

Independent Auditor's Report On the Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Xander Finance Private Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of Xander Finance Private Limited (the "Company") for the year March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 3 of the accompanying standalone Ind AS financial results, which describes the management's assessment of uncertainties caused by the continuing COVID-19 pandemic and its consequential effects on the carrying value of assets as at March 31, 2021.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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Independent Auditor's Report for the year ended March 31, 2021

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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.

Further, we report that the figures for the half year ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited figures for the half year ended September 30, 2020, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership No.: 037924

UDIN: 21037924AAAAFM3991

Mumbai
June 25, 2021

XANDER FINANCE PRIVATE LIMITED
STATEMENT OF AUDITED FINANCIAL RESULTS FOR HALF YEAR AND YEAR ENDED 31 MARCH 2021

(Rs. in Lakh)

Particulars	Half year ended		Year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Audited	Audited	Audited
Revenue from operations				
(i) Interest income	5,482.24	9,299.19	13,390.33	20,929.55
(ii) Others	2.41	-	2.41	-
(iii) Net gain/ (loss) on fair value changes	(513.20)	-	(513.20)	63.45
(I) Total Revenue from operations	4,971.45	9,299.19	12,879.54	20,993.00
(II) Other Income	159.28	349.76	656.37	1,161.76
(III) Total Income (I + II)	5,130.73	9,648.95	13,535.91	22,154.76
Expenses				
(i) Finance cost	2,450.67	4,111.77	5,818.64	9,190.78
(ii) Impairment of financial assets	2,884.86	2,695.98	5,207.81	4,904.40
(iii) Employee benefit expenses	245.15	614.69	728.12	1,227.41
(iv) Depreciation, amortization and impairment	101.82	102.27	203.92	211.06
(v) Other expenses	649.41	873.70	992.78	1,137.62
(IV) Total Expenses	6,331.91	8,398.41	12,951.27	16,671.27
(V) Profit/(loss) before tax (III - IV)	(1,201.18)	1,250.54	584.64	5,483.49
Tax Expense:				
(1) Current tax	(3.00)	(307.00)	964.00	944.00
(2) Deferred tax	(237.91)	625.70	(773.85)	470.21
(VI) Total Tax Expense	(240.91)	318.70	190.15	1,414.21
(VII) Profit/(loss) for the period (III - IV - VI)	(960.27)	931.84	394.49	4,069.28
Other Comprehensive Income				
A (i) Items that will not be classified to profit or loss	9.45	3.17	20.96	0.67
Tax on above	(2.37)	(0.80)	(5.27)	(0.17)
Subtotal (A)	7.08	2.37	15.69	0.50
B (i) Items that will be classified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal (B)	-	-	-	-
(VIII) Other Comprehensive Income (A + B)	7.08	2.37	15.69	0.50
(IX) Total Comprehensive Income for the period (VII + VIII)	(953.19)	934.21	410.18	4,069.78
(X) Earnings per share (EPS) *				
Basic EPS (In Rs.)	(0.65)	0.63	0.27	2.75
Diluted DPS (In Rs.)	(0.65)	0.63	0.27	2.75

* EPS, DPS for the half year ended March 31 2021 and March 31 2020 are not annualised.

Notes:

- The above results for the year ended 31 March 2021 have been reviewed by the Statutory Auditors of the Company and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 25, 2021, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108. The Company operates in a single geographical segment i.e. domestic.
- The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. In accordance with the Reserve Bank of India ("RBI") guidelines relating to "Covid-19 Regulatory Package" dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020, the Company had offered moratorium to its borrowers based on requests for instalments falling due between March 1, 2020 and August 31, 2020. Further, the Company offered resolution plan to its borrowers pursuant to the RBI's guideline "Resolution framework for Covid-19 related stress" dated August 6, 2020. Further, the Company has based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. The aggregate expected credit loss provision on financial assets as at March 31, 2021 is Rs.4,045.86 lakhs which includes Covid overlay of Rs.188.24 lakhs. The Company considers that the provision is adequate and reasonable under the current circumstances. Based on facts and circumstances, the Company does not anticipate any material changes to the carrying value of assets and liabilities existing as on the Balance Sheet date. The eventual outcome of the impact of the global pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any material changes to the future economic condition.
- Following are the disclosures required in terms of RBI Circular DOR.No.BP.BC/21.04.048/2019-20 dated April 17, 2020

Particulars	(Amount in Rs. crores)
Respective amounts in SMA/ overdue categories, where the moratorium/deferment was extended (outstanding as of February 29, 2020)	116.80
Respective amounts where asset classification benefits is extended (outstanding as of March 31, 2021)	80.98
Provisions made in terms of paragraph 5 of the circular as at the end of the moratorium (As per para 4, applicable to NBFCs covered under Ind AS)	9.33
Provisions adjusted against slippages in terms of paragraph 6 of the circular	9.33
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	-

5 The Company has restructured the following accounts pursuant to RBI notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 on Resolution Framework for Covid-19 related stress
Disclosure pursuant to RBI notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons* of which, MSMEs	8	136.61	-	-	13.67
Others	-	-	-	-	-
Total	8	136.61	-	-	13.67

* As defined in section 3(7) of the insolvency and Bankruptcy Code, 2016

- 6 As required by RBI vide its circular number RBI/2021-22/17 dated April 7, 2021, the Board of Directors of the Company have approved a policy to refund/adjust the "interest on interest" charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the judgement of the Hon.Supreme Court of India in the case of "Small Scale Industrial Manufacturers Association vs Union of India & Others". Based on the methodology for calculation of the amount to be refunded/adjusted, as advised by the Indian Banks Association (IBA), the Company has reversed such interest on interest income charged to the borrowers, that it had accrued during the aforesaid period.
- 7 The result for the half year ended March 31, 2021 and half year ended March 31, 2020 are balancing figures between the audited figures in respect of full financial year and published year to date half year figures for September 30, 2020 and September 30, 2019 respectively
- 8 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 9 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

**For and on behalf of the Board of Directors
Xander Finance Private Limited**

**Tariq Chinoy
Director
DIN No.: 08830666**

Place: Mumbai
Date:- June 25, 2021

XANDER FINANCE PRIVATE LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2021

(Rs. in Lakh)

Particulars	As at 31-Mar-21	As at 31-Mar-20
	Audited	Audited
<u>ASSETS</u>		
Financial assets		
Cash and cash equivalents	9,396.72	18,760.33
Bank balance other than cash and cash equivalents	7,047.64	-
Loans	47,514.29	95,192.48
Investments	14,758.00	6,300.00
Other Financial assets	102.74	104.77
Non-financial Assets		
Current assets (net)	1,613.75	1,523.46
Deferred tax assets (net)	1,372.63	604.05
Property, plant and equipment	667.85	864.12
Other Intangible assets	2.41	4.68
Other non financial assets	5,996.79	104.00
Total Assets	88,472.82	123,457.89
<u>LIABILITIES AND EQUITY</u>		
Financial Liabilities		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	39.98	11.28
Debt securities	26,505.06	17,539.48
Borrowings (other than debt securities)	5,711.14	49,090.78
Other Financial liabilities	1,379.98	918.38
Non-financial Liabilities		
Current tax liabilities (net)	7.25	7.25
Provisions	95.88	85.43
Other non-financial liabilities	232.82	84.98
Equity		
Equity share capital	14,805.02	14,805.02
Other equity	39,695.69	40,915.29
Total Liabilities and Equity	88,472.82	123,457.89

For and on behalf of the Board of Directors
Xander Finance Private Limited

Tariq Chinoy
Director
DIN No.: 08830666

Place: Mumbai
Date:- June 25, 2021