee stock option plan	(2,74,383)
As at 31 March 2020	23,56,749

(C) Income tax expense

(Amount in Rs.)

	31 March 2020	31 March 2019
Current taxes	1,31,78,200	1,98,10,600
Deferred tax charge / (income)	(12,30,448)	(18,15,957)
Taxes of earlier years	(87,661)	-
<b>Total</b>	<b>1,18,60,091</b>	<b>1,79,94,643</b>

(D) Income tax recognised in other comprehensive income

	31 March 2020	31 March 2019
<b>Deferred tax related to items recognised in other comprehensive income during the year:</b>		
-Income tax relating to items that will not reclassified to profit or loss	(3,581)	(79,139)
<b>Total</b>	<b>(3,581)</b>	<b>(79,139)</b>

(E) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	31 March 2020	31 March 2019
Profit before tax	5,23,79,937	6,79,56,955
Enacted income tax rate in India	25.17%	27.82%
Tax amount at the enacted income tax rate	1,31,82,982	1,89,05,625
<b>Tax effects of:</b>		
Non- deductible expenses for tax purpose	3,80,216	2,21,832
Additional allowance for tax purpose	(7,56,506)	(1,264)
Income exempted from income taxes	(12,03,486)	(64,237)
Earlier year tax	(87,661)	-
Tax rate change impact	3,44,474	-
Others	71	(10,67,313)
<b>Income tax expense charged to the statement of profit and loss</b>	<b>1,18,60,091</b>	<b>1,79,94,643</b>
<b>Effective tax rate</b>	<b>22.64%</b>	<b>26.48%</b>



10 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

	Computer equipments	Office equipments	Vehicles	Total
<b>Gross carrying amount</b>				
Deemed cost as at 1 April 2018	88,56,255	22,809	33,12,038	1,21,91,102
Additions/ Adjustments	-	-	-	-
Deductions/ Adjustments	-	-	-	-
<b>As at 31 March 2019</b>	<b>88,56,255</b>	<b>22,809</b>	<b>33,12,038</b>	<b>1,21,91,102</b>
Additions/ Adjustments	-	-	-	-
Deductions/ Adjustments	-	-	-	-
<b>As at 31 March 2020</b>	<b>88,56,255</b>	<b>22,809</b>	<b>33,12,038</b>	<b>1,21,91,102</b>
<b>Accumulated depreciation</b>				
For the year	39,40,594	5,644	5,29,288	44,75,526
Disposals	-	-	-	-
<b>Up to 31 March 2019</b>	<b>39,40,594</b>	<b>5,644</b>	<b>5,29,288</b>	<b>44,75,526</b>
For the year	39,40,594	5,644	5,29,288	44,75,526
Disposals	-	-	-	-
<b>Up to 31 March 2020</b>	<b>78,81,188</b>	<b>11,288</b>	<b>10,58,576</b>	<b>89,51,052</b>
<b>Net block</b>				
As at 1 April 2018	88,56,255	22,809	33,12,038	1,21,91,102
As at 31 March 2019	49,15,660	17,165	27,82,750	77,15,575
As at 31 March 2020	9,75,067	11,521	22,53,462	32,40,050

The Company has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

	Computer equipments	Office equipments	Vehicles	Total
Gross block	2,37,39,817	28,217	42,34,304	2,80,02,338
Accumulated depreciation	1,48,83,562	5,408	9,22,266	1,58,11,236
<b>Deemed cost as on 01 April 2018</b>	<b>88,56,255</b>	<b>22,809</b>	<b>33,12,038</b>	<b>1,21,91,102</b>

11 INTANGIBLE ASSETS

(Amount in Rs.)

	Computer Software	Total
<b>Gross carrying amount</b>		
Deemed cost as at 1 April 2018	39,69,707	39,69,707
Additions/ Adjustments	-	-
Deductions/ Adjustments	-	-
<b>As at 31 March 2019</b>	<b>39,69,707</b>	<b>39,69,707</b>
Additions/ Adjustments	-	-
Deductions/ Adjustments	-	-
<b>As at 31 March 2020</b>	<b>39,69,707</b>	<b>39,69,707</b>
<b>Accumulated amortization</b>		
For the year	22,10,509	22,10,509
Disposals	-	-
<b>Up to 31 March 2019</b>	<b>22,10,509</b>	<b>22,10,509</b>
For the year	17,59,198	17,59,198
Disposals	-	-
<b>Up to 31 March 2020</b>	<b>39,69,707</b>	<b>39,69,707</b>
<b>Net block</b>		
As at 1 April 2018	39,69,707	39,69,707
As at 31 March 2019	17,59,198	17,59,198
As at 31 March 2020	-	-

The Company has availed the deemed cost exemption as per IND AS 101 in relation to Intangible Assets as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 01 April 2018 under the previous GAAP.

	Computer Software
Gross block	1,10,52,549
Accumulated depreciation	70,82,842
<b>Deemed cost as on 01 April 2018</b>	<b>39,69,707</b>



12 OTHER NON FINANCIAL ASSETS (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Prepaid expenses	14,464	20,575	23,544
Advance to vendor	26,690	-	79,097
Balance with government authorities	73,08,416	74,57,440	72,50,900
Others	1,23,266	-	-
<b>Total</b>	<b>74,72,836</b>	<b>74,78,015</b>	<b>73,53,541</b>

13 TRADE PAYABLE (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Total outstanding dues of micro, small and medium enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	9,93,350	3,73,000
<b>Total</b>	<b>-</b>	<b>9,93,350</b>	<b>3,73,000</b>

No interest was paid during the period / previous period in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day. No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. Nil (31 March 2019 and 01 April 2018 : Nil) interest was accrued and unpaid at the end of the accounting period. No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

14 BORROWINGS (OTHER THAN DEBT SECURITIES) (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Borrowings measured at Amortised Cost</b>			
<b>Secured</b>			
(a) Term loans from banks*	-	1,85,123	13,01,775
(b) Loans repayable on demand from other parties**	-	-	51,00,00,000
<b>Unsecured</b>			
(a) Inter corporate loan***	-	-	-
<b>Total (A)</b>	<b>-</b>	<b>1,85,123</b>	<b>51,13,01,775</b>
<b>Borrowings in India</b>	<b>-</b>	<b>1,85,123</b>	<b>51,13,01,775</b>
<b>Total (B)</b>	<b>-</b>	<b>1,85,123</b>	<b>51,13,01,775</b>

\* Terms and conditions of borrowings

The aforesaid loan is secured by hypothecation of vehicle, repayable in 35 monthly instalments beginning from 20 July 2016.

\*\* Terms and conditions of borrowings

The above loan is secured by pledge of tradable securities of the clients which are placed as collaterals with the Company. The Company had taken necessary consents for onward pledging of the shares to the company's lenders.

Pricing for aforesaid loans is at rate of interest, ranging from Nil (31 March 2019: 9.00% p.a to 9.10% p.a.) (01 April 2018: 9.00% p.a to 9.25% p.a.)

\*\*\* Pricing for inter corporate loan from the holding company at the rate 1% above the borrowing rate applicable to the lender (31 March 2019 12% p.a.)

15 OTHER FINANCIAL LIABILITIES (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Interest accrued but not due on borrowings	-	-	45,84,753
Employee benefits payable	25,79,041	11,94,350	5,72,175
Payable to holding company	22,81,824	30,10,181	-
Expense payable	2,80,019	4,71,574	6,17,964
Other payables	1,17,669	95,102	3,48,585
<b>Total</b>	<b>52,58,553</b>	<b>47,71,207</b>	<b>61,23,477</b>

16 CURRENT TAX LIABILITIES (NET) (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Current income tax payable {(Net of advance tax paid INR 7,70,78,828/- (31 March 2019 : INR 7,32,83,843 and 01 April 2018 : INR 5,36,46,288)}	4,48,390	24,62,888	21,17,561
<b>Total</b>	<b>4,48,390</b>	<b>24,62,888</b>	<b>21,17,561</b>



Angel Fincap Private Limited			
Notes forming part of the Financial Statements for the year ended 31 March 2020			
<b>17 PROVISIONS</b> (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Provision for employee benefits			
Provision for gratuity (Refer note 29)	39,12,043	33,74,855	30,91,461
Provision for leave encashment	10,01,489	8,57,301	8,37,262
<b>Total</b>	<b>49,13,532</b>	<b>42,32,156</b>	<b>39,28,723</b>
<b>18 OTHER NON FINANCIAL LIABILITIES</b> (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Statutory dues payable	1,40,641	7,00,068	15,64,430
Advances from clients/customers	4,57,846	985	5,96,915
<b>Total</b>	<b>5,98,487</b>	<b>7,01,053</b>	<b>21,61,345</b>
<b>19 EQUITY SHARE CAPITAL</b> (Amount in Rs.)			
The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
<b>Authorized</b>			
7,500,000 (31 March 2019: 7,500,000 and 01 April 2018: 7,500,000) equity shares of Rs. 10/- each.	7,50,00,000	7,50,00,000	7,50,00,000
	7,50,00,000	7,50,00,000	7,50,00,000
<b>Issued, Subscribed and paid up</b>			
5,516,400 (31 March 2019: 5,516,400 and 01 April 2018: 5,516,400) equity shares of Rs. 10/- each.	5,51,64,000	5,51,64,000	5,51,64,000
<b>Total</b>	<b>5,51,64,000</b>	<b>5,51,64,000</b>	<b>5,51,64,000</b>
<b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Outstanding at the beginning of the year	55,16,400	55,16,400	55,16,400
Add: Changes during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>55,16,400</b>	<b>55,16,400</b>	<b>55,16,400</b>
<b>(b) Rights, preferences and restrictions attached to shares</b>			
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. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to all preferential amounts, in proportion to their shareholding.			
<b>(c) Shares held by the holding company</b> (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Angel Broking Limited (Formerly known as Angel Broking Private Limited)			
5,516,400 (31 March 2019: 5,516,400 and 01 April 2018: 5,516,400) shares of Rs.10/- each fully paid	5,51,64,000	5,51,64,000	5,51,64,000
<b>(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>			
<b>Name of the shareholder</b>	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Angel Broking Limited (Formerly Known as Angel Broking Private Limited) and its nominees			
No of equity shares	55,16,400	55,16,400	55,16,400
Percentage of holding	100%	100%	100%
<b>Total</b>	<b>55,16,400</b>	<b>55,16,400</b>	<b>55,16,400</b>
<b>(e) As per the records of the Company, no securities are convertible into equity/preference shares.</b>			
<b>20 OTHER EQUITY</b> (Amount in Rs.)			
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Securities premium reserve	45,14,76,000	45,14,76,000	45,14,76,000
Statutory reserve	6,53,28,416	5,72,22,317	4,73,26,959
Retained earnings	25,62,85,912	22,38,61,518	18,47,73,352
Impairment reserve	11,28,322	11,28,322	-
Capital contribution from holding company	28,72,855	9,86,279	-
<b>Total</b>	<b>77,70,91,505</b>	<b>73,46,74,436</b>	<b>68,35,76,311</b>



Angel Fincap Private Limited  
Notes forming part of the Financial Statements for the year ended 31 March 2020

A Securities premium reserve			(Amount in Rs.)	
	As at 31 March 2020	As at 31 March 2019		
Opening balance	45,14,76,000	45,14,76,000		
Add : Change during the year	-	-		
Closing balance	45,14,76,000	45,14,76,000		
B Statutory reserve			(Amount in Rs.)	
	As at 31 March 2020	As at 31 March 2019		
Balance as at the beginning of the year	5,72,22,317	4,73,26,959		
Add: Transfer from surplus in statement of profit and loss account (Created under section 45-IC of the Reserve Bank of India Act, 1934)	81,06,099	98,95,358		
Balance as at the end of the year	6,53,28,416	5,72,22,317		
C Retained earnings			(Amount in Rs.)	
	As at 31 March 2020	As at 31 March 2019		
Opening balance	22,38,61,518	18,47,73,352		
Add : Net profit for the year	4,05,19,846	4,99,62,312		
Add/(Less): Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	10,647	1,49,534		
Less: Transferred to statutory reserve	(81,06,099)	(98,95,358)		
Add/(Less): Transferred to Impairment reserve	-	(11,28,322)		
Closing balance	25,62,85,912	22,38,61,518		
D Impairment Reserve			(Amount in Rs.)	
	As at 31 March 2020	As at 31 March 2019		
Opening balance	11,28,322	-		
Less: Transfer from Retained earnings	-	11,28,322		
Closing balance	11,28,322	11,28,322		
E Capital contribution from holding company			(Amount in Rs.)	
	As at 31 March 2020	As at 31 March 2019		
Opening balance	9,86,279	-		
Addition during the year	18,86,576	9,86,279		
Closing balance	28,72,855	9,86,279		

Nature and purpose of reserves

A Security premium reserve

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

B Statutory reserve

As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

C Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to Shareholders. It also includes remeasurement gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

D Impairment reserve

This reserve represents the difference of impairment allowance under Ind AS 109 and provision required under IRACP (Income Recognition, Asset classification and Provisioning). This impairment reserve should not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without the prior permission from the Department of Supervision, RBI.

E Capital contribution from holding company

Capital Contribution from holding company represent the fair value of the employee stock option plan. These options are issued by parent company "Angel Broking Limited" to the employee of the Company. This is a capital reserve and is not available for distribution to shareholders as dividend.



**21 INTEREST INCOME** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On financial assets measured at amortised cost</b>		
<b>From lending activities</b>		
- Interest income on loan against securities/shares	8,64,25,451	13,70,31,793
Interest income on intercorporate loans	47,40,594	-
<b>Total</b>	<b>9,11,66,045</b>	<b>13,70,31,793</b>

**22 Net gain on fair value changes\*** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On financial instruments designated at fair value through profit or loss</b>		
Investment in Mutual Funds	10,23,878	-
<b>Total net gain on fair value changes</b>	<b>10,23,878</b>	<b>-</b>
Fair Value changes:		
-Realised	8,347	-
-Unrealised	10,15,531	-

\*Fair value changes in this schedule are other than those arising on account of interest income/expense.

**23 OTHER INCOME** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend income from mutual funds	47,81,810	2,30,902
Write back of provision against standard assets and loss assets	14,00,734	8,74,079
Write back of provision for expected credit loss	-	14,42,007
Interest on income tax refund	72,771	-
Miscellaneous income	4,82,284	1,54,483
<b>Total</b>	<b>67,37,599</b>	<b>27,01,471</b>

**24 FINANCE COSTS** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On financial liabilities measured at amortised cost</b>		
- On working capital loan	-	2,18,21,562
- On inter-corporate loans	18,65,344	36,07,554
- Others	2,043	71,768
<b>Total</b>	<b>18,67,387</b>	<b>2,55,00,884</b>

**25 EMPLOYEE BENEFITS EXPENSES** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, allowances and bonus	2,75,60,116	2,73,83,814
Contribution to provident and other funds (Refer note 30)	8,73,643	3,80,114
Gratuity expenses (Refer note 30)	5,51,416	5,12,067
Compensated absences	1,44,188	73,461
Staff welfare expenses	2,52,974	-
Share based payments to employees	18,86,576	9,86,279
<b>Total</b>	<b>3,12,68,913</b>	<b>2,93,35,735</b>





**26 DEPRECIATION AND AMORTIZATION** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (Refer Note no 10)	44,75,525	44,75,525
Amortization on intangible assets (Refer Note no 11)	17,59,198	22,10,510
<b>Total</b>	<b>62,34,723</b>	<b>66,86,035</b>

**27 OTHER EXPENSES** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Software Connectivity License/Maintenance Expenses	-	5,87,670
Rent for premises	8,91,528	27,07,762
Repairs and maintenance - Others	1,40,000	-
Advertisement and business promotion	2,38,774	2,38,681
Communication expenses	83,786	14,74,361
Printing and stationary	1,52,736	2,25,301
Travelling and conveyance	6,03,899	8,88,541
Electricity expenses	1,07,447	2,81,870
Insurance	45,013	23,545
Legal and professional charges	3,34,765	4,19,676
Corporate social responsibility expenses	14,15,000	12,50,000
Auditors' remuneration *	2,02,000	5,11,765
Provision for Loss and Doubtful Assets	23,88,651	6,38,620
Interest on late payment of taxes	76	1,72,382
Bank charges	3,125	6,050
Cenvat reversal written off	-	4,33,416
Miscellaneous Expenses	5,69,762	3,94,015
<b>Total</b>	<b>71,76,562</b>	<b>1,02,53,655</b>

**\* Auditors' remuneration** (Amount in Rs.)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees (excluding taxes)	2,00,000	4,00,000
Other matters	-	1,00,000
Out of pocket expense	2,000	11,765
<b>Total</b>	<b>2,02,000</b>	<b>5,11,765</b>



28 EARNINGS PER SHARE

(Amount in Rs.)

	31 March 2020	31 March 2019
Profit attributable to all equity holders	4,05,19,846	4,99,62,312
Weighted average number of equity shares outstanding	55,16,400	55,16,400
Face Value per share	10	10
Basic and diluted earnings per share (INR)	7.35	9.06

29 CONTINGENT LIABILITIES

There are no contingent liabilities as at reporting dates.

30 EMPLOYEE BENEFITS

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

(Amount in Rs.)

	31 March 2020	31 March 2019
Employers' Contribution to Provident Fund and Employee State Insurance	8,73,643	3,80,114

(B) Defined benefit plans

**Gratuity payable to employees**

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

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:

**Discount rate**

Discount Rate for this valuation is based on Government bonds having similar term to duration of liabilities. Due to lack of a deep and secondary bond market in India, government bond yields are used to arrive at the discount rate.

**Mortality/ disability**

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Employee turnover/withdrawal rate**

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Salary escalation rate**

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

(i) Actuarial assumptions

(Amount in Rs.)

	31 March 2020	31 March 2019
<b><u>Economic Assumptions</u></b>		
Discount rate (per annum)	5.74%	6.93%
Salary escalation rate	3.00%	3.00%
<b><u>Demographic Assumptions</u></b>		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover/Withdrawal rate		
(A) Sales Employees		
(i) For service less than 4 years	99.00%	99.00%
(ii) Thereafter	2.00%	2.00%
(B) Non-sales employees		
(i) For service less than 4 years	49.00%	49.00%
(ii) Thereafter	2.00%	2.00%
Retirement age	58 years	58 years



(ii) Amount recognised in balance sheet			(Amount in Rs.)	
	31 March 2020	31 March 2019		
Present value of unfunded defined benefit obligation	39,12,043	33,74,855		
Fair value of plan assets	-	-		
<b>Net asset / (liability) recognized in Balance Sheet</b>	<b>39,12,043</b>	<b>33,74,855</b>		
Current benefit obligation	1,34,364	1,26,202		
Non-current obligation	37,77,679	32,48,653		
<b>Net asset / (liability) recognized in Balance Sheet</b>	<b>39,12,043</b>	<b>33,74,855</b>		

(iii) Changes in the present value of defined benefit obligation (DBO)			(Amount in Rs.)	
	31 March 2020	31 March 2019		
Present value of obligation at the beginning of the year	33,74,855	30,91,461		
Interest cost on DBO	2,40,285	2,27,062		
Current service cost	3,11,131	2,85,005		
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	3,03,965	77,677		
Actuarial (gain)/ loss on obligations - Due to experience	(3,18,193)	(3,06,350)		
<b>Present value of obligation at the end of the year</b>	<b>39,12,043</b>	<b>33,74,855</b>		

The weighted average duration of defined benefit obligation is 3.59 years as at 31 March 2020 (31 March 2019 - 3.63 years and 01 April 2018 - 3.67 years).

(iv) Expense recognized in the Statement of Profit and Loss			(Amount in Rs.)	
	31 March 2020	31 March 2019		
Current service cost	3,11,131	2,85,005		
Interest cost	2,40,285	2,27,062		
<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>5,51,416</b>	<b>5,12,067</b>		

(v) Expense recognized in Other Comprehensive Income (OCI)			(Amount in Rs.)	
	31 March 2020	31 March 2019		
Re-measurement due to-				
- Effect of change in financial assumptions	3,03,965	77,677		
- Effect of experience adjustments	(3,18,193)	(3,06,350)		
<b>Net actuarial (gains) / losses recognised in OCI</b>	<b>(14,228)</b>	<b>(2,28,673)</b>		

(vi) Quantitative sensitivity analysis			(Amount in Rs.)	
	31 March 2020	31 March 2019		
<b>Impact on defined benefit obligation</b>				
<b>Discount rate</b>				
1% increase	(2,92,570)	(2,52,401)		
1% decrease	3,36,224	2,90,054		
<b>Rate of salary escalation</b>				
1% increase	55,851	48,189		
1% decrease	(51,556)	(44,477)		
<b>Withdrawal rate</b>				
1% increase	1,28,275	1,10,656		
1% decrease	(1,07,913)	(93,104)		

(vii) Maturity profile of defined benefit obligation			(Amount in Rs.)	
Year	31 March 2020	31 March 2019		
Within next 12 months	1,38,166	1,30,502		
Between 2 and 5 years	5,59,774	5,32,797		
Between 5 and 10 years	50,05,118	34,07,985		
Beyond 10 years	2,54,299	17,46,309		
<b>Total expected payments</b>	<b>59,57,357</b>	<b>58,17,593</b>		



**31 Employee stock option plan**

(a) Angel Broking Limited is a parent company. On April 26, 2018, the board of directors approved the Angel Broking Employee Stock Option Plan 2018 (Scheme 2018) for issue of stock options to the key employees and directors of the company and its subsidiaries. According to the Scheme 2018, the employee selected by the Nomination and Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 14 months and subject to performance parameters defined in the Scheme 2018. The contractual life (comprising the vesting period and the exercise period) of options granted is 50 months.

The fair value of the option is determined using a Black-Scholes options pricing model. The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. During the year ended 31 March 2020 INR 18,86,576 (31 March 2019: INR 9,86,279) was charged to the Company's statement of profit or loss in respect of equity-settled share-based payments transactions with a corresponding increase being made as a deemed capital contribution to the Company by the Parent company.

**(b) Summary of option granted under the scheme**

	31 March 2020	31 March 2019
	Number of options	Number of options
Opening balance	1,53,300	1,53,300
Granted during the year	-	-
Exercised during the year*	-	-
Forfeited / Lapsed during the year	(3,066)	-
Closing balance	1,50,234	1,53,300
Vested and exercisable	12,264	-

\* The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 is INR 211.51 (31 March 2019: INR 211.51).

**(c) Expiry date and exercises prices of the share options outstanding**

Grant date	Expiry date	Exercise price	Share options as at 31 March 2020	Share options as at 31 March 2019
11-May-2018	11-Jul-2020	211.51	12,264	15,330
11-May-2018	11-Jul-2021	211.51	30,660	30,660
11-May-2018	11-Jul-2022	211.51	45,990	45,990
11-May-2018	11-Jul-2023	211.51	61,320	61,320
<b>Total</b>			<b>1,50,234</b>	<b>1,53,300</b>
<b>Weighted average remaining contractual life of options outstanding at end of year</b>			<b>1.38 years</b>	<b>2.28 years</b>

**(d) The fair value of each option granted is estimated on the date of grant using the Black Scholes model with the following assumptions:**

Grant date	11-May-18
Weighted average fair value of options granted	20.13
Exercise price	211.51
Share price at the grant date	211.51
Expected volatility	28.44% - 40.95%
Risk free interest rate	7.04%- 7.78%
Expected dividend yield	30%

The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to publicly available information.

**Life of options** - The employees have a period of 1 year from vesting date, to exercise their vested options. The management expects that these options will be exercised immediately on its vesting.

**32 LEASES****Information about lease**

The Company has entered into lease transactions mainly for leasing of office premise. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation.

**Short term and low value lease:**

Rental expense incurred and paid for short term leases was INR 8,91,528 (31 March 2019: INR 27,07,762).



33 RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship as identified and certified by the Company:

	Ownership Interest		
		As at 31 March 2020	As at 31 March 2019
<b>a) Holding Company</b> Angel Broking Limited (Formerly Known as Angel Broking Private Limited)	India	100%	100%
<b>b) Fellow Subsidiary Company</b> Angel Financial Advisors Private Limited Mimansa Software Systems Private Limited Angel Securities Limited Angel Wellness Private Limited	India India India India		
<b>c) Individuals owning directly or indirectly interest and voting power that gives them control and their relatives</b> Mr. Dinesh Thakkar Mr. Ashok Thakkar Mr. Lalit Thakkar	Director		
<b>d) Key management personnel (KMP)</b> Mr. Vinay Agrawal	Director		
<b>e) Enterprises over which individual having control are able to exercise significant influence with whom transactions have taken place</b> Nirwan Monetary Service Private Limited			

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(Amount in Rs.)

	31 March 2020	31 March 2019
<b><u>Holding Company- Angel Broking Limited</u></b>		
Interest expense	18,65,344	8,56,865
Reimbursement of expenses	8,01,660	9,37,644
Brokerage paid	-	2,305
Rent Expense	8,91,528	27,07,762
Other Expenses	22,81,825	34,16,029
Inter corporate deposit taken	38,70,00,000	15,18,00,000
Inter corporate deposit repaid	38,70,00,000	15,18,00,000
<b><u>Fellow subsidiary-Angel Financial Advisors Private Limited</u></b>		
Interest expense	-	27,50,689
Inter corporate deposit taken	-	15,00,00,000
Inter corporate deposit repaid	-	15,00,00,000
<b><u>Fellow subsidiary-Angel Wellness Private Limited</u></b>		
Interest received	47,40,594	-
Inter Corporate Deposit given	10,06,60,000	-
<b><u>Individuals owning directly or indirectly interest and voting power that gives them control and their relatives</u></b>		
Remuneration paid - Lalit Thakkar	89,39,778	87,85,392
Remuneration paid - Ashok Thakkar	38,00,282	35,85,396

(C) Amount due to/from related party

(Amount in Rs.)

	31 March 2020	31 March 2019
<b><u>Holding Company- Angel Broking Limited</u></b>		
Other Payables	22,81,824	30,10,181
<b><u>Fellow subsidiary-Angel Wellness Private Limited</u></b>		
Inter Corporate Deposit	10,06,60,000	-



34 SEGMENT REPORTING

The Company's operations predominantly operates in lending business. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

35 FAIR VALUE MEASUREMENT

A Financial instrument by category

(Amount in Rs.)

	FVOCI	FVTPL	Amortised Cost
<b>As at 31 March 2019</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	-	-	4,12,38,726
Loans	-	-	69,86,31,911
Investments	-	4,52,30,902	-
<b>Total Financial Assets</b>	-	<b>4,52,30,902</b>	<b>73,98,70,637</b>
<b>Financial Liabilities</b>			
Trade payables	-	-	9,93,353
Borrowings (Other than Debt Securities)	-	-	1,85,123
Other financial liabilities	-	-	47,71,207
<b>Total Financial liabilities</b>	-	-	<b>59,49,683</b>
<b>As at 31 March 2020</b>			
<b>Financial Assets (other than investment in subsidiaries)</b>			
Cash and cash equivalents	-	-	20,75,13,276
Loans	-	-	30,99,66,928
Investments	-	21,22,64,628	-
Other Financial assets	-	-	10,06,60,000
<b>Total Financial Assets</b>	-	<b>21,22,64,628</b>	<b>61,81,40,204</b>
<b>Financial Liabilities</b>			
Trade payables	-	-	-
Borrowings (Other than Debt Securities)	-	-	-
Other financial liabilities	-	-	52,58,553
<b>Total Financial liabilities</b>	-	-	<b>52,58,553</b>

B FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(Amount in Rs.)

	Level 1	Level 2	Level 3
<b>As at 31 March 2019</b>			
<b>Financial Assets</b>			
* Measured at fair value through profit or loss			
Investments in mutual funds	4,52,30,902	-	-
<b>As at 31 March 2020</b>			
<b>Financial Assets</b>			
* Measured at fair value through profit or loss			
Investments in mutual funds	21,22,64,628	-	-



The carrying amount of cash and bank balances, trade receivables, loans, trade payables, borrowings and other receivables and payables are considered to be the same as their fair values due to their short term nature. The fair values of borrowings and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

**\* Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments includes investment in mutual funds units valued on closing net asset value (NAV) per unit.

**36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising mainly from borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings.

At the reporting date, the interest profile of the Company's borrowings are as follows:

**Interest rate risk exposure**

(Amount in Rs.)

	31 March 2020	31 March 2019
Fixed rate borrowings	-	1,85,123
Variable rate borrowings	-	-
<b>Total borrowings</b>	-	<b>1,85,123</b>

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following impact on profit before tax

(Amount in Rs.)

	Increase/ (decrease) in basis points	Effect on profit before tax
<b>31 March 2019</b>		
INR	50 bp	-
INR	(50 bp)	-
<b>31 March 2020</b>		
INR	50 bp	-
INR	(50 bp)	-

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at each reporting date, the company does not have exposure in foreign currency, therefore it is not exposed to currency risk.

**(B) Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits.

Cash and cash equivalents and term deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.



(a) Expected Credit loss

The maximum exposure to credit risk at the reporting date is primarily from Company's loans.

Following provides exposure to credit risk for loans:

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Loans	31,65,08,745	70,41,91,447
<b>Total</b>	<b>31,65,08,745</b>	<b>70,41,91,447</b>

Loans against securities :

In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The expected credit loss is a product of exposure at default (EAD), probability of default (PD) and Loss given default (LGD). The financial assets have been segmented into three stages based on the risk profiles, primarily based on past due.

Company has large number of customer base with shared credit risk characteristics. Loans against securities are repayable by customer unconditionally in full on demand at the absolute discretion of the Company. Loan against securities are secured by collaterals.

As per Ind AS 109, the maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice. Therefore, the maximum period to consider when measuring expected credit losses for these loans is the maximum contractual period (i.e. on demand/one day).

For the computation of ECL, the loan against securities are classified into three stages as follows:

Staging as per Ind AS 109	Loan receivable including interest
Stage 1	0 to 30 days past due
Stage 2	31 to 90 days past due
Stage 3	More than 90 days past due

ECL is computed as follow assuming that these loans are fully recalled by the Company at each reporting period:

EAD is considered as loan receivable including interest (net of write off). PD is considered at 100% for all loans receivables being the likelihood that the borrower would not be able to repay in the very short payment period. LGD is determined based on fair value of collateral held as at the reporting period. Unsecured portion is considered as LGD.

Interest on Stage 3 assets is recognised based on net carrying amount of financial assets. PD and LGD of 100% is applied on interest recognised on Stage 3 assets.

Default:

As per risk management policy, all financial asset which are 90 days past due, are considered as 'default' unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy:

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) whether the Company's recovery method is foreclosing on collateral and the value of the collaterals is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The Company still seeks to recover the amount it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Following table provides information about exposure to credit risk and ECL on Loan

(Amount in Rs.)

Stages	As at 31 March 2020	As at 31 March 2019
Stage 1	19,09,97,362	57,01,33,465
Stage 2	26,86,866	7,80,87,713
Stage 3	12,28,24,517	5,59,70,269
Less : Impairment loss allowance	(65,41,817)	(55,59,536)
<b>Carrying value</b>	<b>30,99,66,928</b>	<b>69,86,31,911</b>

Analysis of changes in the Impairment loss allowance:

	As at 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	5,50,938	7,33,946	42,74,653	55,59,536
Originated or new	1,76,705	8,722	2,59,775	4,45,202
Matured or repaid (excluding write offs)	(6,550)	(24,703)	(4,71,281)	(5,02,534)
Transfer to stage 1	-	89,197	(1,66,645)	(77,448)
Transfer to stage 2	33,762	-	(1,45,005)	(1,11,243)
Transfer to stage 3	4,93,496	2,26,141	-	7,19,637
Increase/(decrease) in ECL provision without changes in Stages	8,39,493	3,339	(3,34,165)	5,08,667
<b>Impairment loss allowance - Closing balance</b>	<b>20,87,845</b>	<b>10,36,642</b>	<b>34,17,332</b>	<b>65,41,817</b>





## Analysis of changes in the Impairment loss allowance:

	As at 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	16,34,130	8,54,022	45,13,391	70,01,543
Originated or new	4,556	1,62,823	5,07,184	6,74,562
Matured or repaid (excluding write offs)	(7,98,053)	(2,33,250)	(2,88,097)	(13,19,400)
Transfer to stage 1	-	7,786	(7,37,197)	(7,29,411)
Transfer to stage 2	61,983	-	(2,93,751)	(2,31,768)
Transfer to stage 3	(3,53,224)	2,72,635	-	(80,589)
Increase/(decrease) in ECL provision without changes in Stages	1,546	(3,30,070)	5,73,123	2,44,599
Impairment loss allowance - Closing balance	5,50,938	7,33,946	42,74,653	55,59,536

## Comparison between the provisions required under the IRACP and the impairment allowance computed as per Ind AS 109:

Assets classification as per RBI norms	As at 31 March 2020					
	Asset classification as per Ind AS	Gross carrying amount as per Ind AS	Loss allowance (Provision as per Ind AS)	Net carrying amount as per Ind AS	Provision required as per IRACP	Difference between provision as per Ind AS 109 and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets (PA)</b>						
Standard	Stage 1	19,09,97,362	13,36,743	18,96,60,618	4,77,493	8,59,250
	Stage 2	26,86,866	1,44,905	25,41,961	6,717	1,38,188
	Stage 3	11,33,29,928	6,49,218	11,26,80,710	2,83,325	3,65,893
Subtotal for PA		30,70,14,156	21,30,866	30,48,83,289	7,67,535	13,63,331
<b>Non-performing Assets (NPA)</b>						
Substandard	Stage 3	50,29,272	5,06,099	45,23,173	4,52,334	53,765
Doubtful-upto 1 year	Stage 3	-	-	-	-	-
Doubtful-upto 1 to 3 years	Stage 3	4,56,407	1,24,214	3,32,192	91,436	32,778
Doubtful-More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	40,08,911	37,80,637	2,28,274	39,48,495	(1,67,857)
Subtotal for NPA		94,94,590	44,10,950	50,83,639	44,92,265	(81,314)
Other items such as guarantees, loan, commitments etc which are in the scope of Ind AS 109 but not covered under current IRACP	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
<b>Total</b>	Stage 1	19,09,97,362	13,36,743	18,96,60,618	4,77,493	8,59,250
	Stage 2	26,86,866	1,44,905	25,41,961	6,717	1,38,188
	Stage 3	12,28,24,517	50,60,169	11,77,64,349	47,75,590	2,84,579
	<b>Total</b>	<b>31,65,08,745</b>	<b>65,41,817</b>	<b>30,99,66,928</b>	<b>52,59,800</b>	<b>12,82,017</b>

## (b) Collaterals

The company holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral		Principal type of collateral held
	As at 31 March 2020	As at 31 March 2019	
Loans against securities	98.15%	99.45%	Shares and securities



**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

(Amount in Rs.)

	0-1 year	1-2 year	2-3 year	3-4 year	Beyond 4 years	Total
<b>As at 31 March 2019</b>						
Borrowings	1,85,123	-	-	-	-	1,85,123
Trade payables	9,93,353	-	-	-	-	9,93,353
Other financial liabilities	47,71,207	-	-	-	-	47,71,207
	<b>59,49,683</b>	-	-	-	-	<b>59,49,683</b>
<b>As at 31 March 2020</b>						
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	52,58,553	-	-	-	-	52,58,553
	<b>52,58,553</b>	-	-	-	-	<b>52,58,553</b>

**37 CAPITAL MANAGEMENT**

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / retire debt. The primary objective of the Company's capital management is to maximise the shareholders' value.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

(Amount in Rs.)

		31 March 2020	31 March 2019
Borrowings		-	1,85,123
Less: cash and marketable securities		41,97,77,904	8,64,69,628
<b>Net debt</b>	(i)	<b>(41,97,77,904)</b>	<b>(8,62,84,505)</b>
Total Equity	(ii)	83,22,55,505	78,98,38,436
<b>Gearing ratio</b>	(i) / (ii)	<b>(0.50)</b>	<b>(0.11)</b>

**38 MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

(Amount in Rs.)

	As at 1 April 2018		
	Current (Less than 12 months)	Non- Current (More than 12 months)	Total
<b>ASSETS</b>			
Cash and cash equivalents	19,13,82,862	-	19,13,82,862
Loans	1,05,04,55,916	-	1,05,04,55,916
Investments	-	-	-
Deferred tax assets (Net)	-	-	-
Property, Plant and Equipment	-	1,21,91,102	1,21,91,102
Intangible assets	-	39,69,707	39,69,707
Other non-financial assets	73,53,541	-	73,53,541
<b>Total Assets</b>	<b>1,24,91,92,319</b>	<b>1,61,60,809</b>	<b>1,26,53,53,128</b>
<b>LIABILITIES</b>			
Trade Payables	3,73,000	-	3,73,000
Borrowings (Other than Debt Securities)	51,13,01,775	-	51,13,01,775
Other financial liabilities	61,23,477	-	61,23,477
Current tax liabilities (Net)	21,17,561	-	21,17,561
Provisions	1,92,760	37,35,963	39,28,723
Deferred tax liabilities (Net)	-	6,06,936	6,06,936
Other non-financial liabilities	21,61,345	-	21,61,345
<b>Total Liabilities</b>	<b>52,22,69,918</b>	<b>43,42,899</b>	<b>52,66,12,817</b>



	As at 31 March 2019		
	Current (Less than 12 months)	Non- Current (More than 12 months)	Total
<b>ASSETS</b>			
Cash and cash equivalents	4,12,38,726	-	4,12,38,726
Loans	69,86,31,911	-	69,86,31,911
Investments	4,52,30,902	-	4,52,30,902
Deferred tax assets (Net)	-	11,29,889	11,29,889
Property, Plant and Equipment	-	77,15,575	77,15,575
Intangible assets	-	17,59,198	17,59,198
Other non-financial assets	74,78,015	-	74,78,015
<b>Total Assets</b>	<b>79,25,79,554</b>	<b>1,06,04,662</b>	<b>80,31,84,216</b>
<b>LIABILITIES</b>			
Trade Payables	9,93,353	-	9,93,353
Borrowings (Other than Debt Securities)	1,85,123	-	1,85,123
Other financial liabilities	47,71,207	-	47,71,207
Current tax liabilities (Net)	24,62,888	-	24,62,888
Provisions	1,66,123	40,66,033	42,32,156
Other non-financial liabilities	7,01,053	-	7,01,053
<b>Total Liabilities</b>	<b>92,79,747</b>	<b>40,66,033</b>	<b>1,33,45,780</b>

	As at 31 March 2020		
	Current (Less than 12 months)	Non- Current (More than 12 months)	Total
<b>ASSETS</b>			
Cash and cash equivalents	20,75,13,276	-	20,75,13,276
Loans	30,99,66,928	-	30,99,66,928
Investments	21,22,64,628	-	21,22,64,628
Other financial assets	10,06,60,000	-	10,06,60,000
Deferred tax assets (Net)	-	23,56,749	23,56,749
Property, Plant and Equipment	-	32,40,050	32,40,050
Intangible assets	-	-	-
Other non-financial assets	74,72,836	-	74,72,836
<b>Total Assets</b>	<b>83,78,77,668</b>	<b>55,96,799</b>	<b>84,34,74,467</b>
<b>LIABILITIES</b>			
Trade Payables	-	-	-
Borrowings (Other than Debt Securities)	-	-	-
Other financial liabilities	52,58,553	-	52,58,553
Current tax liabilities (Net)	4,48,390	-	4,48,390
Provisions	1,63,856	47,49,676	49,13,532
Other non-financial liabilities	5,98,487	-	5,98,487
<b>Total Liabilities</b>	<b>64,69,286</b>	<b>47,49,676</b>	<b>1,12,18,962</b>

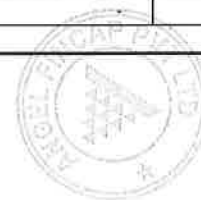
**39 Corporate social responsibility (CSR) expenditure**

Gross amount required to be spent by the company during the year is Rs. 14,15,000 (Previous year Rs. 12,50,000/-)  
Amount spent during the year ending on 31 March 2020:

Sr No	CSR Activities	Amount in Rs.		
		In Cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purpose of other than (i) above	14,15,000	-	14,15,000

Amount spent during the year ending 31 March 2019:

Sr No	CSR Activities	Amount in Rs.		
		In Cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purpose of other than (i) above	12,50,000	-	12,50,000



Angel Fincap Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2020

40 Subsequent Events

There were no significant events after the end of the reporting year which require any adjustment or disclosure in the financial statements.

41 No final dividend proposed or paid during the year ended 31 March 2020 and 31 March 2019.

42 The previous year numbers for the year ended 31 March 2019 were audited by independent firm of chartered accountants other than R. R. Falod & Co.

43 COVID-19 outbreak was declared a pandemic by the World Health Organization on 11 March, 2020. The Indian Government on 24 March, 2020, announced a 21-day complete lockdown across the country, to contain the spread of the virus. The lockdown has since then been extended with gradual relaxations. Non-Banking financial company business primarily for Capital Market clients has been declared as essential services and accordingly, the Company faced no business interruption on account of the lockdown. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. As at 31 March, 2020, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties, which affect its liquidity position; and its ability to continue as a going concern. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may in turn have an impact on the operations of the Company.

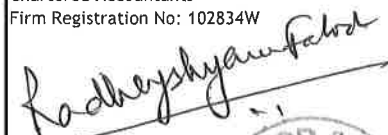
44 The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on 08 May 2020.

As per our report of even date

For R. R. Falod & Co

Chartered Accountants

Firm Registration No: 102834W



Radheyshyam Falod

Proprietor

Membership No. 31914

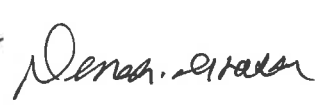
Place : Mumbai

Date : 08 May 2020



For and on behalf of the Board of Directors

Angel Fincap Private Limited



Dinesh Thakkar

Director

DIN : 00004382

Place : Mumbai

Date : 08 May 2020



Vinay Agrawal

Director

DIN : 01773822



Harikrishna Negi

Company Secretary

Membership No. ACS60161