

DHANAVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate information

Dhanvarsha Finvest Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business, Personal Loans and in providing ancillary services related to the said business activities. The Company is Non-Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 11th March, 1998. And Its shares are listed on the BSE Limited.

2. Basis of Preparation of Accounts

The financial statements have been prepared under the historical cost convention on an accrual basis in conformity with generally accepted accounting principles in India ("Indian GAAP") to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

The Company follows directions prescribed by the Reserve Bank of India ("RBI") for Non-Banking Finance Company ("NBFC"). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. The Company has ascertained its operating cycle to be of 12 months for such classification.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as stated below:

Change in accounting policies/estimates**Provision on unsecured standard loan and advances**

With effect from March 31, 2019, in the case of provision on standard advances the Company adopted a more stringent policy of maintaining provision on specified unsecured standard loans and advances, at rates that are higher than those prescribed by RBI (2.25% as against 0.25% prescribed by RBI). As a result, short term provision as at March 31, 2019 are higher by **Rs. 598,600/-** with a consequent reduction to the profit before tax.

2.1 Significant Accounting Policies**A. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

B. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss. Further, in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Finance Companies, income on loan assets classified as Non-performing Assets, is recognised on receipt basis.

Processing Fee and Application Fee: Income from application and processing fees, including recovery of documentation charges are recognised upfront.

Delayed Payment charges, Penal Interest, Other Penal Charges, Foreclosure Charges etc., are recognised on receipt basis on account of uncertainty of the ultimate collection of the same.

Consultancy Income: Income from Consultancy/Advisory Services are accounted for as per the terms of the contract as and when the relevant services are rendered.

Dividends: Dividend income is recognized when the Company's right to receive dividend is established on the reporting date.

Others: The Company recognises other income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, income recognition is postponed to the extent of uncertainty.



DHANAVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

C. Investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as 'Current Investments'. All other investments are classified as 'Long term Investments'.

'Long term Investments' are carried at acquisition/amortised cost. A provision is made for diminution other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis. Profit or loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.

Investment in buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life as prescribed as per the Schedule II of the Companies Act, 2013.

D. Leases**Where the Company is the lessor**

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss over the lease term.

E. Foreign currency translation**Initial recognition**

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

F. Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares. Potential equity shares are those shares which will convert into equity shares at a later stage. Profit/loss is adjusted by the expenses incurred on such potential equity shares. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

DHANAVARSHA FINVEST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)****G. Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Management is deciding how to allocate resources and in assessing performance.

H. Loan Losses and Provisions: NPA and Standard Assets Provisioning

The Company assesses all loans and receivables for their recoverability and makes provision for Non-performing assets (NPA) as considered necessary based on past experience, emerging trends and estimates, subject to the minimum provision required as per the Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“NBFC Master Directions”) as and when amended.

Contingent provision against standard asset, as required by the NBFC Master Directions, is also made by the Company on the standard assets outstanding as per the rates given in the NBFC Master Directions.

I. Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

J. Fixed Assets:**Property Plant and Equipment**

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance. The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain/ loss arising from derecognition of an item of PPE is included in the Statement of Profit and Loss. The gain or loss arising from the derecognition of an item of PPE would be the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The residual value, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if required.

Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible Assets under Development

Amount incurred towards the acquisition of Intangible Assets not ready for intended use at each Balance Sheet date are disclosed under Intangible Assets under Development.

DHANAVARSHA FINVEST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)****K. Depreciation and Amortisation on Fixed Assets:****Property Plant and Equipment**

Depreciation on cost of PPE is provided on straight line method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold Improvements are amortised on a straight line basis over the period of lease

Intangible Assets

Intangible assets are amortized over the useful life on pro-rata basis under the straight-line method as estimated by the management. Intangible assets comprising of software are amortised on a straight line basis over a period of 5 years, unless it has a shorter useful life.

Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/upto the date of acquisition/sale. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

L. Retirement and other employee benefits**(I) Post-employment employee benefit****Defined Contribution schemes**

All the employees of the Company are entitled to receive benefits under the Provident Fund Scheme, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss.

(II) Other long term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

M. Good and Service Tax input credit

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the Statement of Profit and loss as per applicable provisions.

DHANAVARSHA FINVEST LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)****N. Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss in the period they occur.

O. Cash and cash equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, as per Accounting Standard 3 "Cash Flows".

P. Employee stock Compensation Cost

Measurement and disclosure of the employee sharebased payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Sharebased Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

Q. Taxation

Income-tax expense comprises current tax, deferred tax charge or credit and minimum alternate tax (MAT).

Current tax

Current income-tax is measured at the amount expected to be paid to the tax authorities after considering tax allowances, deductions and exemptions determined in accordance with Income Tax Act, 1961 and the prevailing tax laws. The tax rate and laws used to compute the amount are those which are enacted at the reporting date.

Minimum alternate tax

Minimum alternate tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably, and reviewed at each reporting date.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognised only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

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

R. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in Statement of Profit and Loss, unless the same is carried at revalued amount and treated as revaluation reserve.

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
3 SHARE CAPITAL		
Authorised		
50,000,000 (March 31, 2018 : 10,000,000) Equity Shares of Rs. 10/- each (P.Y. Rs. 10/- each)	500,000,000	100,000,000
Issued, subscribed and fully paid up share capital		
13,500,000 (March 31, 2018 : 7,757,800) Equity Shares of Rs. 10/- each (P.Y. Rs. 10/- each)	135,000,000	77,578,000

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
a. Reconciliation of the equity shares outstanding at the beginning and at end of reporting period				
Shares outstanding at the beginning of the year	7,757,800	77,578,000	7,757,800	77,578,000
Shares issued during the year	5,742,200	57,422,000	-	-
Shares outstanding at the end of the year	13,500,000	135,000,000	7,757,800	77,578,000

b. Terms/Rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be proportional to the number of equity shares held by the shareholders.

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

Details of shareholding Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	%	Number of Shares	%
Equity shares of Rs. 10/- each				
Dahiben Dwarkadas Patel	402,000	2.98%	494,000	6.37%
Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited')	7,032,200	52.09%	-	-

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

d. Shares held by holding Company
Subsequent to approval from Board of Directors and Shareholders of Dhanvarsha Finvest Limited on July 27, 2017, BSE Limited accorded in-principle approval on October 13, 2017 and Reserve Bank of India has accorded approval for the change in shareholding and management on June 18, 2018, a preferential issue of 57,42,200 Equity Shares has been made to Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') on June 29, 2018.

Further on July 31, 2018, Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') has acquired 6,90,000 Equity Shares through Open Offer under the SEBI (SAST) Regulation from the public shareholders of Dhanvarsha Finvest Limited.

During the year, Wilson Holding Private Limited (earlier known as 'Truvalue Agro Ventures Private Limited') has also acquired additional 6,00,000 Equity Shares from secondary market.

Reconciliation of the equity shares outstanding at the beginning and at end of reporting period	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
Shares outstanding at the beginning of the year	-	-	-	-
Movement during the year	7,032,200	70,322,000	-	-
Shares outstanding at the end of the year	7,032,200	70,322,000	-	-

e. Employee Stock Option Plan
Refer Note No. 34 for the details of Employee Stock Option Plan
Refer Note No. 2.1.P for accounting policy of Employee Stock Option Plan

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

3 SHARE CAPITAL (contd.)

f. Terms of conversion of Warrants

The Company issued 7,75,200 warrants at Rs. 64.50 (Including Rs. 54.50 towards share premium) per warrant on November 5, 2018, on payment of 25% at the time of subscription and the balance to be paid on conversion, with a right to convert them into equivalent number of equity shares of face value of Rs. 10 each any time before 18 months from the date of allotment of warrants.

g. Proposed dividends on equity shares:

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
The board proposed dividend on equity shares after the Balance Sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2019: Rs. 0.25 per share (March 31, 2018: Rs.1.00 per share)	3,375,000	7,757,800
Tax on proposed dividend	693,741	1,523,449
Total	4,068,741	9,281,249

4 RESERVES AND SURPLUS

Share Premium

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
Opening balance	-	-
Add: Addition / (deduction) during the year	63,164,200	-
Closing balance	63,164,200	-

Statutory reserve pursuant to Section 45 IC(1) of Reserve Bank of India Act, 1934

Opening balance	10,711,805	2,546,317
Add: Transfer from surplus in the Statement of Profit and Loss	8,852,103	8,165,488
Closing balance	19,563,908	10,711,805

Surplus in Statement of Profit and Loss

Opening balance	38,692,349	6,030,398
Add: Profit for the current year	44,260,517	40,827,438
Less: Appropriations for the current year		
Transfer to statutory reserve as per Section 45-IC (1) of The RBI Act, 1934	8,852,103	8,165,488
Final dividend on equity shares for the year ended on March 31, 2018	13,500,000	-
Tax on final dividend	2,774,965	-
Net surplus in Statement of Profit and Loss	57,825,797	38,692,349

Total	140,553,906	49,404,153
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5 LONG – TERM PROVISIONS

For employee benefits

Gratuity (refer note 33)	558,234	410,456
Short term compensated absence	530,742	249,572

For others

Loss assets	-	3,726,036
Sub-standard assets	1,337,949	-
Standard assets	922,610	979,930

Total	3,349,535	5,365,994
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DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
6 SHORT-TERM BORROWINGS		
Unsecured		
Loans repayable on demand from holding company	245,000,000	390,500,000
Total	245,000,000	390,500,000
	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
7 TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (refer note 28)	609,520	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,726,574	2,470,831
Total	2,336,094	2,470,831
	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
8 OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	9,131,536	11,003,508
Income received in advance	330,287	41,632
Advance from customers and others	1,831,983	329,748
Advance for sale of investment property	3,000,000	-
Statutory dues payable	3,598,832	1,378,474
Payable to employees	1,335,223	675,699
Creditors for capital expenditure	1,414,800	2,400,000
Unclaimed dividend	1,755,150	-
Other liabilities	314,802	222,319
Total	22,712,613	16,051,380
	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
9 SHORT - TERM PROVISIONS		
For employee benefits		
Gratuity (refer note 33)	1,380	715
Short term compensated absence	206,426	39,742
For others		
Sub-standard assets	76,502	-
Standard assets	260,391	225,467
Contingent provision for standard unsecured assets	598,300	-
Provision for tax	-	7,205,723
[Net of advance tax / TDS receivable: NIL (March 31, 2018 : Rs. 33,81,498)]		
Total	1,142,999	7,471,647



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

10 Fixed Assets

10 (a) Property, Plant and Equipment

(Amount in Rupees)

Classes of assets	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2018	Additions	Deductions / Adjustments *	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions / Adjustments *	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment										
Computers	626,706	2,508,073	162,537	2,972,241	77,689	439,162	41,707	475,143	2,497,098	549,017
Buildings	-	-	-	-	-	-	-	-	-	-
Motor car	345,100	-	-	345,100	327,850	-	-	327,850	17,250	17,250
Office equipment	120,568	300,957	18,999	402,526	8,559	48,091	2,887	53,763	348,764	112,009
Furniture and fixtures	37,620	71,940	-	109,560	1,527	6,045	-	7,573	101,987	36,093
Leasehold improvements	370,375	668,100	-	1,038,475	275,578	762,897	-	1,038,475	-	94,797
Total	1,500,369	3,549,070	181,536	4,867,902	691,203	1,256,195	44,594	1,902,804	2,965,099	809,166

Classes of assets	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions / Adjustments *	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions / Adjustments *	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Property, Plant and Equipment										
Computers	44,500	582,206	-	626,706	2,935	74,754	-	77,689	549,017	41,565
Buildings	5,817,460	-	5,817,460	-	91,916	-	91,916	-	-	5,725,544
Motor car	345,100	-	-	345,100	284,406	43,444	-	327,850	17,250	60,694
Office equipment	-	120,568	-	120,568	-	8,559	-	8,559	112,009	-
Furniture and fixtures	-	37,620	-	37,620	-	1,527	-	1,527	36,093	-
Leasehold improvements	-	370,375	-	370,375	-	275,578	-	275,578	94,797	-
Total	6,207,060	1,110,769	5,817,460	1,500,369	379,257	403,862	91,916	691,203	809,166	5,827,803

* Deduction / Adjustments represents reclassification of Buildings (Residential Flats) to Investment Properties.

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

10 Fixed Assets

10 (b) Intangible Assets

(Amount in Rupees)

Classes of assets	Gross Block (at cost)				Depreciation				Net Block	
	As at April 1, 2018	Additions	Deductions / Adjustments *	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions / Adjustments *	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Intangible Assets										
Computer software	383,613	4,658,849	-	5,042,462	34,377	311,341	-	345,718	4,696,744	349,236
Total	383,613	4,658,849	-	5,042,462	34,377	311,341	-	345,718	4,696,744	349,236

Classes of assets	Gross Block (at cost)				Amortisation				Net Block	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Intangible Assets										
Computer software	-	383,613	-	383,613	-	34,377	-	34,377	349,236	-
Total	-	383,613	-	383,613	-	34,377	-	34,377	349,236	-

10 (c) Intangible Assets Under Development

(Amount in Rupees)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	3,435,500	-
Additions during the year	6,946,750	3,435,500
Less: Capitalised during the year	3,874,950	-
Closing Balance	6,507,300	3,435,500

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
11 NON – CURRENT INVESTMENTS		
Investment in property (at cost)	-	5,817,460
Less: Accumulated depreciation	-	192,152
Total	-	5,625,308
	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
12 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets (A)		
Provision for employee benefit	1,414,076	194,875
Provision for non-performing, sub-standard and standard assets	889,058	1,204,829
Provision for diminution in value of investment	-	278,786
Excess of net block of fixed assets as per income-tax law over net block as per accounts	-	51,768
Deferred Tax Liability (B)		
Excess of net block of fixed assets as per accounts over net block as per income-tax laws	62,782	-
Total (A-B)	2,240,352	1,730,258
	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
13 LONG – TERM LOANS AND ADVANCES		
Secured, considered good		
Loans to others	360,614,876	391,972,004
	360,614,876	391,972,004
Unsecured, considered good		
Loans to others	21,808,229	-
Advance tax paid		
[Net of provision for tax Rs. 96,24,975 (March 31, 2018: NIL)]	3,771,203	-
Security deposits – Others	153,200	3,000
MAT credit entitlement	6,325,756	7,639,802
	32,058,388	7,642,802
Unsecured, considered doubtful		
Loans to others	-	3,726,036
	-	3,726,036
Total	392,673,264	403,340,842



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
14 CURRENT INVESTMENTS (AT LOWER OF COST AND MARKET VALUE)		
Investment in property	5,817,460	-
Less: Accumulated depreciation	284,260	-
Investments in equity instruments - Quoted	-	7,467,850
Others	-	-
Total	5,533,200	7,467,850

	Face Value	As At March 31, 2019		As At March 31, 2018	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Electrotherm India Limited	10	-	-	196,392	6,844,186
Anar Industries Limited	10	-	-	26,045	464,904
Roselabs Finance Limited	10	-	-	7,200	158,760
Total					7,467,850
Aggregate value of quoted investments			Amount (Rs.)		Amount (Rs.)
Cost of acquisition			-		8,469,958
Market value			-		25,791,298
Aggregate provision for diminution in value of investments			-		1,002,108
Market value of investment in property			11,893,556		-

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
15 TRADE RECEIVABLES		
Unsecured, considered good		
Dues outstanding for more than six months	-	-
Other receivables	64,639	3,839,030
Total	64,639	3,839,030

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
16 CASH AND BANK BALANCES		
Cash and cash equivalents		
(i) Balances with scheduled banks in:		
- Current accounts	36,124,786	14,351,647
- Unclaimed dividend account	1,755,150	-
(ii) Cheques on hand	-	10,448,832
(iii) Cash on hand	4,333	211,859
(iv) Foreign currency on hand	74,714	44,969
Total	37,958,983	25,057,307

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	As at March 31, 2019 Amount (Rs.)	As at March 31, 2018 Amount (Rs.)
17 SHORT – TERM LOANS AND ADVANCES		
Secured, considered good		
Loans to others	18,108,739	46,186,784
Unsecured, considered good		
Loans to others	86,812,806	44,000,000
Balance with revenue authorities	996,674	-
Prepaid expenses	1,209,669	650,525
Advances to vendors	25,259	107,849
Total	107,153,147	90,945,158
18 OTHER CURRENT ASSETS		
Secured, considered good		
Interest accrued	1,374,755	5,546,738
Unsecured, considered good		
Interest accrued	5,213,268	690,205
Other receivables	663	5,407
Total	6,588,686	6,242,350



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
19 REVENUE FROM OPERATIONS		
Interest Income on:		
Loan Portfolio	92,385,905	27,780,206
Fixed Deposits with Bank	585	408,558
Other Financial Services		
Income from Processing Fees and Application Fees	11,615,547	9,266,780
Fee Based Income	76,709,830	35,647,250
Profit on Sale of Current Investments (net)	26,990,250	42,520,058
Reversal of Diminution in Value of Investments	1,002,108	-
Miscellaneous Income	1,680,507	114,090
Total	210,384,732	115,736,942
	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
20 OTHER INCOME		
Liabilities No Longer Required Written Back	-	2,734,581
Dividend Income	-	75,000
Rent Income	730,000	-
Miscellaneous Income	1,877,857	370,750
Profit on Sale of Fixed Assets	466	-
Total	2,608,323	3,180,331
	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
21 EMPLOYEE BENEFITS EXPENSE		
Salaries, Other Allowances and Bonus	45,384,483	21,849,457
Gratuity Expenses (Refer Note 33)	148,443	411,171
Contribution to Provident and Other Funds (Refer Note 33)	1,385,781	267,997
Expenses on Employee Stock Option Plan (Refer Note No. 34 and 2.1.P)	3,786,167	-
Staff Welfare Expenses	591,526	157,543
Total	51,296,400	22,686,168
	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
22 FINANCE COSTS		
INTEREST EXPENSE AND FINANCE CHARGES		
On Loans	50,792,690	19,932,147
On Taxes	974,789	79,273
Total	51,767,479	20,011,420



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
23 DEPRECIATION AND AMORTISATION EXPENSES		
Property, Plant and Equipment	1,256,195	403,862
Intangible Assets	311,341	34,377
Investment in Property	92,108	100,235
Total	1,659,644	538,474
	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
24 LOAN LOSSES AND PROVISIONS		
Bad Debts	14,858,636	-
Provision for Standard Assets	(22,396)	1,123,747
Provision for Sub-standard Assets	1,414,451	-
Provision for Non-performing Assets	(3,726,036)	3,726,036
Contingent Provision for Standard Unsecured Assets	598,300	-
Total	13,122,955	4,849,783
	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
25 OTHER EXPENSES		
Legal and Professional Fee	11,834,044	8,795,252
Power and Fuel	490,643	220,110
Rent	6,762,943	4,398,590
Director's Sitting Fee	3,564,802	-
Rates and Taxes	3,519,097	58,853
Brokerage and Service Charge	43,496	666,259
Commission	1,855,042	5,509,587
Repairs	85,836	43,810
Travelling and Conveyance	1,989,966	685,651
Insurance	726,999	565
Loss on Foreign Currency Transactions	1,648	467
Printing and Stationery	337,939	226,606
Diminution in Value of Investments	-	1,002,108
GST Expenses	2,428,478	1,184,658
Payments to the Auditor		
As Auditor:		
- Audit fee #	300,000	304,500
- Tax audit fee	50,000	50,000
- Limited review	200,000	300,000
- Others Services	50,000	-
- Reimbursement of expense	14,538	-
Annual Maintenance Charges	1,644,151	243,350
Miscellaneous Expenses	1,984,159	991,431
Total	37,883,781	24,681,797

Audit fee includes payments to predecessor Auditor for the year ended March 31, 2018: Rs. 4,500



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

26 EARNINGS PER SHARE

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Amount (Rs.)	Amount (Rs.)
Net Profit after tax as per Statement of Profit and Loss	44,260,517	40,827,438
Weighted average number of Equity Shares for calculating Basic Earning per Share (B)	12,084,115	7,757,800
Add: Equity shares for inadequate consideration arising on grant of stock options under ESOP	460,966	-
Weighted average number of Equity Shares for calculating Diluted Earning per Share (C)*	12,545,081	7,757,800
Basic Earnings per Share of face value of Rs. 10/- each (in Rs.) (A) / (B)	3.66	5.26
Diluted Earnings per Share of face value of Rs. 10/- each (in Rs.) (A) / (C)	3.53	5.26

*During the year, the Company has allotted 7,75,200 Warrants of face value of Rs.10/- each at a price of Rs.64.50 per Warrant (including Rs.54.50 towards share premium), to M/s. Wilson Holdings Private Limited, against receipt of 25% of the Warrant subscription amount. The remaining 75% of the Warrant subscription amount can be paid within a period of eighteen (18) months from the date of allotment of Warrants. These warrants are not counted in Weighted average number of Equity Shares used for calculation of diluted Earning per Share, as they are anti-dilutive.

27 Contingent Liabilities and Commitments (to the extent not provided for)

	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Amount (Rs.)	Amount (Rs.)
Contingent Liabilities		
Income Tax matters under dispute	6,598,708	-
Commitments		
a) Capital commitments	6,595,000	2,730,000
(Estimated amount of contracts remaining to be executed on capital account and not provided for)		
b) Commitments related to loans sanctioned but undrawn	488,512	6,551,249
Total	7,083,512	9,281,249

28 Information required to be disclosed in accordance with Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the parties identified on the basis of information available with the Company, which has been relied upon by the auditors. The outstanding balance on account of principal and interest as on March 31, 2019 remaining unpaid to any supplier registered as small and medium enterprises under "The Micro, Small and Medium Enterprises Development (MSMED) Act 2006" is Rs. 609,250/- (Previous Year: Nil). The Company has not delayed in making payments to any of the parties registered as small and medium enterprises under MSMED, and there has been no interest accrued or paid in this regard.

29 A. Expenditure in foreign currency (accrual basis)

	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Amount (Rs.)	Amount (Rs.)
Travelling and Conveyance	47,749	4,829
Business Promotion Expenses	24,226	-
Accommodation Expenses	84,054	-
Staff Welfare	7,803	-

B. Earnings in foreign currency for the year ended March 31, 2019: Nil (March 31, 2018: Nil)

30 DERIVATIVES

The Company has no transactions / exposure in derivatives in the current and previous year. The Company has no unhedged foreign currency exposure as on March 31, 2019 (March 31, 2018: Nil).

31 LEASE

Disclosures for operating leases under Accounting Standard 19 – "Accounting for Leases"

The Company has taken two office premises (at Mumbai and Pune) under operating lease. Also the Company has taken IT equipment's on Hire. The lease payments recognised in the Statement of Profit and Loss are Rs. 67,62,943/- (March 31, 2018: Rs. 4,398,590/-). Both the agreements provide for cancellation by either party after the expiry of lock in period of 3 months and 12 months respectively. The agreement of rent with Pune branch contains clause for escalation of 7% after the completion of every 12 months. There are no restrictions imposed by lease arrangements. Both the agreements are renewable on mutual consent.

The future minimum lease payments in respect of non-cancellable portion in the operating lease as at the Balance Sheet date are summarized below:

Minimum lease payments:	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Amount (Rs.)	Amount (Rs.)
Not later than one year	240,000	449,400
Later than one year but not later than five years	-	-
Later than five years	-	-

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit and Loss for the year amounting to Rs. 730,000 (March 31, 2018: Nil). There is no lock-in period for such sub-lease and agreement can be cancelled by both the parties by giving ninety days notice.

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

32 SEGMENT REPORTING

The Company operates in a two reportable business segment i.e. Fund Based Activities and Advisory Services, which has similar risks and returns for the purpose of Accounting Standard 17 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

During the year the Company has re-evaluated/re-assessed the allocation of expenditure to the segments and accordingly, Payroll and other expenses/Assets and Liabilities which were allocated hitherto into "Fund Based Activities" segment in March 31, 2018, have been allocated to both the segments during the current year based on various allocation parameters for fair and appropriate presentation and results. Considering the above, previous year's figures have been regrouped/rearranged to conform to current year presentation.

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
Segment Revenue		
Fund Based Activities	133,526,878	80,009,692
Advisory Services	76,857,854	35,727,250
Total	210,384,732	115,736,942
Less : Inter Segment Revenue	-	-
Revenue from Operations	210,384,732	115,736,942
Segment Results		
Profit before Tax from each segment :		
Fund Based Activities	9,543,525	14,631,882
Advisory Services	53,877,930	29,066,919
Total	63,421,455	43,698,801
Add: Other Un-allocable Income net of Expenditure	(6,158,660)	2,450,830
Profit before Tax	57,262,795	46,149,631
Less: Income taxes	13,002,278	5,322,193
Profit after Tax	44,260,517	40,827,438
Capital Employed		
Segment Assets		
Fund Based Activities	507,531,655	497,225,540
Advisory Services	1,998,332	4,092,942
Unallocated	56,976,992	47,522,523
	566,506,979	548,841,005
Segment Liabilities		
Fund Based Activities	266,809,744	412,302,562
Advisory Services	2,661,545	2,021,819
Unallocated	5,069,952	7,535,471
	274,541,241	421,859,852
Capital Expenditure		
Fund Based Activities	9,966,563	4,476,930
Advisory Services	1,313,156	452,952
Depreciation and Amortisation		
Fund Based Activities	1,102,744	342,946
Advisory Services	464,792	-
Other non-cash expenditure		
Fund Based Activities	13,122,955	4,849,783
Advisory Services	-	-



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

33 Employee Benefits

Disclosures as required as per Accounting Standard -15 – “Employee Benefits” are as under:

I) Defined Benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is wholly unfunded. The present value of the obligation is determined based on an actuary valuation, using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss.

	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
A. Net liability /(assets) recognised in the Balance Sheet:		
Present value of defined benefit obligation	559,614	411,171
Fair value of plan assets	-	-
Net liability/(assets)	559,614	411,171
B. Expense recognised in the Statement of Profit and Loss for the year:		
Current service cost	464,218	411,171
Interest on obligation	32,071	-
Expected return on plan assets	-	-
Net actuarial losses /(gains)	(347,846)	-
Recognised Past Service Cost-Vested	-	-
Total expense included in employee benefit expense (Refer Note No. 24)	148,443	411,171
Actual return on Plan assets	-	-
C. Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
Opening defined benefit obligation	411,171	-
Current Service Cost	464,218	411,171
Interest Cost	32,071	-
Actuarial losses /(gains)	(347,846)	-
Past service cost	-	-
Benefits paid	-	-
Closing defined benefit obligation	559,614	411,171
D. Major categories of plan assets as a percentage of total plan assets:		
Qualifying insurance policy with LIC	NA	NA
E. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
Discount rate @@	6.96%	7.80%
Expected return on plan assets	NA	NA
Annual increase in salary costs ##	10.00%	10.00%
Rate of Employee Turnover	18.00%	10.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Lives Mortality (2006-08)
Mortality Rate After Employment	NA	NA

@@ The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

F. Disclosure as required under Para 120(n)

Experience Adjustments:

Present Value of the Defined Benefit Obligation	(559,614)	(411,171)
Fair Value of the Plan Assets at the end of the period	-	-
Surplus/ (Deficit) in the Plan	(148,443)	(411,171)
Experience adjustments on Plan Liabilities (Gain) / Loss	-	-
Experience adjustments on Plan Assets (Gain) / Loss	-	-

Since the provisions of The Payment of Gratuity Act, 1972, is applicable to the Company from the financial year 2017-18, the disclosures as required under para 120(n) of "Accounting Standard 15 - Employee Benefits" have not been presented for the financial year prior to 2017-18.

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

33 Employee Benefits (contd.)

II) Defined Contribution Plans :

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
Amount recognised as an expense and included in Note No. 21 of Statement of Profit and Loss		
Contribution to Provident Fund	483,947	101,113
Contribution to Employees' Pension Scheme 1995	901,834	166,884
	<u>1,385,781</u>	<u>267,997</u>

34 Employee Stock Option Plan

During the year, the Company has granted 11,17,710 Employee Stock Options (ESOP) under the Dhanvarsha Employee Stock Option Scheme 2018 (ESOP 2018) to eligible employees spread over a period of 1 to 4 years. The said ESOPs will start its vesting period from November 5, 2019. The details of which are as follows.

Financial Year in which options will vest	ESOPs equivalent to number of equity shares of face value of ` 10/- each
2019-20	111,771
2020-21	223,542
2021-22	335,313
2022-23	447,084
Total	<u>1,117,710</u>

As at March 31, 2019, 1,061,299 (As at March 31, 2018 - Nil) (net of forfeitures of 56,411 options) options were outstanding, which were granted at exercise price of Rs. 30. The following are the outstanding options as at March 31, 2019:

ESOP Scheme	Particulars	Date of Grant	Date of Board Approval	Exercise Price Per Option (Rs.) post bonus options	Total Options granted	Vesting Period	Method of settlement
ESOP Scheme 2018	Grant 1	05-11-18	05-11-18	30.00	1,117,710	05/11/2019 to 05/11/2023	Equity

Exercise Period: Eligible to exercise the options during the next four years from the date of vesting.

Manner of vesting: In a graded manner over a 4 year period with 10%, 20%, 30% and 40% of the grants vesting in each year commencing from the start date of the first tranche.

The fair value of options have been calculated on the date of the grant, using Black-Scholes model by an external firm of valuer.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share at the time of the Option Grant (Rs.)	Fair Value of the Option (Rs.)			
						1st Stage	2nd Stage	3rd Stage	4th Stage
05-11-18	7.35% - 7.46%	4.5 to 6 yrs	46.1% to 47.9%	2.29%	43.80	22.39	22.82	23.56	23.98

In respect of stock options granted pursuant to the Company's stock option scheme, the fair value of the options is treated as discount and accounted as "Expenses on Employee Stock Option Plan" over the vesting period.

Expenses on Employee Stock Option Plan debited to Statement of Profit and Loss during the year 2018-19 is Rs. 37,88,167/- (P.Y.: Nil)

The balance in Employee Stock Option Plan as at March 31, 2019 is Rs. 37,88,167/- (P.Y.: Nil)

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

35 Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015) as at March 31, 2019.

Liabilities Side	March 31, 2019		March 31, 2018	
	Outstanding Amount (Rs.)	Amount Overdue	Outstanding Amount (Rs.)	Amount Overdue
35.1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:				
a) Debentures: Secured	-	-	-	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits*)				
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowings	254,131,536	-	401,503,508	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans	-	-	-	-
Total	254,131,536	-	401,503,508	-
			March 31, 2019	March 31, 2018
			Outstanding	Outstanding
			Amount (Rs.)	Amount (Rs.)
35.2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures			-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security			-	-
(c) Other public deposits			-	-
			March 31, 2019	March 31, 2018
			Outstanding	Outstanding
			Amount (Rs.)	Amount (Rs.)
Assets Side				
35.3 Breakup of Loans and Advances including bills receivables (other than those included in (4) below) :				
a) Secured			378,723,615	438,158,788
b) Unsecured			108,621,035	47,726,036
Please see note below				
			March 31, 2019	March 31, 2018
			Outstanding	Outstanding
			Amount (Rs.)	Amount (Rs.)
35.4 Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities				
i) Lease assets including lease rentals under sundry debtors:				
a) Financial Lease			-	-
b) Operating Lease			-	-
ii) Stock on hire including hire charges under sundry debtors:				
a) Assets on hire			-	-
b) Repossessed Assets			-	-
iii) Other loans counting towards AFC activities				
a) Loans where assets have been repossessed			-	-
b) Loans other than (a) above -			-	-

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

35.5 Breakup of Investments:	March 31, 2019	March 31, 2018
	Outstanding Amount (Rs.)	Outstanding Amount (Rs.)
Current Investments:		
1. Quoted:		
i) Shares: (a) Equity	-	7,467,850
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-
2. Unquoted:		
i) Shares: (a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	5,533,200	-
Long Term investments:		
1. Quoted:		
i) Shares: (a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-
2. Unquoted:		
i) Shares: (a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-



35.6 Borrower groupwise classification of assets financed as in (3) and (4) above:

Category	Amount net of Provision (Rs.)					
	Year ended March 31, 2019			Year ended March 31, 2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2. Other than related parties	3787,23,615	1086,21,035	4873,44,650	4370,63,391	438,90,000	4809,53,391
Total	3787,23,615	1086,21,035	4873,44,650	4370,63,391	438,90,000	4809,53,391

35.7 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at March 31, 2019 (Rs.)		As at March 31, 2018 (Rs.)	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

** As per Accounting Standard of ICAI

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

35.8 Other information	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
i) Gross Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	14,144,511	3,726,036
ii) Net Non Performing Assets		
a) Related Parties	-	-
b) Other than related parties	12,730,060	3,726,036
iii) Assets acquired in satisfaction of debt	-	-

Note: Breakup of Loans and Advances does not include Interest Accrued on such loans.

36 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard (AS)18, "Related Party Disclosures".

Holding Company:	M/s. Wilson Holdings Private Limited (w.e.f. July 31, 2018) (Formerly known as M/s. Truvalue Agro Ventures Private Limited)
Fellow Subsidiary:	M/s. Wilson Financial Services Private Limited (w.e.f. July 31, 2018) (Wholly owned Subsidiary of M/s. Wilson Holdings Private Limited)
	M/s. Wilson Investment Adviser Private Limited (w.e.f. July 31, 2018) (Wholly owned Subsidiary of M/s. Wilson Financial Services Private Limited)
	M/s. Wilson Ventures Pte. Ltd. (w.e.f. July 31, 2018) (Wholly owned Subsidiary of M/s. Wilson Holdings Private Limited)
Enterprises Under Common Control	Anjaneya Realty Management LLP (w.e.f. July 31, 2018) (Controlled by Wilson Holdings Private Limited)
	Deeta Properties LLP (w.e.f. July 31, 2018) (Controlled by Wilson Holdings Private Limited)
Key management personnel:	 <p>Mr. Malay Rohitkumar Bhow, Whole-time Director (upto August 10, 2018) Mr. Dhairya Kumar Thakkar, Company Secretary (upto August 10, 2018) Mr. Narendra Kumar Tater, Chief Financial Officer (w.e.f. August 10, 2018) Mr. Karan Neale Desai, Managing Director and CEO (w.e.f. August 11, 2018) Mr. M Vijay Mohan Reddy, Company Secretary (w.e.f. August 13, 2018) Mrs. Arunaben Girishkumar Shah, Independent Director (upto August 24, 2018) Mr. Dharmil Shah, Independent Director (upto August 24, 2018) Mr. Malay Rohitkumar Bhow, Whole-time Director (upto August 10, 2018) Mr. Karan Neale Desai, Non-Executive Director (upto August 10, 2018) Mr. Nimir Kishore Mehta, Non-Executive Chairman (w.e.f. August 10, 2018) Mr. Ashish Sharad Dalal, Non-Executive Director (w.e.f. August 10, 2018) Mr. Nirmal Vinod Momaya, Independent Director (w.e.f. August 10, 2018) Mr. K. P. Raghuvanshi, Independent Director (w.e.f. August 24, 2018) Mrs. Manjari Kacker, Independent Director (w.e.f. September 28, 2018)</p>
Relatives of key management personnel:	Nil

DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

36 RELATED PARTY DISCLOSURES (contd.)

Details of the related party transactions during the year and balances outstanding end of the year :

Nature of Transaction	Year ended March 31, 2019 Amount (Rs.)	Year ended March 31, 2018 Amount (Rs.)
Expenses		
Remuneration to key management personnel*		
Mr. Karan Neale Desai	4,798,987	-
Mr. Narendra Kumar Tater	3,923,739	-
Mr. Vijay Mohan Reddy	2,529,029	-
Mr. Dhairy Kumar Thakkar	104,000	-
Rent		
Mr. Nimir Kishore Mehta	6,000,000	-
Reimbursement of expenses		
Mr. Nimir Kishore Mehta	72,475	-
Interest		
M/s. Wilson Holdings Private Limited	50,792,690	-
Sitting Fees and Commission		
Mr. Ashish Sharad Dalal	762,960	-
Mr. Nirmal Vinod Momaya	862,960	-
Mr. K. P. Raghuvanshi	812,960	-
Mrs. Manjari Kacker	612,960	-
Mr. Nimir Kishore Mehta	212,960	-
Mr. Dharmil Shah	150,000	-
Ms. Arunaben Girishkumar Shah	150,000	-
Receipts/Income		
Rent		
M/s. Wilson Financial Services Private Limited	730,000	-
Sale of fixed Assets		
M/s. Wilson Financial Services Private Limited	121,265	-
Reimbursement of expenses		
M/s. Wilson Financial Services Private Limited	25,848	-
Issuance of share warrants		
M/s. Wilson Holdings Private Limited	12,500,100	-
Loans and advances		
M/s. Wilson Holdings Private Limited		
Granted /taken during the year	191,000,000	-
Repaid during the year	336,500,000	-



DHANVARSHA FINVEST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (contd.)

36 RELATED PARTY DISCLOSURES (contd.)

Details of the related party transactions during the year and balances outstanding end of the year :

Nature of Transaction	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Amount (Rs.)	Amount (Rs.)
Balances outstanding end of the year		
M/s. Wilson Holdings Private Limited**	245,000,000	-
Mr. Nimir Kishore Mehta	68,960	-
Mr. Ashish Sharad Dalal	62,960	-
Mr. Nirmal Vinod Momaya	62,960	-
Mr. K. P. Raghuvanshi	62,960	-
Mrs. Manjari Kacker	62,960	-

* The remuneration to KMP does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

** Excluding interest accrued but not due.

The options granted and outstanding for the key managerial personnel as of March 31, 2019 and March 31, 2018 (Nil) is as provided below:

Name of the KMP	Grant Date	Expiry date	Exercise Price	Shares Outstanding
Mr. Karan Neale Desai	5-Nov-18	4-Nov-25	30	363,489
Mr. Narendra Kumar Tater	5-Nov-18	4-Nov-25	30	193,861
Mr. Vijay Mohan Reddy	5-Nov-18	4-Nov-25	30	77,555
				634,905

37 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For Haribhakti & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 103523W/W100048

For and on behalf of the Board of Directors of
Dhanvarsha Finvest Limited
 CIN: L24231GJ1994PLC023528

Sd/-
Purshottam Nyati
 Partner
 Membership No. 118970

Sd/-
Nimir Mehta
 Chairman
 DIN: 699993

Sd/-
Karan Desai
 Managing Director & CEO
 DIN: 5285546

Mumbai
 May 22, 2019

Sd/-
Narendra Tater
 Chief Financial Officer

Sd/-
M Vijaymohan Reddy
 Company Secretary
 M. No. 49289

Mumbai
 May 22, 2019