

**Independent Auditor's Review report**

**To,**  
**The Members**  
**M/s, Fortune Integrated Assets Finance Limited**  
**Report on audit of Standalone Annual Financial Results**

**Opinion**

We have audited the accompanying Statement of Standalone Financial Results of Fortune Integrated Assets Finance Limited ("the Company") for the year ended March 31, 2020 ("the Statement") and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows, for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us the standalone financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

**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 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules 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 we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

**Key Audit Matters**

Key audit matters are matters addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters	How the matter was addressed in our Audit
<b>Transition date accounting</b> Refer to the accounting policies in the standalone financial statements: Significant accounting policies - Basis of preparation and notes to the standalone financial statements: "First time adoption of Ind AS"	
<b>Adoption of new accounting framework (Ind AS)</b>	
<p>Effective 1 April 2019, the Company adopted Ind AS notified by the Ministry of Corporate Affairs with the transition date of 1 April 2018.</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> <li>• <b>Classification and measurement / valuation of financial instruments:</b> <ul style="list-style-type: none"> <li>- Determination of Expected Credit Loss (ECL)</li> <li>- Gain / loss on assignment of loans</li> </ul> </li> <li>• <b>Classification and measurement of investment in Subsidiaries and Associates</b></li> <li>• <b>Additional disclosures as per the requirements of the new financial reporting framework</b></li> </ul> <p>Transition to the new financial reporting framework is an intricate process involving multiple decision points for management i.e.: Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS at the transition date. We identified the transition date accounting as a key audit matter because of the significant degree of management judgment in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with Ind AS transition.</p>	<p>We performed audit procedures set out below</p> <p><b>Design/ controls</b></p> <ul style="list-style-type: none"> <li>• Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the Ind AS 101.</li> </ul> <p><b>Substantive tests</b></p> <ul style="list-style-type: none"> <li>• Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101;</li> <li>• Understood the approach and methodology adopted by management to implement the transition to Ind AS;</li> <li>• Test checked the computations relating to transition adjustments;</li> <li>• Assessed areas of significant estimates and management judgement on transition in line with Ind AS principles;</li> <li>• Compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments including determination of ECL provisioning, gain / loss on assignment of loans as at the date of transition etc</li> </ul>
<b>Expected Credit Loss</b> Refer to the accounting policies in the standalone financial statements: Impairment in the standalone financial statements: use of estimates and judgements - determination of Expected Credit Loss to the standalone financial statements: Loans	
<b>Subjective Estimates</b>	<b>We performed audit procedures as set out below</b>
Recognition and measurement of impairment relating to loans and advances involves significant management judgement.	<p><b>Design/ controls</b></p> <ul style="list-style-type: none"> <li>• Evaluated appropriateness of the impairment principles based on the requirements of Ind AS 109, our business</li> </ul>



<p>With the applicability of Ind AS 109 credit loss assessment is now based on the ECL model. The Company's impairment allowance is computed based on from estimates including the historical default and loss ratios.</p> <p>Management exercises judgement in determining the quantum of loss based on a range of factors.</p> <p>The most significant areas are:</p> <ul style="list-style-type: none"> <li>- Segmentation of loan book</li> <li>- Loan staging criteria</li> <li>- Calculation of probability of default / Loss given default</li> </ul> <p>There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model.</p>	<p>understanding and industry practice;</p> <ul style="list-style-type: none"> <li>• Understood Company's new / revised processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model;</li> <li>• Test checked management review controls over measurement of impairment allowances and disclosures in the standalone financial statements.</li> </ul> <p><b>Substantive tests</b></p> <ul style="list-style-type: none"> <li>• Performed substantive procedures over validating completeness and accuracy of the data and reasonableness of assumptions used in the model;</li> <li>• Critically evaluated management's judgement in the determination of ECL;</li> <li>• We engaged our specialists to test the working of the ECL model and reasonableness of assumptions used;</li> <li>• Performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans;</li> </ul>
<p><b>Valuation of Investments (other than investments in subsidiaries and associates)</b></p>	
<p>Refer to the accounting policies in the standalone financial statements: Financial instruments; to the standalone financial statements: Use of estimates and judgements – fair valuation of investment (other than Associates) and the standalone financial statements: Investments</p>	
<p><b>Subjective estimates</b></p> <p>Evaluation of business model is a subjective matter and impacts the classification of investments upon initial recognition and consequently the measurement of the same.</p> <ul style="list-style-type: none"> <li>- Investments valued at amortized cost</li> </ul> <p>The effect of valuation on the basis of amortized cost may impact either the profit or loss or other comprehensive income.</p> <p>The valuation of investments measured at amortized cost entails significant management estimates and is based on a combination of observable market data and / or valuation techniques which are often based on unobservable inputs.</p>	<p><b>We performed audit procedures as set out below</b></p> <p><b>Design / controls</b></p> <ul style="list-style-type: none"> <li>• Test checked the design, implementation and operating effectiveness of management's key internal controls over the valuation process and inputs.</li> </ul> <p><b>Substantive tests</b></p> <ul style="list-style-type: none"> <li>• Read the investment agreements on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the classification and valuation of investments;</li> <li>• Assessed the appropriateness of the valuation methodology and tested key inputs used such as pricing inputs and discount factors;</li> </ul>



<p>We identified determination of value of investments as a key audit matter because of the degree of subjectivity and judgement exercised by management in determining the inputs used in the valuation techniques and methodologies.</p>	<ul style="list-style-type: none"> <li>• Assessed whether the disclosures appropriately reflected the Corporation's exposure to investment valuation risk with reference to the requirements of the prevailing accounting standards;</li> <li>• Critically evaluated the reliability of inputs i.e. market observable / unobservable data to determine value of investments and checked the appropriateness of disclosures in accordance with Ind AS 107 on 'Financial Instruments: Disclosures'.</li> </ul>
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### **Emphasis or Matter**

As described in the standalone financial results, in accordance with Reserve Bank of India COVID-19 Regulatory Package, ageing of accounts opting for moratorium offered by the Company and moving into Stage 3 (based on days past due status as of 31 March 2020) has been determined with reference to position as of 29 February 2020. Further, the extent to which the COVID-19 Pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of the above matter.

### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results.**

These standalone annual financial results have been prepared on the basis of the standalone financial statements which is the responsibility of the Management and the Board of Directors

The Company's Management and Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, Management and 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 is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 standalone annual financial results.

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 standalone annual financial results 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 through a separate report on the complete set of financial statements 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 in the standalone financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and 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 appropriateness of this assumption. 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 standalone annual 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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 standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

The comparative Ind AS financial information of the Company for the corresponding quarter and corresponding year to date ended March 31, 2019 were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by predecessor auditor who expressed an unmodified opinion on those financial information on April 30, 2019.

### **Report on other legal and regulatory requirements**

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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 standalone balance sheet, the standalone statement of profit and loss (including comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;



(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and

(g) 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, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For. M/s. Gohel and Associates LLP.**

Chartered Accountants

FRN: W100162



(CA. Abhay M. Gohel)

(Partner)

Membership Number: 152864

Date: 23<sup>rd</sup> June 2020

UDIN: 20152864AAAABW5599

### Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Fortune Integrated Finance Limited of even date)

1.	In respect of the Company's fixed assets.
	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
	(c) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2.	The Company is a Non-Banking Finance Company, primarily engaged in the business of finance against security of vehicles on short, medium and long-term basis. Accordingly, Paragraph 3(ii) of the order is not applicable.
3.	<p>The Company has granted unsecured loans to Companies covered under in the register maintained under section 189 of the Act.</p> <p>a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.</p> <p>b. In the case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.</p> <p>c. There are no overdue amounts in respect of the loans granted to the Companies listed in the register maintained under section 189 of the Act.</p>
4.	The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by any parties covered under section 185 of the Act. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of section 186 of the Act with respect to grant of loans, making investments and providing guarantees and securities, as applicable.





5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7.	In respect of statutory dues:
	(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable
	(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to the bank and has not issued any debentures. The Company did not have any outstanding dues to financial institutions
9.	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11.	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the required approvals mandated by the provisions of section 197 read with Schedule V of the Act.



12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations given to us and based on our examination of the records of the company, the Company is required to be register under section 45-IA of the Reserve Bank of India Act 1934 and the registration for the same has been obtained.

**For, M/s. Gohel and Associates LLP.**

**Chartered Accountants**

**FRN: W100162**

**W100162**



**(CA. Abhay M. Gohel)**

**(Partner)**

**Membership Number: 152864**

**Date: 23<sup>rd</sup> June 2020**

**UDIN: 20152864A A A ARW5599**

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

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Fortune Integrated Finance Limited of even date)

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

We have audited the internal financial controls over financial reporting of Fortune Integrated Finance Limited ("the Company") as at 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 board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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



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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the





**Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.**

**For. M/s. Gohel and Associates LLP.**

**Chartered Accountants**

**FRN: W100162**



**(CA. Abhay M. Gohel)**

**(Partner)**

**Membership Number: 152864**

**Date: 23<sup>rd</sup> June 2020**

**UDIN: 20152864 A A A RW5599**

**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>ASSETS</b>				
<b>I. Financial assets</b>				
(a) Cash and cash equivalents	8	2,167.72	4,337.54	409.51
(b) Bank Balances other than (a) above	9	13.88	12.98	12.11
(c) Derivative financial instruments				
(d) Receivables				
(i) Trade Receivables				
(ii) Other Receivables	10	4.07	5.90	5.83
(e) Loans	11	91,250.27	1,56,526.53	1,51,139.79
(f) Investments	12	512.80	103.20	103.20
(g) Other financial assets	13	17,580.99	10,068.09	2,045.06
<b>Total Financial Assets</b>		<b>1,11,529.73</b>	<b>1,71,054.25</b>	<b>1,53,715.50</b>
<b>II. Non-Financial assets</b>				
(a) Current Tax Assets (Net)	14	1,338.24	1,040.54	571.48
(b) Deferred tax assets (Net)	15	439.53	286.46	4.17
(c) Property, plant and equipment	16	323.56	390.86	219.16
(d) Right of use asset	17	74.45	-	-
(e) Other non-financial assets	18	923.67	492.15	339.93
<b>Total Non-Financial Assets</b>		<b>3,099.45</b>	<b>2,210.01</b>	<b>1,134.74</b>
<b>Total Assets</b>		<b>1,14,629.17</b>	<b>1,73,264.26</b>	<b>1,54,850.25</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>I. Financial Liabilities</b>				
(a) Payables				
(A) 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	19	408.73	564.75	318.28
(B) Other Payables		-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Debt Securities	20	-	-	2,620.00
(c) Borrowings (Other than Debt Securities)	21	66,315.53	1,25,336.98	1,10,112.71
(d) Other financial liabilities	22	5,862.42	8,555.73	10,664.21
<b>Total Financial Liabilities</b>		<b>72,586.67</b>	<b>1,34,457.47</b>	<b>1,23,715.21</b>
<b>II. Non-Financial Liabilities</b>				
(a) Current tax liabilities (Net)		-	-	-
(b) Provisions	23	160.06	73.38	78.66
(c) Other non-financial liabilities	24	319.35	473.77	310.01
<b>Total Non-Financial Liabilities</b>		<b>479.41</b>	<b>547.15</b>	<b>388.67</b>
<b>Total Liabilities</b>		<b>73,066.08</b>	<b>1,35,004.62</b>	<b>1,24,103.88</b>
<b>EQUITY</b>				
(a) Equity Share Capital	25	1,931.82	1,931.82	1,931.82
(b) Other Equity	26	39,631.28	36,327.82	28,814.55
<b>Total Equity</b>		<b>41,563.09</b>	<b>38,259.64</b>	<b>30,746.37</b>
<b>Total Liabilities and Equity</b>		<b>1,14,629.17</b>	<b>1,73,264.26</b>	<b>1,54,850.25</b>

In terms of our report attached

For M/s Gohel and Associates LLP  
Chartered Accountants  
Firm Registration No W100162

Abhay M. Gohel  
Partner

Membership No. 152894  
Mumbai, June 22, 2020



For and on Behalf of Board of Directors  
of Fortune Integrated Assets Finance Limited

*Chinman Valia*

Chinman Valia  
Managing Director  
DIN 03409303  
Mumbai, June 22, 2020

*Nitin Mehta*  
Director  
DIN 05811605  
Mumbai, June 22, 2020

**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2020**

₹ in Lakhs

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from Operations</b>			
Interest Income	27	26,439.57	33,420.91
Net gain on derecognition of assigned loans		1,985.85	-
Other operating income		495.15	392.45
<b>(I) Total Revenue from Operations</b>		<b>28,920.58</b>	<b>33,813.36</b>
<b>(II) Other Income</b>	28	222.72	13.85
<b>(III) Total Income (I + II)</b>		<b>29,143.30</b>	<b>33,827.22</b>
<b>Expenses</b>			
Finance costs	29	12,128.06	15,236.81
Impairment on financial instruments	30	854.46	468.88
Net gain on fair value changes		-	-
Employee benefit expense	31	4,904.92	4,006.57
Depreciation and amortisation expense	16	307.11	212.39
Other expenses	32	7,796.50	6,647.53
<b>Total expenses</b>		<b>25,991.05</b>	<b>26,572.17</b>
<b>Profit before Tax</b>		<b>3,152.25</b>	<b>7,255.04</b>
Tax expense			
- Current tax	33	-	-
- Short provision for tax		-	11.07
- Deferred tax	34	(152.55)	(282.29)
<b>Total tax expense</b>		<b>(152.55)</b>	<b>(271.22)</b>
<b>Net Profit After Tax</b>		<b>3,304.80</b>	<b>7,526.26</b>
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
Remeasurement of net defined benefit liability / asset		7.34	(12.98)
Equity Instruments through Other Comprehensive Income		-	-
(ii) Income tax relating to items		(2.04)	-
<b>Subtotal (A)</b>		<b>5.30</b>	<b>(12.98)</b>
(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
Cash flow Hedge Reserve		-	-
(ii) Income tax relating to items		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>5.30</b>	<b>(12.98)</b>
<b>Total comprehensive income</b>		<b>3,310.10</b>	<b>7,513.27</b>
<b>Earnings per equity share</b>			
Basic (₹)	35	17.11	38.96
Diluted (₹)	35	17.11	38.96

In terms of our report attached

For M/s Gohel and Associates LLP  
Chartered Accountants  
Firm Registration No. W100162

*Abhay M. Gohel*

**Abhay M. Gohel**  
Partner  
Membership No. : 152864  
Mumbai, June 23, 2020



For and on Behalf of Board of Directors  
of Fortune Integrated Assets Finance Limited

*Chintan Valia*

**Chintan Valia**  
Managing Director  
DIN:05333936  
Mumbai, June 22, 2020

*Nitul Mehta*

**Nitul Mehta**  
Director  
DIN:06811946  
Mumbai, June 22, 2020

**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**A. EQUITY SHARE CAPITAL**

	Number of shares	₹ in Lakhs
As at April 1, 2018	1,93,18,181	1,931.82
Changes in equity share capital during the year	-	-
As at March 31, 2019	1,93,18,181	1,931.82
Changes in equity share capital during the year	-	-
As at March 31, 2020	1,93,18,181	1,931.82

**B. OTHER EQUITY**

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve
As at March 31, 2020					
Balance as at April 1, 2019	-	17,928.18	14,679.79	-	36,327.82
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting	-	17,928.18	14,679.79	-	36,327.82
Difference between ROU asset and lease liability on initial recognition of operating leases as per INDAS-116 leases (Net of tax)	-	-	(6.64)	-	(6.64)
Total Comprehensive Income for the year	-	-	3,310.10	-	3,310.10
Transfer from retained earnings	-	-	(662.02)	-	662.02
Balance as at March 31, 2020	-	17,928.18	17,321.22	-	39,631.28

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve
As at March 31, 2019					
Balance as at April 1, 2018	-	17,928.18	8,723.16	-	28,814.55
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the	-	17,928.18	8,723.16	-	28,814.55
Total Comprehensive Income for the year	-	-	7,513.27	-	7,513.27
Transfer from retained earnings	-	-	(1,556.65)	-	1,556.65
Balance as at March 31, 2019	-	17,928.18	14,679.79	-	36,327.82

In terms of our report attached

For M/s Gohel and Associates LLP  
Chartered Accountants  
Firm Registration No. W100162

*Abhay M. Gohel*  
Abhay M. Gohel  
Partner  
Membership No. : 152864  
Mumbai, June 23, 2020



For and on Behalf of Board of Directors  
of Fortune Integrated Assets Finance Limited

*Chintan Valia*  
Chintan Valia  
Managing Director  
DIN: 05333936  
Mumbai, June 22, 2020

*Nitul Mehta*  
Nitul Mehta  
Director  
DIN: 06811946  
Mumbai, June 22, 2020



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	₹ in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of Profit and Loss	3,152.25	7,255.04
Adjustments for :		
Depreciation and amortisation	307.11	212.39
Provision for employee benefits (Net)	86.68	(5.28)
Net gain on derecognition of assigned loans	(1,985.85)	-
Loss allowance on financial assets	854.46	468.88
Bad debts / sundry balances written off (Net)	3,035.64	1,330.52
Profit on sale of property, plant and equipment	(0.01)	-
Loss on sale of repossessed assets	2,274.39	1,849.58
Net (gain)/ loss on lease implementation of INDAS 116	8.44	-
Remeasurements of post employment benefit obligations	7.34	(12.98)
<b>Operating Profit before working capital changes</b>	<b>7,740.43</b>	<b>11,098.15</b>
<b>Movement in working capital</b>		
(Increase) / Decrease in trade and other receivables	1.83	(0.08)
(Increase) / Decrease in loans	59,161.43	(9,035.72)
(Increase) / Decrease in other financial assets	(5,579.23)	(8,023.03)
(Increase) / Decrease in other intangible assets	-	-
(Increase) / Decrease in other non financial assets	(431.52)	(152.22)
Increase / (Decrease) in Trade payables	(156.02)	246.47
Increase / (Decrease) in Other financial liabilities	(2,776.05)	(2,108.48)
Increase / (Decrease) in Provisions	-	-
Increase / (Decrease) in Other non-financial liabilities	(154.43)	163.76
<b>Cash generated from operations</b>	<b>57,806.44</b>	<b>(7,811.14)</b>
Direct tax paid (net)	(297.70)	(480.13)
<b>NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>57,508.74</b>	<b>(8,291.28)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(202.90)	(384.09)
Sale of property, plant and equipment	0.13	-
(Increase) / Decrease in Investments	(409.60)	-
(Increase) / Decrease in fixed deposits and other bank balances	(0.90)	(0.87)
<b>NET CASH INFLOW /(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(613.27)</b>	<b>(384.96)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net borrowings	(59,021.45)	12,604.27
Payment of lease liabilities	(43.83)	-
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(59,065.28)</b>	<b>12,604.27</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(2,169.81)</b>	<b>3,928.03</b>
Cash and cash equivalents at the beginning of the year	4,337.54	409.51
Cash and cash equivalents at the end of the year	<b>2,167.72</b>	<b>4,337.54</b>

**Note:**

(a) Cash and cash equivalents consist of cash on hand, balance with banks and deposits with banks. Please refer Note 8 for detailed disclosure of Cash Flows.

(b) The figures has been presented on a net basis as the transactions during the year are voluminous. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) on 'Statement

(c) Previous year's figures have been regrouped / reclassified wherever necessary, to confirm the current period's classification.

**In terms of our report attached**

For M/s Gohel and Associates LLP  
Chartered Accountants  
Firm Registration No. W100162

Abhay M. Gohel  
Partner  
Membership No. 152864  
Mumbai, June 23, 2020



For and on Behalf of Board of Directors  
of Fortune Integrated Assets Finance Limited

Chintan Valia  
Managing Director  
DIN:05333936  
Mumbai, June 22, 2020

Nitul Mehta  
Director  
DIN:06811946  
Mumbai, June 22, 2020

**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**1 Corporate Information**

Fortune Integrated Assets Finance Limited ('FIAFL' or 'the Company') was incorporated under the provisions of the Companies Act, 1956, on September 8, 2012 as a public limited company and commenced its business on September 20, 2012. FIAFL is a closely held public company. The Company was registered on November 7, 2013 under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-banking financial company (non-deposit accepting). The company is classified as an asset finance company and follows the Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 for its NBFC activities. The Company is primarily engaged in the business of finance against security of vehicles on short, medium and long term basis. Equipment finance and loans against properties to Corporates.

*The registration details are as follows:*

RBI- N-13 02057

Corporate Identity Number (CIN) U65923MH2012PLC235450

*The Company is an associate of The Investment Trust of India Limited and Suraksha Realty Limited*

*The Registered office of the Company is located at Naman Midtown, "A" Wing 21st Floor, Unit No. 2101 Senapati Bapat Marg, Elphinstone Road, Mumbai, Maharashtra- 400013.*

*The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on April 30, 2019.*

**2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the generally accepted accounting principles to comply in all material respects with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act"), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI). The accompanying financial statements have been prepared under the historical cost convention, on an accrual basis, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

*The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated.*

**3 Presentation of Financial Statements**

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and / or its counterparties

**4 Prudential norms**

The Company follows the Reserve Bank of India Directions in respect of "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time ("RBI Prudential Norms")

**5 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**5.1 Business Model Assessment**

Classification and measurement of financial assets depends on the results of the SPPI 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. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**5.2 Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 annually.



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**5.3 Fair value measurement**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**5.4 Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**5.5 Contingent liabilities and provisions other than impairment on loan portfolio**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**5.6 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 behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

**5.7 Other estimates:**

These include contingent liabilities, useful lives of tangible and intangible assets etc.

**6 Significant Accounting Policies:**

**6.1 Financial Instruments:**

**(i) Classification of financial instruments**

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

**Business model assessment**

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

\*How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

\*The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed (and the way those risks are managed)

**The Solely Payments of Principal and Interest (SPPI) test**

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

**(ii) Financial assets measured at amortised cost**

Financial assets comprise bank balances, Loans, Trade receivables, investments in debt instruments and other financial assets. Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**(iii) Financial assets measured at fair value through other comprehensive income**

**Debt instruments**

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date, the Company does not have any financial instruments measured at fair value through other comprehensive income.

**Equity instruments**

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

**(iv) Items at fair value through profit or loss**

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

**Financial instruments held for trading**

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

**Financial instruments designated as measured at fair value through profit or loss**

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

**(v) Debt securities and other borrowed funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

**(vi) Recognition and Derecognition of financial assets and liabilities**

**Recognition:**

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account.
- b) Trade advance are initially recognised when the funds are transferred to the dealers' account.
- c) Investments are initially recognised on the settlement date.
- d) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- e) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

**Derecognition of financial assets due to substantial modification of terms and conditions:**

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**Derecognition of financial assets other than due to substantial modification**

**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 rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset,
- ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Company has transferred substantially all the risks and rewards of the asset, or
- ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**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. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

**vii) Impairment of financial assets**

**Overview of the ECL principles**

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio accordingly.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

**Stage 1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2**

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage.

**Stage 3**

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised.

If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

**Financial guarantee contracts**

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

**ECL on Debt instruments measured at fair value through OCI**

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

***The mechanics of ECL:***

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of Default (PD)** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

**Exposure at Default (EAD)** - The Exposure at Default is an estimate of the exposure at a future default date.

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

***Forward looking information***

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

**(viii) Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**(ix) Determination of fair value**

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
  - ii. In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

**Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

**6.2 Revenue from operations**

**(i) Interest Income**

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.



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**(ii) Dividend Income**

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

**(iii) Fees & Commission Income**

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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.

**(iv) Assignment transactions**

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction.

Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (on assignment) and correspondingly recognised as gain on derecognition of financial asset.

**(v) Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

**6.3 Expenses**

**(i) Finance costs**

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

**(ii) Other income and expenses**

All other income and expense are recognized in the period they occur.

**(iii) Impairment of non-financial 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 recognized 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.

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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



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**(iv) Employee Benefits:**

**Retirement and other employee benefits**

**Short term employee benefit**

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**Post-employment benefits:**

Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

**Long term employee benefits:**

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide above.

**Termination benefits:**

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

**(v) Taxes**

**Current Tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income. 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.

**Deferred tax**

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

**6.4 Foreign currency translation**

**(i) Functional and presentational currency**

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**(ii) Transactions and balances**

**Initial recognition:**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

**Conversion:**

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.





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**6.5 Cash and cash equivalents**

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes). For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**6.6 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 comprise 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. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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 and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

**Depreciation**

Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits

The Company provides for depreciation and amortization as under:

a. On written down value basis, in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013.

b. On a pro-rata basis on assets purchased / sold during the year.

c. On leasehold improvements, over the primary period of the lease.

Individual assets / group of similar assets costing up to ₹5,000 have been depreciated in full in the year of purchase.

The estimated useful lives are as follows:

Class of asset	Useful life
Computers	3 years
Office equipments	5 years
Furniture and fixtures	10 years
Vehicle	8 years

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.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

**6.7 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.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets are amortised over its useful life, on a straight-line basis over a period of 5 years, unless it has a shorter useful life.

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.

**6.8 Provisions:** Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

**6.9 Contingent Liabilities:** 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**6.10 Earning Per Share:** The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.



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**7 First Time Adoption of Ind AS (Ind AS 101):**

The Company has prepared financial statements for the year ended 31st March, 2020, in accordance with Ind AS for the first time. For the periods upto and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2019, together with comparative information as at and for the year ended 31st March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2018, i.e. the transition date to Ind AS for the Company.

This note explains the principal adjustment made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1st April, 2018, and the financial statements as at and for the year ended 31st March, 2019.

**Exemptions Availed**
**7.01 - Deemed Cost for Property, Plant and Equipment and Intangible Assets:**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April, 2018 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

**7.02 - Investments in Subsidiary:**

The Company has elected to apply Previous GAAP carrying amount of its investments in Subsidiary as deemed cost as on the date of transition to Ind AS.

**7.03 - Classification and Measurement of Financial Assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**7.04 - Fair Value of Financial Assets and Liabilities:**

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

**Equity Reconciliation for April 1, 2018**

Particulars	Previous GAAP *	INDAS converged	
		INDAS Adjustment	Balances as at April 1, 2018
<b>ASSETS</b>			
<b>I. Financial assets</b>			
(a) Cash and cash equivalents	409.51	-	409.51
(b) Bank Balances other than (a) above	12.11	-	12.11
(c) Derivative financial instruments	-	-	-
(d) Receivables	-	-	-
(i) Trade Receivables	5.83	-	5.83
(ii) Other Receivables	-	-	-
(e) Loans	1,50,989.83	149.96	1,51,139.79
(f) Investments	103.20	-	103.20
(g) Other financial assets	2,045.06	-	2,045.06
<b>Total Financial Assets</b>	<b>1,53,565.54</b>	<b>149.96</b>	<b>1,53,715.50</b>
<b>II. Non-Financial assets</b>			
(a) Current Tax Assets (Net)	571.48	-	571.48
(b) Deferred tax assets (Net)	56.07	(51.90)	4.17
(c) Property, plant and equipment	219.16	-	219.16
(d) Right of use asset	-	-	-
(e) Other non-financial assets	339.93	-	339.93
<b>Total Non-Financial Assets</b>	<b>1,186.64</b>	<b>(51.90)</b>	<b>1,134.74</b>
<b>Total Assets</b>	<b>1,54,752.18</b>	<b>98.06</b>	<b>1,54,850.25</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I. Financial Liabilities</b>			
(a) Payables			
(A) 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	318.28	-	318.28
(B) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(b) Debt Securities	2,620.00	-	2,620.00
(c) Borrowings (Other than Debt Securities)	1,10,112.71	-	1,10,112.71
(d) Other financial liabilities	10,664.21	-	10,664.21
<b>Total Financial Liabilities</b>	<b>1,23,715.21</b>	-	<b>1,23,715.21</b>
<b>II. Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	-	-	-
(b) Provisions	78.66	-	78.66
(c) Other non-financial liabilities	310.01	-	310.01
<b>Total Non-Financial Liabilities</b>	<b>388.67</b>	-	<b>388.67</b>
<b>Total Liabilities</b>	<b>1,24,103.88</b>	-	<b>1,24,103.88</b>
<b>EQUITY</b>			
(a) Equity Share Capital	1,931.82	-	1,931.82
(b) Other Equity	28,716.49	98.06	28,814.55
<b>Total Equity</b>	<b>30,648.30</b>	<b>98.06</b>	<b>30,746.37</b>
<b>Total Liabilities and Equity</b>	<b>1,54,752.18</b>	<b>98.06</b>	<b>1,54,850.25</b>

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note



FORTUNE INTEGRATED ASSETS FINANCE LIMITED  
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Equity Reconciliation for March 31, 2019

Particulars	Previous GAAP *	INDAS Adjustment	As at March 31, 2019
<b>ASSETS</b>			
<b>I. Financial assets</b>			
(a) Cash and cash equivalents	4,337.54	-	4,337.54
(b) Bank Balances other than (a) above	12.98	-	12.98
(c) Derivative financial instruments	-	-	-
(d) Receivables	-	-	-
(i) Trade Receivables	-	-	-
(ii) Other Receivables	5.90	-	5.90
(e) Loans	1,56,830.69	(304.16)	1,56,526.53
(f) Investments	103.20	-	103.20
(g) Other financial assets	10,068.09	-	10,068.09
<b>Total Financial Assets</b>	<b>1,71,358.41</b>	<b>(304.16)</b>	<b>1,71,054.25</b>
<b>II. Non-Financial assets</b>			
(a) Current Tax Assets (Net)	1,040.54	-	1,040.54
(b) Deferred tax assets (Net)	154.22	132.24	286.46
(c) Property, plant and equipment	390.86	-	390.86
(d) Right of use asset	-	-	-
(e) Other non-financial assets	492.15	-	492.15
<b>Total Non-Financial Assets</b>	<b>2,077.77</b>	<b>132.24</b>	<b>2,210.01</b>
<b>Total Assets</b>	<b>1,73,436.18</b>	<b>(171.92)</b>	<b>1,73,264.26</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>I. Financial Liabilities</b>			
(a) Payables			
(A) 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	564.75	-	564.75
(B) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(b) Debt Securities			
(c) Borrowings (Other than Debt Securities)	1,25,336.98	-	1,25,336.98
(d) Other financial liabilities	8,555.73	-	8,555.73
<b>Total Financial Liabilities</b>	<b>1,34,457.47</b>		<b>1,34,457.47</b>
<b>II. Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	-	-	-
(b) Provisions	73.38	-	73.38
(c) Other non-financial liabilities	473.77	-	473.77
<b>Total Non-Financial Liabilities</b>	<b>547.15</b>		<b>547.15</b>
<b>Total Liabilities</b>	<b>1,35,004.62</b>		<b>1,35,004.62</b>
<b>EQUITY</b>			
(a) Equity Share Capital	1,931.82	-	1,931.82
(b) Other Equity	36,499.74	(171.92)	36,327.82
<b>Total Equity</b>	<b>38,431.56</b>	<b>(171.92)</b>	<b>38,259.64</b>
<b>Total Liabilities and Equity</b>	<b>1,73,436.18</b>	<b>(171.92)</b>	<b>1,73,264.26</b>

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Profit reconciliation for the year ended March 31, 2019

Particulars	Previous GAAP *	INDAS adjustment	Year ended March 31, 2019
<b>Revenue from Operations</b>			
Interest Income	33,380.16	40.75	33,420.91
Dividend Income	-	-	-
Fees and commission Income	-	-	-
Profit on Sale of Investments	-	-	-
Net gain on derecognition of assigned loans	-	-	-
Other operating income	392.45	-	392.45
<b>(I) Total Revenue from Operations</b>	<b>33,772.61</b>	<b>40.75</b>	<b>33,813.36</b>
<b>(II) Other Income</b>	<b>13.85</b>		<b>13.85</b>
<b>(III) Total Income (I + II)</b>	<b>33,786.46</b>	<b>40.75</b>	<b>33,827.22</b>
<b>Expenses</b>			
Finance costs	15,196.06	40.75	15,236.81
Impairment on financial instruments	-	-	-
(Expected Credit Loss)	-	-	-
Net gain on fair value changes	-	-	-
Employee benefit expense	4,019.55	(12.98)	4,006.57
Depreciation and amortisation expense	212.39	-	212.39
Other expenses	6,662.29	454.12	7,116.41
<b>Total expenses</b>	<b>26,090.29</b>	<b>481.89</b>	<b>26,572.17</b>
<b>Profit before Tax</b>	<b>7,696.18</b>	<b>(441.14)</b>	<b>7,255.04</b>
<b>Tax expense</b>			
- Current tax	11.07	-	11.07
- Short provision for tax	(98.15)	(184.14)	(282.29)
- Deferred tax	(87.08)		(271.22)
<b>Total tax expense</b>			



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

Net Profit After Tax	7,783.26	(257.00)	7,526.26
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
Remeasurement of net defined benefit liability / asset		(12.98)	(12.98)
Equity Instruments through Other Comprehensive Income			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
<b>Subtotal (A)</b>		(12.98)	(12.98)
(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)			
Cash flow Hedge Reserve			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Subtotal (B)</b>		(12.98)	(12.98)
<b>Other Comprehensive Income (A + B)</b>		(12.98)	(12.98)
<b>Total comprehensive income</b>	7,783.26	(269.98)	7,513.27

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

**Notes to the reconciliation of Equity as at 1st April, 2018 and 31st March, 2019 and Total Comprehensive income for the year ended 31st March, 2019**

Particulars	Note Reference	Reconciliation of Equity		Reconciliation of Profit
		As at March 31, 2019	As at April 1, 2018	Year ended March 31, 2019
Equity as per IGAAP		38,431.56	30,648.30	7,783.26
Profit after tax as per IGAAP				454.12
ECL on financial assets	1	(304.16)	149.96	(184.14)
Deferred tax impact on above adjustments	2	132.24	(51.90)	(12.98)
Actuarial gains/ losses of employee benefit expenses classified in other comprehensive income				(12.98)
<b>Subtotal</b>		(171.92)	98.06	(257.00)
Actuarial gains/ losses of employee benefit expenses classified in other comprehensive income	3			(12.98)
<b>Total</b>		38,259.64	30,746.37	7,513.27

**1 Recording of Impairment as per Expected Credit Loss ("ECL")**

Under Indian GAAP, Non Performing Assets ("NPA") provisioning was computed based on the RBI guidelines. Under INDAS, the impairment is computed based on ECL model. Under ECL model, the Company has reversed the impairment on loan to customers by ₹ 149.96 lakhs which has been adjusted against retained earnings. This has resulted in reversal of impairment provision in loans on the date of transition to INDAS, the impact of which was taken to retained earnings. There has been an impairment computed under ECL model of ₹ 454.12 lakhs which has been taken to profit and loss account for the year ended March 31, 2019.

**2 Deferred tax**

The Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under the Previous GAAP.

In addition, the various transitional adjustments has led to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in co-relation to the underlying transaction either in retained earnings, OCI or profit and loss respectively. As a result of Ind AS adjustments, the deferred tax charge has increased by ₹ 51.89 lakhs leading to decrease in retained earnings. The impact for the year is ₹ 184.13 lakhs which has been taken to Profit and Loss account.

**3 Other Comprehensive Income (OCI):**

Under Previous GAAP, there was no concept of OCI. Under Ind AS, The remeasurements of the net defined benefit liability (asset), is being recognised in other comprehensive income, comprising of actuarial gains and losses. Thus, employee benefit expense is reduced by ₹12.98 lakhs and is recognised in OCI during the year ended 31st March, 2019.





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**
**8 Cash and cash equivalents**
**₹ in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) Cash on hand	97.86	399.24	159.77
(ii) Balances with banks:			
- In Current Accounts	2,069.86	3,938.30	249.74
<b>Total</b>	<b>2,167.72</b>	<b>4,337.54</b>	<b>409.51</b>

**9 Bank balances other than cash and cash equivalents**
**₹ in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) In other Deposit accounts	-		
- original Maturity more than 3 months	13.88	12.98	12.11
<b>Total</b>	<b>13.88</b>	<b>12.98</b>	<b>12.11</b>

**10 Other Receivables**
**₹ in Lakhs**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Unsecured; considered good	4.07	5.90	5.83
Unsecured; which have significant increase in credit risk			
	<b>4.07</b>	<b>5.90</b>	<b>5.83</b>
Provision for impairment			
	<b>4.07</b>	<b>5.90</b>	<b>5.83</b>

There are no receivables for which there has been a significant increase in credit risk or which have become credit impaired



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**11 Loans**

₹ in Lakhs

Particulars	As at March 31, 2020				
	Amortised cost	Through profit or loss	Through Other Comprehensive Income	Subtotal	Total
	1	2	3	(4=2+3)	(5=1+4)
Loans repayable on Demand	12,261.27	-	-	-	12,261.27
Term loans;	79,863.47	-	-	-	79,863.47
<b>Total – Gross (A)</b>	<b>92,124.75</b>	-	-	-	<b>92,124.75</b>
Less: Loss Allowance*	(874.48)	-	-	-	(874.48)
<b>Total – Net (A)</b>	<b>91,250.27</b>	-	-	-	<b>91,250.27</b>
(a) Secured by tangible assets	79,236.36	-	-	-	79,236.36
(b) Secured by intangible assets	-	-	-	-	-
(c) covered by bank and government guarantee	-	-	-	-	-
(d) Unsecured	12,888.39	-	-	-	12,888.39
<b>Total – Gross (B)</b>	<b>92,124.75</b>	-	-	-	<b>92,124.75</b>
Less: Impairment Loss Allowance*	(874.48)	-	-	-	(874.48)
<b>Total – Net (B)</b>	<b>91,250.27</b>	-	-	-	<b>91,250.27</b>
(a) Secured by Vehicles	69,963.76	-	-	-	69,963.76
(b) Secured by Properties	9,272.60	-	-	-	9,272.60
<b>Total</b>	<b>79,236.36</b>	-	-	-	<b>79,236.36</b>
<b>(I) Loans in India</b>	-	-	-	-	-
(i) Public Sector	-	-	-	-	-
(ii) Others	92,124.75	-	-	-	92,124.75
<b>Total (C)- Gross</b>	<b>92,124.75</b>	-	-	-	<b>92,124.75</b>
Less: Impairment Loss Allowance*	(874.48)	-	-	-	(874.48)
<b>Total(C) -Net</b>	<b>91,250.27</b>	-	-	-	<b>91,250.27</b>

₹ in Lakhs

Particulars	As at March 31, 2019				
	Amortised cost	Through profit or loss	Through Other Comprehensive Income	Subtotal	Total
	1	2	3	(4=2+3)	(5=1+4)
Loans repayable on Demand	3,315.46	-	-	-	3,315.46
Term loans;	1,53,767.16	-	-	-	1,53,767.16
<b>Total – Gross (A)</b>	<b>1,57,082.63</b>	-	-	-	<b>1,57,082.63</b>
Less: Loss Allowance*	(556.09)	-	-	-	(556.09)
<b>Total – Net (A)</b>	<b>1,56,526.53</b>	-	-	-	<b>1,56,526.53</b>
(a) Secured by tangible assets	1,51,710.40	-	-	-	1,51,710.40
(b) Secured by intangible assets	-	-	-	-	-
(c) covered by bank and government guarantee	-	-	-	-	-
(d) Unsecured	5,372.23	-	-	-	5,372.23
<b>Total – Gross (B)</b>	<b>1,57,082.63</b>	-	-	-	<b>1,57,082.63</b>
Less: Impairment Loss Allowance*	(556.09)	-	-	-	(556.09)
<b>Total – Net (B)</b>	<b>1,56,526.53</b>	-	-	-	<b>1,56,526.53</b>
(a) Secured by Vehicles	1,35,894.27	-	-	-	1,35,894.27
(b) Secured by Properties	15,816.12	-	-	-	15,816.12
<b>Total</b>	<b>1,51,710.40</b>	-	-	-	<b>1,51,710.40</b>
<b>(I) Loans in India</b>	-	-	-	-	-
(i) Public Sector	-	-	-	-	-
(ii) Others	1,57,082.63	-	-	-	1,57,082.63
<b>Total (C)- Gross</b>	<b>1,57,082.63</b>	-	-	-	<b>1,57,082.63</b>
Less: Impairment Loss Allowance*	(556.09)	-	-	-	(556.09)
<b>Total(C) -Net</b>	<b>1,56,526.53</b>	-	-	-	<b>1,56,526.53</b>



₹ in Lakhs

Particulars	As at April 1, 2018				Total
	Amortised cost	Through profit or loss	Through Other Comprehensive Income	Subtotal	
	1	2	3	(4=2+3)	(5=1+4)
Loans repayable on Demand	8,097.99	-	-	-	8,097.99
Term loans;	1,43,129.02	-	-	-	1,43,129.02
Total – Gross (A)	1,51,227.01	-	-	-	1,51,227.01
Less: Loss Allowance*	(87.21)	-	-	-	(87.21)
Total – Net (A)	1,51,139.79	-	-	-	1,51,139.79
(a) Secured by tangible assets	1,31,881.28	-	-	-	1,31,881.28
(b) Secured by intangible assets	-	-	-	-	-
(c) covered by bank and government guarantee	-	-	-	-	-
(d) Unsecured	19,345.73	-	-	-	19,345.73
Total – Gross (B)	1,51,227.01	-	-	-	1,51,227.01
Less: Impairment Loss Allowance*	(87.21)	-	-	-	(87.21)
Total – Net (B)	1,51,139.79	-	-	-	1,51,139.79
(a) Secured by Vehicles	1,08,152.18	-	-	-	1,08,152.18
(b) Secured by Properties	23,729.09	-	-	-	23,729.09
Total	1,31,881.28	-	-	-	1,31,881.28
(I) Loans in India	-	-	-	-	-
(i) Public Sector	-	-	-	-	-
(ii) Others	1,51,227.01	-	-	-	1,51,227.01
Total (C)- Gross	1,51,227.01	-	-	-	1,51,227.01
Less: Impairment Loss Allowance*	(87.21)	-	-	-	(87.21)
Total(C) -Net	1,51,139.79	-	-	-	1,51,139.79

Loans include amounts due from related parties ₹ 10260.43 lakhs (Previous Year ₹ 758.44 lakhs )

**Loan Breakup**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Gross Loans	93,723.23	1,60,027.52	1,52,841.38
Provision written off	(1,598.48)	(2,944.89)	(1,614.37)
Gross Carrying amount	92,124.75	1,57,082.63	1,51,227.01

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Gross ECL	1,944.14	3,500.98	1,701.58
Loss allowances written off	(1,598.48)	(2,944.89)	(1,614.37)
COVID-19 Provision	528.82	-	-
ECL Carrying amount	874.48	556.09	87.21



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**Expected Credit Loss**

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at portfolio level.

The key components of Credit Risk assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

0-60 days past due loans classified as stage 1

More than 60 - 90days past due loans classified as stage 2 and

Above 90 days past due loans classified as stage 3

EAD is the total amount outstanding including accrued interest as on the reporting date.

The ECL is computed as a product of PD, LGD and EAD.

**1.1 Credit quality of assets**

The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 Loans).

The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default.

₹ in Lakhs

Loans As at	March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
March 31, 2020	70,140.27	16,104.05	7,478.91	93,723.23
March 31, 2019	1,49,993.17	2,149.29	7,885.06	1,60,027.52
April 1, 2018	1,45,993.56	909.83	5,937.99	1,52,841.38





1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

Reconciliation of the gross carrying amount:

Particulars	March 31, 2020			March 31, 2019			₹ in Lakhs
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
Gross carrying amount opening balance	1,49,993.17	2,149.29	7,885.06	1,60,027.52	1,45,993.56	909.83	1,52,841.38
New assets originated or purchased	25,736.92	-	-	25,736.92	1,09,536.64	-	1,09,536.64
Assets derecognised or repaid (excluding write offs)	(75,731.15)	(8,787.17)	(4,664.32)	(89,182.64)	(1,00,416.38)	(812.55)	(1,01,019.97)
Transfers to Stage 1	-	29,858.67	-	29,858.67	-	5,120.65	5,120.65
Transfers to Stage 2	(29,858.67)	-	7,116.74	(22,741.93)	(5,120.65)	-	(2,052.01)
Transfers to Stage 3	-	(7,116.74)	-	(7,116.74)	-	(3,068.64)	(3,068.64)
Amounts written off	-	-	(2,858.57)	(2,858.57)	-	-	(1,330.53)
Gross carrying amount closing balance	70,140.27	16,104.05	7,478.91	93,723.23	1,49,993.17	2,149.29	1,60,027.52

Reconciliation of ECL balance is given below:

Particulars	March 31, 2020			March 31, 2019			₹ in Lakhs
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Total
ECL allowance - opening balance	1,666.22	83.61	1,751.15	3,500.98	1,302.79	32.96	1,701.58
New assets originated or purchased	238.84	-	-	238.84	1,025.53	-	1,025.53
Assets derecognised or repaid or additional provision made	(1,364.60)	557.60	(988.66)	(1,795.66)	(443.30)	(12.46)	773.87
Transfers to Stage 1	-	400.96	-	400.96	-	218.80	218.80
Transfers to Stage 2	(400.96)	-	181.75	(219.21)	(218.80)	-	(63.11)
Transfers to Stage 3	-	(181.75)	-	(181.75)	-	(155.69)	(155.69)
ECL allowance - closing balance	139.50	860.42	944.22	1,944.14	1,666.22	83.61	3,500.98

The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.



FORTUNE INTEGRATED ASSETS FINANCE LIMITED  
Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

12 Investments

₹ in Lakhs

Investments	As at March 31, 2020						
	Amortised cost	At Fair Value			Sub-Total	Others*	Total
		Designated at fair value through profit or loss	Through profit or loss	Through Other Comprehensive Income			
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
<b>Investment in Debt securities</b>							
Unquoted Preference shares							
0.01% 6,00,30,100 Fortune Credit Capital Limited - Redeemable Preference Shares	409.60	-	-	-	-	-	409.60
<b>Subsidiaries</b>							
Unquoted Equity shares							
Investment in wholly-owned subsidiary							
10,000 shares of FV Rs. 10 each in Wind Construction Limited	-	-	-	-	-	103.20	103.20
<b>Total – Gross (A)</b>	409.60	-	-	-	-	103.20	512.80
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	409.60	-	-	-	-	103.20	512.80
<b>Total (B)</b>	409.60	-	-	-	-	103.20	512.80
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	409.60	-	-	-	-	103.20	512.80

₹ in Lakhs

Investments	As at March 31, 2019						
	Amortised cost	At Fair Value			Sub-Total	Others*	Total
		Designated at fair value through profit or loss	Through profit or loss	Through Other Comprehensive Income			
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
<b>Subsidiaries</b>							
Unquoted Equity shares							
Investment in wholly-owned subsidiary							
10,000 shares of FV Rs. 10 each in Wind Construction Limited	-	-	-	-	-	103.20	103.20
<b>Total – Gross (A)</b>	-	-	-	-	-	103.20	103.20
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	-	-	-	-	-	103.20	103.20
<b>Total (B)</b>	-	-	-	-	-	103.20	103.20
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	-	-	-	-	-	103.20	103.20

₹ in Lakhs

Investments	As at April 1, 2018						
	Amortised cost	At Fair Value			Sub-Total	Others*	Total
		Designated at fair value through profit or loss	Through profit or loss	Through Other Comprehensive Income			
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
<b>Subsidiaries</b>							
Unquoted Equity instruments							
Investment in wholly-owned subsidiary							
10,000 shares of FV Rs. 10 each in Wind Construction Limited	-	-	-	-	-	103.20	103.20
<b>Total – Gross (A)</b>	-	-	-	-	-	103.20	103.20
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	-	-	-	-	-	103.20	103.20
<b>Total (B)</b>	-	-	-	-	-	103.20	103.20
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-
<b>Total – Net (D) = (A)-(C)</b>	-	-	-	-	-	103.20	103.20

\*Others includes subsidiaries which have been carried at Deemed Cost

\*\*The Company has not created any provision under Expected Credit Loss on Investments made in Government Securities

13 Others Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest receivable	2,357.95	2,072.81	1,895.40
Deposit with insurance company	-	-	53.43
Advance for Preference shares	-	-	-
Security Deposits – Unsecured	68.76	71.58	79.05
Amount receivable on assignment loans	2,631.82	-	-
Interest strip asset on assignment	1,985.85	-	-
Less: Loss allowance provision	(49.65)	-	-
Other receivable RSP and others – Unsecured	10,586.24	7,923.70	17.18
<b>Total</b>	<b>17,569.99</b>	<b>10,068.09</b>	<b>2,045.06</b>



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**14 Current Tax Assets (Net)**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance Tax (Net of Provision)	1,338.24	1,040.54	571.48
<b>Total</b>	<b>1,338.24</b>	<b>1,040.54</b>	<b>571.48</b>

**15 Deferred Tax Assets**

The major components of deferred tax assets and liabilities are :

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
a) Property, plant and equipment	93.22		54.42			53.24
b) Provisions, allowance for financial assets/ loans	298.81		205.60		30.18	
c) Compensated absences and retirement benefits	46.57	2.04	26.43		27.22	
d) Impact of Leases-116(Finance Cost, ROU- Depn cost)	2.97		-		-	
<b>Total</b>	<b>441.57</b>	<b>2.04</b>	<b>286.46</b>	<b>-</b>	<b>57.41</b>	<b>53.24</b>
<b>Net Deferred Tax Asset</b>	<b>439.527294</b>		<b>286.46</b>		<b>4.17</b>	

In compliance with the Indian Accounting Standard (Ind AS) 12 relating to 'Accounting for Taxes on Income', the Company has recognised a credit of ₹ 152.55 Lakhs (Previous Year credit ₹ 282.29 Lakhs) in the Statement of Profit and Loss for the year ended March 31, 2020 towards deferred tax asset (net) for the year, arising on account of timing differences.

**Movements in deferred tax assets**

₹ in Lakhs

Particulars	Property, plant and equipment and investment property	Provisions for employee benefits	Financial assets at fair value through profit or loss	Impact of Leases-116(Finance Cost, ROU- Depn cost)	Impairment allowance for financial assets	Total
<b>As at April 1, 2018</b>	<b>(53.24)</b>	<b>27.22</b>	<b>-</b>	<b>-</b>	<b>30.18</b>	<b>4.17</b>
(Charged)/credited						
- to profit or loss	107.66	(0.79)	-	-	175.42	282.29
- to other comprehensive income	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>54.42</b>	<b>26.43</b>	<b>-</b>	<b>-</b>	<b>205.60</b>	<b>286.46</b>
(Charged)/credited						
- to profit or loss	38.80	20.14	-	0.40	93.21	152.55
- to other comprehensive income	-	(2.04)	-	-	-	(2.04)
- directly to equity	-	-	-	2.56	-	2.56
<b>As at March 31, 2020</b>	<b>93.22</b>	<b>44.53</b>	<b>-</b>	<b>2.97</b>	<b>298.81</b>	<b>439.53</b>



16 Property, plant and equipment & Intangible Assets

₹ in Lakhs

Particulars	Gross Carrying Value				Accumulated Depreciation			Net Carrying Value		
	As at	Additions	Disposals	As at	As at	For the Year	Disposals	As at	As at	As at
	March 31, 2019			March 31, 2020	March 31, 2019			March 31, 2020	March 31, 2020	March 31, 2019
Computers	215.62	60.37	-	275.99	88.71	106.67	-	195.38	80.61	126.91
Office equipments	136.75	66.86	0.37	203.24	41.18	62.91	0.26	103.82	99.41	95.57
Furniture and fixtures	60.59	8.00	-	68.59	11.40	14.27	-	25.67	42.92	49.19
Leasehold improvements	190.30	66.08	-	256.37	71.11	86.08	-	157.19	99.18	119.19
Vehicle	-	1.60	-	1.60	-	0.17	-	0.17	1.43	-
	603.26	202.90	0.37	805.79	212.39	270.10	0.26	482.23	323.56	390.86

₹ in Lakhs										
Particulars	Cost/ Deemed Cost			Accumulated Depreciation			Net Carrying Value			
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	For the Year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Computers	62.31	153.30	-	215.62	-	88.71	-	88.71	126.91	62.31
Office equipments	43.02	93.73	-	136.75	-	41.18	-	41.18	95.57	43.02
Furniture and fixtures	29.41	31.18	-	60.59	-	11.40	-	11.40	49.19	29.41
Leasehold improvements	84.42	105.88	-	190.30	-	71.11	-	71.11	119.19	84.42
	219.16	384.09	-	603.26	-	212.39	-	212.39	390.86	219.16

₹ in Lakhs

17 <u>Right-of-use assets</u>	
Particulars	As at March 31, 2020
RoU asset - Buildings	111.46
Less: Depreciation Charge	(37.01)
Total	74.45
Lease liabilities	
Particulars	As at March 31, 2020
Lease liability - Buildings	114.53
Add: Interest Expense	12.03
Less: Repayment	(43.83)
Total	82.73

18 Other Non-Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Advances - Unsecured	-	-	-
Advance to Creditors - Unsecured	182.47	185.82	199.28
GST receivable	427.43	264.19	100.73
Other Advances - Unsecured	21.25	34.94	11.40
Prepaid Expenses - Unsecured	291.76	5.69	26.26
Others	0.75	1.50	2.25
Total	923.67	492.15	339.93

Other Advances includes amounts due from the related parties ₹ Nil (Previous Year ₹ Nil).  
Prepaid Expenses - Unsecured; considered good

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Leasehold Land	-	-	-
Others	291.76	5.69	26.26
Total	291.76	5.69	26.26





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**19 Payables**

**I) Trade payables**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises	408.73	564.75	318.28

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Amount outstanding but not due as at year end	-	-	-
b) Amount due but unpaid as at the year end	-	-	-
c) Amounts paid after appointed date during the year	-	-	-
d) Amount of interest accrued and unpaid as at year end	-	-	-
e) The amount of further interest due and payable even in the	-	-	-
	-	-	-

**II) Other payables**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises	-	-	-

**20 Debt Securities - At Amortised Cost**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Bonds	-	-	-
12% 2,620 Debentures of Rs. 1,00,000/- each secured by Charge on Book Debts	-	-	2,620.00
<b>Total (A)</b>	-	-	<b>2,620.00</b>
Debt securities in India	-	-	2,620.00
Debt securities outside India	-	-	-
<b>Total (B)</b>	-	-	<b>2,620.00</b>



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**21 Borrowings (Other Than Debt Securities) - At Amortised Cost**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Term Loans from Banks-Secured *</b> Rs. 31,416.67 Lakhs repayable from F.Y. 2020-21 to F.Y. 2022-23 in quarterly instalments.	31,416.67	45,541.67	52,490.00
<b>Loan from Related Parties- Unsecured</b> Interest rate @15% repayable from FY 2020-21 to FY 2022-23	15,371.00	27,204.00	17,280.77
<b>Loans repayable on Demand from Bank -Secured #</b> Cash Credit (Secured by Book Debts) # Working Capital Demand Loan (Secured by Book Debts) ##	2,737.86 10,000.00	8,157.32 34,000.00	11,806.19 23,500.00
<b>Loans repayable on Demand from others -Unsecured</b> Interest rate @10% repayable from FY 2020-21 to FY 2022-23	6,790.00	10,434.00	5,035.75
	<b>19,527.86</b>	<b>52,591.32</b>	<b>40,341.94</b>
<b>Total (A)</b>	<b>66,315.53</b>	<b>1,25,336.98</b>	<b>1,10,112.71</b>
Borrowings in India	66,315.53	1,25,336.98	1,10,112.71
Borrowings outside India	-	-	-
<b>Total (B)</b>	<b>66,315.53</b>	<b>1,25,336.98</b>	<b>1,10,112.71</b>

**Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)**

**Term Loans from Banks-Secured**

Tenure (from the date of Balance Sheet)	Rate of Interest(MCLR plus spread)	Repayment details	₹ in Lakhs Amount as at March 31, 2020
24 to 30 months	11.30% to 11.40%	7 to 11 instalments at quarterly frequency	2,458.33
12 to 24 months	11.30% to 11.40%	7 to 11 instalments at quarterly frequency	12,375.00
upto 12 months	11.30% to 11.40%	7 to 11 instalments at quarterly frequency	16,583.33
<b>Total</b>			<b>31,416.67</b>
<b>Nature of security</b>			
Security by way of exclusive charge to the extent of 1.1x on specific receivables of the company.			

**# Loans repayable on Demand from Bank (Cash credit from Banks)**

Particulars	Rate of Interest(MCLR plus spread)	Amount as at March 31, 2020
Security by way of exclusive charge to the extent of 1.1x on specific receivables of the company	11.65%	2,737.86

**## Loans repayable on Demand from Bank (WCDL from Banks)**

Particulars	Rate of Interest(MCLR plus spread)	Amount as at March 31, 2020
Security by way of exclusive charge to the extent of 1.1x on specific receivables of the company	12.25% to 12.50%	10,000.00



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**22 Other Financial Liabilities**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest accrued and due on borrowings	3,465.85	1,962.10	1,379.08
Amount payable on assignment loans	1,168.57	281.06	6.34
Amounts payable for purchase of business	-	-	145.35
RSP- Participation money and other payables	535.34	5,394.14	7,768.67
Other Advances-EMI	609.93	918.43	1,364.77
Lease liabilities	82.73	-	-
<b>Total</b>	<b>5,862.42</b>	<b>8,555.73</b>	<b>10,664.21</b>

**23 Provisions**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Employee Benefits	160.06	73.38	78.66
<b>Total</b>	<b>160.06</b>	<b>73.38</b>	<b>78.66</b>

**24 Other Non-Financial Liabilities**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Revenue received in advance	-	-	-
Statutory Liabilities	319.27	473.77	309.93
Other payables	0.08	-	0.08
<b>Total</b>	<b>319.35</b>	<b>473.77</b>	<b>310.01</b>



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**25 Share Capital**

	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at April 1, 2018 ₹ in Lakhs
<b>AUTHORISED</b>			
2,00,00,000 Equity Shares of ₹ 10 each (March 31, 2019: 2,00,00,000)	2,000	2,000	2,000
	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>			
1,93,18,181 Equity Shares of ₹ 10 each (March 31, 2019: 1,93,18,181)	1,931.82	1,931.82	1,931.82
	<b>1,931.82</b>	<b>1,931.82</b>	<b>1,931.82</b>

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	₹ in Lakhs	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares outstanding as at the	1,93,18,181	1,931.82	1,93,18,181	1,931.82	1,93,18,181	1,931.82
Equity shares issued during the year	-	-	-	-	-	-
Equity shares outstanding as at the end	1,93,18,181	1,931.82	1,93,18,181	1,931.82	1,93,18,181	1,931.82

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	% Holding	Number	% Holding	Number	% Holding
Suraksha Realty Limited	49,45,455	25.60%	49,45,455	25.60%	49,45,455	25.60%
The Investment Trust of India Limited	48,29,545	25.00%	48,29,545	25.00%	48,29,545	25.00%
Lakshdeep Investment and Finance Private	41,10,909	21.28%	41,10,909	21.28%	41,10,909	21.28%
Sudhir Valia	27,16,136	14.06%	27,16,136	14.06%	27,16,136	14.06%
Raksha Valia	27,16,136	14.06%	27,16,136	14.06%	27,16,136	14.06%

**Terms and rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having Face Value of ₹ 10 each. Each holder of equity share is entitled to one vote per

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General

The Company has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares

**26 OTHER EQUITY**

Particulars	₹ in Lakhs		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Reserve	-	-	-
Securities Premium	17,928.18	17,928.18	17,928.18
Capital Redemption Reserve	-	-	-
Statutory Reserve	4,381.88	3,719.86	2,163.20
Cash Flow Hedging Reserve	-	-	-
Retained Earnings	17,321.22	14,679.79	8,723.16
Equity Instruments through Other Comprehensive Income	-	-	-
Effective Portion of Cash Flow Hedges through Other Comprehensive Income	-	-	-
Employee Benefit Expenses through Other Comprehensive Income	-	-	-
Money received against Share Warrants	-	-	-
<b>TOTAL</b>	<b>39,631.28</b>	<b>36,327.82</b>	<b>28,814.55</b>





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**27 Interest Income**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest income on Financial Assets measured at Amortised Cost</b>		
Interest on Loans	26,406.25	33,419.60
Interest income from investments	-	-
Interest income on Financial instrument	28.10	-
Interest income on Unwinding of security deposit	3.59	-
Interest on deposits from Banks	0.99	1.00
Other interest Income	0.64	0.31
<b>Total</b>	<b>26,439.57</b>	<b>33,420.91</b>

**28 Other Income**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Income Tax Refund	-	13.78
Service fees	2.32	0.07
Loss allowance provision- standard asset writtenback	210.43	-
Other Non-operating income	9.97	-
<b>Total</b>	<b>222.72</b>	<b>13.85</b>

**29 Finance Costs (On Financial liabilities measured at Amortised Cost)**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank charges	67.17	59.56
Interest on borrowings	11,804.08	15,127.69
Interest on debt securities	244.45	49.37
Interest on Deposits	-	-
Other interest expense	12.37	0.19
Other charges	-	-
<b>Total</b>	<b>12,128.06</b>	<b>15,236.81</b>

**30 Impairment on financial Assets**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>On Financial Assets measured at Amortised Cost</b>		
Loss allowance provision- loans(including COVID provision - ₹528.82, PY Nil)	804.81	468.88
Less: Provision Written-off of loans	(276.00)	-
Loss allowance provision write off of loans	276.00	-
Loss allowance provision- Other financial asset	49.65	-
<b>Total</b>	<b>854.46</b>	<b>468.88</b>



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**31 Employee Benefits Expenses**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and Bonus	4,566.65	3,737.06
Contribution to Provident Fund and Other Funds	311.58	252.48
Staff Training and Welfare Expenses	26.68	17.03
<b>Total</b>	<b>4,904.92</b>	<b>4,006.57</b>

**32 Other Expenses**

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertising	2.56	2.93
Printing and Stationery	41.52	82.77
Communication expense	428.63	348.46
Other Operational Expenses	414.73	395.57
Business Promotion Expenses	23.89	11.49
Commission Expenses	269.78	966.89
Newspapers, Books And Other Subscriptions	0.12	0.97
Repairs and Maintenance - Machinery	8.53	5.35
- Others	45.36	36.14
Stamp Duty and Franking Charges	34.05	35.42
Legal & Professional Expenses	276.84	419.65
Travelling and Conveyance	361.28	352.01
Computer Expenses	84.64	165.86
CSR Expenses	-	76.00
Miscellaneous Expenses	0.50	0.63
Auditors' Remuneration	5.32	3.69
Rent	63.49	192.13
Rates and Taxes	157.61	243.55
Bad Debts/Sundry Balances Written Off	3,035.64	1,330.52
Loss on sale of Repossessed Vehicles	2,274.39	1,849.58
General Office Expenses	64.73	56.10
Electricity Charges	56.09	43.05
Insurance Charges	146.81	28.77
<b>Total</b>	<b>7,796.50</b>	<b>6,647.53</b>



## 33 Income Taxes relating to continuing operations

## 1. Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax</b>		
In respect of the current year	-	-
In respect of prior years	-	11.07
<b>Deferred Tax</b>		
In respect of the current year	(152.55)	(282.29)
Deferred tax reclassified from equity to profit or loss	-	-
<b>Total Income tax expense recognised in the current year relating to continuing operations</b>	<b>(152.55)</b>	<b>(271.22)</b>

## 2. Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Standalone Profit before tax</b>	3152.25	7255.04
Income tax expense calculated at 27.82% (Previous Year 27.82%)	0.00	0.00
Less: Effect of incomes which are exempt / not taxable for tax	14.84	0.00
Add: Effect of income which are taxed in Income-tax, credited in books in the next year	0.00	11.75
Add: Effect of expenses computed separately in tax	32.07	21.25
Add: Effect of expenses that are not deductible in determining taxable profit	186.09	167.47
Less: Effect of expenses allowed on payment basis u/s 43B of Income-tax act	0.00	21.11
<b>Income tax expense as per Tax laws</b>	<b>203.33</b>	<b>179.38</b>
Less: Others (Effect of Merged WCL loss during the year 2019-20)	(1,199.06)	(2,449.50)
	(995.74)	(2,270.12)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>-</b>	<b>-</b>

The tax rate used for the reconciliations above is the corporate tax rate of 27.82% for the year 2019-20 and 2018-19 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**34 Deferred Tax**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2020	March 31, 2019	2019-20	2019-20
Compensated absences and retirement benefits	46.57	-	20.14	-
Remeasurement gain / (loss) on defined benefit plan	-	(2.04)	-	(2.04)
Property, plant and equipment	93.22	-	38.80	-
Impact of Leases-116(Finance Cost, ROU- Depn cost)	2.97	-	0.40	-
Impairment allowance for financial assets	298.81	-	93.21	-
Fair value of financial instruments held for trading	-	-	-	-
Other temporary differences	-	-	-	-
<b>Total</b>	<b>441.57</b>	<b>(2.04)</b>	<b>152.55</b>	<b>(2.04)</b>

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2019	March 31, 2019	2018-19	2018-19
Compensated absences and retirement benefits	26.43	-	(0.79)	-
Property, plant and equipment	54.42	-	107.66	-
Impairment allowance for financial assets	205.60	-	175.42	-
Other temporary differences	-	-	-	-
<b>Total</b>	<b>286.46</b>	<b>-</b>	<b>282.29</b>	<b>-</b>

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	April 1, 2018	April 1, 2018
Compensated absences and retirement benefits	27.22	-
Property, plant and equipment	-	53.24
Impairment allowance for financial assets	30.18	-
Other temporary differences	-	-
<b>Total</b>	<b>57.41</b>	<b>53.24</b>

₹ in Lakhs

**35 Earnings per Share:**

Particulars	Amount in ₹	
	FY 2019-20	FY 2018-19
<b>Basic Earnings Per Share</b>		
Number of equity shares at the beginning of the year	1,93,18,181	1,93,18,181
Addition during the year	-	-
Number of equity shares at the end of the year	1,93,18,181	1,93,18,181
Weighted average number of equity shares	1,93,18,181	1,93,18,181
Net profit/(loss) after tax (₹ in lakhs)	3,304.80	7,526.26
Basic earning per equity share of ₹ 10 each (in ₹)	17.11	38.96
<b>Diluted Earnings Per Share</b>		
Number of equity shares at the beginning of the year	1,93,18,181	1,93,18,181
Dilutive effect of outstanding equity shares	-	-
Addition during the year	-	-
Number of equity shares at the end of the year	1,93,18,181	1,93,18,181
Weighted average number of equity shares	1,93,18,181	1,93,18,181
Net profit/(loss) after tax (₹ in lakhs)	3,304.80	7,526.26
Diluted earning per equity share of ₹ 10 each (in ₹)	17.11	38.96

**36 Segment Reporting**

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

**37 Contingent Liabilities and commitments (to the extent not provided for)**

Claims not acknowledged by the company relating to customer complaints is ₹ 39.56 Lakhs (Previous year ₹ 61.91 Lakhs). Company has also given Corporate guarantee given to Yes Bank of ₹ 25000 lakhs for repayment of facilities given by YES Bank to Wind Construction Limited, outstanding balance of loan in the books of Wind Construction Ltd is ₹ 103,49.90 lakhs

**38 Corporate Social Responsibility (CSR)**

The Company undertakes CSR activities in accordance with Section 135 of the Companies Act 2013 read with Schedule VII to the Companies Act, 2013 by donating funds to public charitable trusts that have registration under section 12 AA of Income Tax Act, 1961 and have specifically provided that the funds would be used for activities as covered under CSR. The amount as required to be spent by the Company is ₹ 117.31 Lakhs (Previous year ₹ 71.62 Lakhs)





### **39 Employee Benefits**

#### **(a) Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised ₹ 190.74 lakhs (Previous Year ₹ 149.71 lakhs) for Provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### **(b) Defined benefit plans**

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

#### **Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and Company is exposed to the following risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

#### **Characteristics of defined benefit plans**

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**Other Post Retirement Benefit Plan**

The details of the Company's post-retirement benefit plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors:

Particulars	₹ in Lakhs	
	Current Year	Previous Year
<b>Change in the Benefit Obligations:</b>		
Present value of obligation as at the beginning of the year	70.89	38.28
Current Service Cost	45.70	20.48
Interest Cost	5.49	2.88
Benefits Paid	(0.94)	(0.24)
Components of actuarial gain/losses on obligations		
- Due to change in Financials Assumptions	14.75	(2.12)
- Due to change in demographic assumption	(0.14)	-
- Due to Experience	(27.79)	11.60
Present value of obligation as at the end of the year	107.97	70.89
<b>Fair Value of Plan Assets:</b>		
Fair Value of Plan Assets at the beginning of the year	88.28	5.88
Interest Income	8.63	1.20
Contributions	-	84.94
Benefit Paid	(0.94)	(0.24)
Return on plan assets excluding amounts included in interest income	(5.83)	(3.50)
Fair Value of Plan Assets at the end of the year	90.14	88.28
<b>Reconciliation of the Net Defined Liability/ (Asset) Recognised in the Balance Sheet:</b>		
Opening Net Liability/ (Asset)	(17.39)	32.40
Expense recognised in Profit or Loss	42.56	22.16
Expense recognised in OCI	(7.34)	12.98
Contribution by the Company	-	(84.94)
Liability/ (Asset) recognised in the Balance Sheet	17.83	(17.39)

Particulars	₹ in Lakhs	
	Current Year	Previous Year
<b>Expense Recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	45.70	20.48
Net interest cost	(3.14)	1.68
<b>Expense recognised in the Statement of Profit and Loss</b>	42.56	22.16

Particulars	₹ in Lakhs	
	Current Year	Previous Year
<b>Expense Recognised in the Statement of Other Comprehensive Income:</b>		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	14.75	-2.12
Due to change in demographic assumption	(0.14)	0.00
Due to experience adjustments	(27.79)	11.60
Return on Plan Assets, Excluding Interest Income	5.83	3.50
<b>Net (Income)/Expense For the Period Recognized in Statement of OCI</b>	(7.34)	12.98

**Amount Recognised in the Balance Sheet:**

Particulars	₹ in Lakhs			
	2019-20	2018-19	2017-18	2016-17
Liability at the end of the year	107.97	70.89	38.29	26.60
Fair Value of Plan Assets at the end of the year	90.14	88.28	5.88	5.90
Amount recognised in the Balance Sheet as Liability/ (Asset)	17.83	(17.39)	32.41	20.70



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**Investment Pattern:**

Particulars	% Invested	
	Current Year	Previous Year
Policy of Insurance	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Principal Assumptions:**

Particulars	Current Year	Previous Year
Discount Rate	6.9% p.a.	7.8% p.a.
Withdrawal Rate	2.00% p.a. at all ages	2.00% p.a. at all ages
Rate of Return on Plan Assets	6.9% p.a.	7.8% p.a.
Salary Growth Rate	5.00% p.a.	5.00% p.a.

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority,

**Sensitivity Analysis**

Particulars	₹ in Lakhs	
	Current Year	Previous Year
Projected Benefit Obligation on Current Assumptions	107.97	70.89
Delta Effect of +0.5% Change in Rate of Discounting	99.42	65.98
Delta Effect of -0.5% Change in Rate of Discounting	117.53	76.36
Delta Effect of +0.5% Change in Rate of Salary Increase	117.58	76.13
Delta Effect of -0.5% Change in Rate of Salary Increase	99.64	65.85
Delta Effect of +10% Change in Rate of Employee Turnover	108.47	71.42
Delta Effect of -10% Change in Rate of Employee Turnover	107.43	70.34

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**Maturity Analysis of the Benefit Payments: From the Fund**

Projected Benefits Payable in Future Years From the Date of Reporting	₹ in Lakhs	
	Current Year	Previous Year
1st Following Year	1.28	NA
2nd Following Year	1.74	NA
3rd Following Year	2.22	NA
4th Following Year	3.27	NA
5th Following Year	4.00	NA
Sum of Years 6 To 10	27.54	NA

The future accrual is not considered in arriving at the above cash-flows.

**Compensated absences**

The actuarial liability of compensated absences of privilege leave of the employees of the Company is ₹ 68.16 lakhs (Previous Year ₹ 53.30 lakhs). The actuarial liability of compensated absences of sick leave of the employees of the Company is ₹ 55.59 lakhs (Previous Year ₹ 37.46 lakhs).

Particulars	Current Year	Previous Year
Discount Rate	6.9% p.a.	7.8% p.a.
Return on Plan Assets	2.00% p.a. at all ages	2.00% p.a. at all ages
Salary Escalation	5.00% p.a.	5.00% p.a.



40 Maturity Analysis of Assets and Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
<b>ASSETS</b>						
<b>I. Financial assets</b>						
(a) Cash and cash equivalents	2,167.72	-	4,337.54	-	409.51	-
(b) Bank Balances other than (a) above	0.50	13.38	0.50	12.48	0.50	11.61
(c) Derivative financial instruments	-	-	-	-	-	-
(d) Receivables	-	-	-	-	-	-
(i) Trade Receivables	-	-	-	-	-	-
(ii) Other Receivables	4.07	-	5.90	-	5.83	-
(e) Loans	55,058.28	36,192.00	92,222.09	64,304.45	1,00,132.55	51,007.25
(f) Investments	-	512.80	-	103.20	-	103.20
(g) Other financial assets	17,032.58	548.40	9,996.51	71.58	1,966.00	79.05
<b>Total Financial Assets</b>	<b>74,263.15</b>	<b>37,266.57</b>	<b>1,06,562.54</b>	<b>64,491.71</b>	<b>1,02,514.39</b>	<b>51,201.11</b>
<b>II. Non-Financial assets</b>						
(a) Current Tax Assets (Net)	-	1,338.24	-	1,040.54	-	571.48
(b) Deferred tax assets (Net)	-	439.53	-	286.46	-	4.17
(c) Property, plant and equipment	-	323.56	-	390.86	-	219.16
(d) Right of use asset	-	74.45	-	-	-	-
(e) Other non-financial assets	496.24	427.43	227.96	264.19	239.20	100.73
<b>Total Non-Financial Assets</b>	<b>496.24</b>	<b>2,603.21</b>	<b>227.96</b>	<b>1,982.06</b>	<b>239.20</b>	<b>895.55</b>
<b>Total Assets</b>	<b>74,759.39</b>	<b>39,869.77</b>	<b>1,06,790.49</b>	<b>66,473.77</b>	<b>1,02,753.58</b>	<b>52,096.66</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>I. Financial Liabilities</b>						
(a) Payables						
(A) 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	408.73	-	564.75	-	318.28	-
(B) Other Payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Debt Securities	-	-	-	-	2,620.00	-
(c) Borrowings (Other than Debt Securities)	36,111.19	30,204.34	93,920.31	31,416.67	64,831.05	45,281.67
(d) Other financial liabilities	5,620.50	241.91	8,178.42	377.31	10,203.63	460.59
<b>Total Financial Liabilities</b>	<b>42,140.42</b>	<b>30,446.25</b>	<b>1,02,663.49</b>	<b>31,793.98</b>	<b>77,972.96</b>	<b>45,742.25</b>
<b>II. Non-Financial Liabilities</b>						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(b) Provisions	47.85	112.21	27.21	46.17	25.51	53.15
(c) Other non-financial liabilities	319.35	-	473.77	-	310.01	-
<b>Total Non-Financial Liabilities</b>	<b>367.20</b>	<b>112.21</b>	<b>500.98</b>	<b>46.17</b>	<b>335.52</b>	<b>53.15</b>
<b>EQUITY</b>						
(a) Equity Share Capital	-	1,931.82	-	1,931.82	-	1,931.82
(b) Other Equity	-	39,631.28	-	36,327.82	-	28,814.55
<b>Total Equity</b>	<b>-</b>	<b>41,563.09</b>	<b>-</b>	<b>38,259.64</b>	<b>-</b>	<b>30,746.37</b>
<b>Total Liabilities and Equity</b>	<b>42,507.62</b>	<b>72,121.55</b>	<b>1,03,164.47</b>	<b>70,099.79</b>	<b>78,308.47</b>	<b>76,541.77</b>

**Collateral valuation**

The Company does not have any collateral, hence no valuation has been carried out.





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**41 Related Party Disclosures: Accounting Standard -**

**a. List of Related Parties and Relationships**

**i. Wholly-Owned Subsidiary Company**

- 1 Wind Construction Limited
  - a Purushothama Perumal Renewable Energy Private Limited  
 (Subsidiary of Wind Construction Limited-w.e.f. 30.03.2019)(Merged With Wind Construction Limited from year 2019-20, effective date 30-03-2019)
  - b Toplink Advisors LLP  
 (Subsidiary of Wind Construction Limited)
  - c Ventana Power Generation LLP  
 (Subsidiary of Toplink Advisors LLP)

**ii. Investing Companies**

- 1 The Investment Trust of India Limited
- 2 Suraksha Realty Limited
- 3 Lakshdeep Investments and Finance Private Limited

**iii. Individuals having significant influence**

- 1 Sudhir Valia
- 2 Raksha Valia

**iv. Enterprises having significant influence**

- 1 ITI Securities Broking Limited (Formerly known as Intime Equities Limited)
- 2 Intime Multi Commodity Company Limited
- 3 Fortune Credit Capital Limited
- 4 Fortune Integrated Home Finance Limited
- 5 Antique Stock Broking Limited
- 6 ITI Capital Limited
- 7 Distress Asset Specialist Limited
- 8 ITI Reinsurance Limited(Merged with ITIL from year 2019-20 with effective date 01-April-2018)
- 9 United Petro Finance Limited
- 10 Suraksha Asset Reconstruction Private Limited
- 11 Antique Stock Broking (IFSC) Limited
- 12 Fasttrack Housing Finance Limited
- 13 ITI Asset Management Limited
- 14 ITI Gilts Limited
- 15 Neue Allianz Corporate Services Private Limited
- 16 ITI Mutual Funds Trustee Private Limited
- 17 Khyati Realtors Private Limited
- 18 ALC India Private Limited
- 19 Apnainsurance Services India Private Limited
- 20 Apna Lifesecure Agency Private Limited
- 21 Bhuta Securities Limited
- 22 Finetrade Exports Limited
- 23 Goldstreet Mercantile Company Private Limited
- 24 Jaankie and Sadguru Developers Limited
- 25 JB Technologies Private Limited
- 26 Man-Maya Developers Private Limited
- 27 Renown Developers Limited
- 28 Realdeal Developers Private Limited
- 29 Realsoft Developers LLP
- 30 Rolesoft Trading Company Private Limited
- 31 Sejraj Financial Services LLP
- 32 Sheji Builders Limited
- 33 Silversoft Developers Private Limited
- 34 Softstreet Developers Limited
- 35 Superstreet Exports Private Limited
- 36 Superwave Developers Limited
- 37 Vision Finstock LLP
- 38 Vijay Grihanirman Private Limited
- 39 Unimed Technologies Limited
- 40 Thirdwave Multitrade LLP
- 41 Real Gold Developers LLP
- 42 Autus Investments Fund AIF LLP



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**
**v. Key Managerial Personnel (with whom Company has undertaken transactions during current or previous year)**

- 1 Mr. Chintan Valia (Managing Director)
- 2 Mr. Ashish Soni (Chief Financial Officer) till 08.06.2019

**b. Related Party Transactions:**

Nature of Transactions	₹ in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>1. Inter Corporate Borrowings taken</b>		
(Maximum balance outstanding at any time during the year)		
Suraksha Realty Limited	19,689.91	51,735.27
ITI Reinsurance Limited	2,880.08	27,772.08
ITI Gilts Limited	550.00	5,340.00
United Petro Finance Limited	1,900.00	-
ITI Securities Broking Limited	-	4,300.00
ITI Asset Management Limited	11,896.00	5,570.00
<b>2. Inter Corporate Loans given</b>		
(Maximum balance outstanding at any time during the year)		
Fortune Credit Capital Limited	2,153.46	3,314.33
Fasttrack Housing Finance Limited	1,695.00	1,715.00
United Petro Finance Limited	-	3,607.00
Purushothama Perumal Renewable Energy Private Limited (Merged With Wind Construction Limited from year 2019-20, effective date 30-03-2019)	210.43	-
Wind Construction Limited	9,600.01	-
Suraksha Asset Reconstruction Private Limited	4,389.00	3,605.00
<b>3. Interest Expense on Inter Corporate Borrowing</b>		
Suraksha Realty Limited	1,125.87	3,530.15
ITI Gilts Limited	1.38	15.60
ITI Reinsurance Limited	46.22	1,133.78
ITI Securities Broking Limited	-	81.69
United Petro Finance Limited	19.37	-
ITI Asset Management Limited	1,224.72	43.17
<b>4. Interest paid Non-Convertible Debentures</b>		
Antique Stock Broking Limited	-	8.61
<b>5. Interest Income on Inter Corporate Loans given</b>		
Fortune Credit Capital Limited	93.24	98.51
Fasttrack Housing Finance Limited	60.95	59.87
United Petro Finance Limited	-	48.52
Suraksha Asset Reconstruction Private Limited	447.86	174.04
<b>6. Sale of Portfolio</b>		
Suraksha Asset Reconstruction Private Limited	4,825.00	-
Lakshdeep Investments and Finance Private Limited	18,109.82	-
<b>7. Hypothecation Assets Collection paid</b>		
The Investment Trust of India Limited	53.64	147.19
Distress Assets Specialist Limited	59.36	124.03
<b>8. Reimbursement of Expenses paid</b>		
Fortune Credit Capital Limited	-	1.48
The Investment Trust of India Limited	2,500	11.68
Fasttrack Housing Finance Limited	-	4.53
ITI Securities Broking Limited	-	1.17
United Petro Finance Limited	-	0.98
ITI Gilts Limited	-	0.52
<b>9. Managerial remuneration</b>		
Mr. Chintan Valia	94.26	93.67
Mr. Ashish Soni	2.18	13.09
<b>10. Redemption of Debentures</b>		
Antique Stock Broking Limited	-	2,620.00



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**
**c. Amount due to/from related parties:**
**Nature of Transactions**
**1. Inter-Corporate Deposits**

Fortune Credit Capital Limited	450.00	-
Wind Construction Limited	9,600.01	484.20
Purushothama Perumal Renewable Energy Private Limited (Merged With Wind Construction Limited from year 2019-20, effective date 30-03-2019)	210.43	-
Suraksha Asset Reconstruction Private Limited	-	1,272.00

**2. Inter-Corporate Borrowings**

Suraksha Realty Limited	4,734.00	18,803.91
ITI Asset Management Limited	10,637.00	5,520.00
ITI Reinsurance Limited	-	2,880.08

**3. Hypothecation Assets Collection payable/(receivable)**

The Investment Trust of India Limited	16.02	10.39
Distress Assets Specialist Limited	6.30	12.02

**4. Interest accrued & due on Inter Corporate Deposits Given**

Fortune Credit Capital Limited	83.92	3.00
Fasttrack Housing Finance Limited	54.85	53.88
Suraksha Asset Reconstruction Private Limited	403.08	115.60
United Petro Finance Limited	-	43.66

**5. Interest accrued & due on Inter Corporate Borrowings**

ITI Asset Management Limited	1,102.25	38.85
ITI Securities Broking Limited	-	73.52
ITI Gilts Limited	1.24	14.04
United Petro Finance Limited	17.43	-
Suraksha Realty Limited	1,103.36	-
ITI Reinsurance Limited	-	1,020.41

**6. Other payable**

Fortune Credit Capital Limited	-	2.58
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Note: Related Parties are identified by management and relied upon by the auditors.



Fair value measurements											
Financial Instruments by category											
Particulars	March 31, 2020				March 31, 2019				April 1, 2018		
	Others	FVTPL	FVTOCI	Amortised cost	Others	FVTPL	FVTOCI	Amortised cost	Others	FVTPL	FVTOCI
Financial assets											
(a) Cash and cash equivalents	-	-	-	2,167.72	-	-	-	4,337.54	-	-	-
(b) Bank Balances other than (a) above	-	-	-	13.88	-	-	-	12.98	-	-	-
(c) Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
(d) Receivables	-	-	-	-	-	-	-	-	-	-	-
(i) Trade Receivables	-	-	-	-	-	-	-	-	-	-	-
(ii) Other Receivables	-	-	-	4.07	-	-	-	5.90	-	-	-
(e) Loans	-	-	-	91,250.27	-	-	-	-	-	-	-
(f) Investments	103.20	-	-	409.60	103.20	-	-	1,56,526.53	103.20	-	-
(g) Other financial assets	-	1,936.20	-	15,644.78	-	-	-	10,068.09	-	-	-
Total Financial Assets	103.20	1,936.20	-	1,09,490.32	103.20	-	-	1,70,951.05	###	-	-
Financial Liabilities											
(a) Payables	-	-	-	-	-	-	-	-	-	-	-
A) 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	-	-	-	408.73	-	-	-	554.75	-	-	-
(B) Other Payables	-	-	-	-	-	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-	-	-
(b) Debt Securities	-	-	-	-	-	-	-	-	-	-	-
(c) Borrowings (Other than Debt Securities)	-	-	-	66,315.53	-	-	-	1,25,336.98	-	-	-
(d) Other financial liabilities	-	-	-	5,862.42	-	-	-	8,555.73	-	-	-
Total Financial Liabilities	-	-	-	72,586.67	-	-	-	1,34,457.47	-	-	-



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

**Valuation methodologies of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents, other financial assets and other financial liabilities and trade payables.

**Loans, Debts, Borrowings**

For financial assets (loans and investments) and financial liabilities (Debt securities, Borrowings) that are measured at amortised cost, the carrying amounts are equal to the fair values.

**Fair value of all the financial instruments classified at amortised cost for which fair value are disclosed**

₹ in Lakhs

<i>Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed</i>	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2020</b>				
<b>Financial assets</b>				
Loans	-	-	91,250.27	91,250.27
Investments	-	-	512.80	512.80
<b>Total financial assets</b>	-	-	<b>91,763.07</b>	<b>91,763.07</b>
<b>Financial liabilities</b>				
Debt Securities	-	-	-	-
Borrowings (Other than Debt Securities)	-	44,154.53	22,161.00	66,315.53
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	<b>44,154.53</b>	<b>22,161.00</b>	<b>66,315.53</b>
<b>As at March 31, 2019</b>				
<b>Financial assets</b>				
Loans	-	-	1,56,526.53	1,56,526.53
Investments	-	-	103.20	103.20
<b>Total financial assets</b>	-	-	<b>1,56,629.73</b>	<b>1,56,629.73</b>
<b>Financial liabilities</b>				
Debt Securities	-	-	-	-
Borrowings (Other than Debt Securities)	-	87,698.98	37,638.00	1,25,336.98
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	<b>87,698.98</b>	<b>37,638.00</b>	<b>1,25,336.98</b>
<b>As at April 1, 2018</b>				
<b>Financial assets</b>				
Loans	-	-	1,51,139.79	1,51,139.79
Investments	-	-	103.20	103.20
<b>Total financial assets</b>	-	-	<b>1,51,242.99</b>	<b>1,51,242.99</b>
<b>Financial liabilities</b>				
Debt Securities	-	-	2,620.00	2,620.00
Borrowings (Other than Debt Securities)	-	87,796.19	22,316.52	1,10,112.71
Other financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	<b>87,796.19</b>	<b>22,316.52</b>	<b>1,10,112.71</b>

**(ii) Valuation technique used to determine fair value**

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparables method, recent transactions happened in the company and other valuation models.

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries and Associates) at fair values.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted equity shares.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes venture fund units, mutual fund units and security receipts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes unlisted equity shares, preference shares and debentures.

There has been no transfer between level 1, level 2 and level 3 for the year ended March 31, 2020 and March 31, 2019.

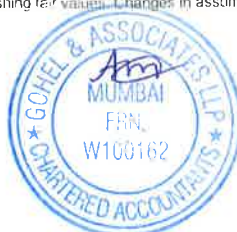
**(iii) Valuation Process**

The Company has availed the exemption under Ind AS 109 and accounted for its investment in Subsidiaries and Associates at cost.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is revocable at a later stage.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is recycling of the amounts from OCI to the Statement of Profit and Loss, on sale of investment.

When the fair value of equity investments cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model, market comparables method and based on recent transactions happened in the company. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



**43 Financial Risk Management**  
**RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organisation aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance

**Risk Management Structure**

The Company has established multi-level risk governance for monitoring and control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

**Risk Management Practices**

The Company's central Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and nonderivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

**A. Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

**Credit quality analysis**

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Particulars	As at March 31, 2020				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	2,167.72	2,167.72
Bank Balance other than above	-	-	-	13.88	13.88
Receivables -					
(i) Trade Receivables	-	-	-	-	-
(ii) Other Receivables	-	-	-	4.07	4.07
Loans	70,140.27	16,104.05	7,478.91	-	93,723.23
Investments	-	-	-	512.80	512.80
Other Financial assets	1,985.85	-	-	15,595.13	17,580.99

₹ in Lakhs



₹ in Lakhs

Particulars	As at March 31, 2019				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents				4,337.54	4,337.54
Bank Balance other than above				12.98	12.98
Receivables -				-	-
(i) Trade Receivables				-	-
(ii) Other Receivables				5.90	5.90
Loans	1,49,993.17	2,149.29	7,885.06		1,60,027.52
Investments				103.20	103.20
Other Financial assets				10,068.09	10,068.09

₹ in Lakhs

Particulars	As at April 1, 2018				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents				409.51	409.51
Bank Balance other than above				12.11	12.11
Receivables -				-	-
(i) Trade Receivables				-	-
(ii) Other Receivables				5.83	5.83
Loans	1,45,993.56	909.83	5,937.99		1,52,841.38
Investments				103.20	103.20
Other Financial assets				2,045.06	2,045.06

#### Credit risk grading of loans

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, an asset is reviewed at a frequency determined based on the risk it carries at the review date.

For effective risk management, the company monitors its portfolio, based on product, underlying security and credit risk characteristics. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below.

#### Credit grading details

Period	₹ in Lakhs			
	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2020	70,140.27	16,104.05	7,478.91	93,723.23
March 31, 2019	1,49,993.17	2,149.29	7,885.06	1,60,027.52
April 1, 2018	1,45,993.56	909.83	5,937.99	1,52,841.38

#### Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.





## B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The

### (i) Maturities of financial liabilities

	₹ in Lakhs				
Contractual maturities of financial liabilities	0-12 months	1-3 years	3-5 years	More than 5 years	Total
<b>31 March 2020</b>					
<b>Non-derivative liabilities</b>					
Borrowings	36,111.19	25,470.33	4,734.00	-	66,315.52
Trade payables	408.73	-	-	-	408.73
Other financial liabilities	5,620.50	241.91	-	-	5,862.42
<b>Total non-derivative liabilities</b>	<b>42,140.42</b>	<b>25,712.24</b>	<b>4,734.00</b>	<b>-</b>	<b>72,586.66</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	₹ in Lakhs				
Contractual maturities of financial liabilities	0-12 months	1-3 years	3-5 years	More than 5 years	Total
<b>31 March 2019</b>					
<b>Non-derivative liabilities</b>					
Borrowings	93,920.31	31,416.67	-	-	1,25,336.98
Trade payables	564.75	-	-	-	564.75
Other financial liabilities	8,178.42	377.31	-	-	8,555.73
<b>Total non-derivative liabilities</b>	<b>1,02,663.49</b>	<b>31,793.98</b>	<b>-</b>	<b>-</b>	<b>1,34,457.47</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	₹ in Lakhs				
Contractual maturities of financial liabilities	0-12 months	1-3 years	3-5 years	More than 5 years	Total
<b>01 April 2018</b>					
<b>Non-derivative liabilities</b>					
Borrowings	64,831.05	33,432.50	11,849.17	-	1,10,112.71
Debt securities	2,620.00	-	-	-	2,620.00
Trade payables	318.28	-	-	-	318.28
Other financial liabilities	10,203.63	460.59	-	-	10,664.21
<b>Total non-derivative liabilities</b>	<b>77,972.96</b>	<b>33,893.09</b>	<b>11,849.17</b>	<b>-</b>	<b>1,23,715.21</b>
<b>Derivatives (net settled)</b>					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

	₹ in Lakhs		
Particulars	March 31, 2020	March 31, 2019	April 1, 2018
<b>Floating rate</b>			
Expiring within one year (bank overdraft and other facilities)	3,262.14	14,342.68	10,693.81
Expiring beyond one year (bank loans)	-	-	-





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**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

**C. Market Risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument

*(a) Interest rate risk exposure*

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows

Particulars	₹ in Lakhs		
	March 31, 2020	March 31, 2019	April 1, 2018
Variable rate borrowings	44,154.53	87,698.98	87,796.19
Fixed rate borrowings	22,161.00	37,638.00	22,316.52
<b>Total borrowings</b>	<b>66,315.53</b>	<b>1,25,336.98</b>	<b>1,10,112.71</b>

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	March 31, 2020			March 31, 2019			April 1, 2018		
	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans
Bank overdrafts, bank loans	12.84%	44,154.53	66.58%	10.75%	87,698.98	69.97%	10.75%	87,796.19	79.73%
Interest rate swaps (notional principal amount)									
<b>Net exposure to cash flow interest rate risk</b>		<b>44,154.53</b>			<b>87,698.98</b>			<b>87,796.19</b>	

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

*(b) Sensitivity*

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components

Particulars	Impact on profit after tax		Impact on other	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points	(329.63)	(438.74)	-	-
Interest rates – decrease by 50 basis points	329.63	438.74	-	-

**44 Capital Management**

The Company's objective for capital management is to maintain an optimum overall financial structure.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests). The Company also monitors capital using a capital adequacy ratio as prescribed by the Reserve Bank Of India

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Net debt	64,133.93	1,20,986.46	1,12,311.09
Total equity	41,563.09	38,259.64	30,746.37
<b>Net debt to equity ratio</b>	<b>1.54</b>	<b>3.16</b>	<b>3.65</b>

**Regulatory Capital**

The quantitative data for managing capital as per the regulatory requirement is provided in Note 48



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**  
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**45 Schedule to the balance sheet as required in terms of Paragraph 18 of "Non-Banking Financial Company-Systemically Important Non-Deposit**

**Liabilities side:**

**1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**

Particulars	2019-20		2018-19	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(A) Debentures : Secured (other than falling within the meaning of public deposits*)				
(B) Deferred Credits				
(C) Term Loans	31,416.67		45,541.67	
(D) Inter-corporate loans and borrowing	25,626.85		39,600.10	
(E) Commercial Paper				
(F) Other Loans;	12,737.86		42,157.32	

**Assets side:**

**2 Break-up of Loans and Advances including bills receivables [other than those included in (3) Below] :**

Particulars	2019-20		2018-19	
	Amount O/s	O/s	Amount O/s	O/s
(a) Secured	9,272.60	15,816.12		
(b) Unsecured	12,888.39	5,372.23		

**3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**

Particulars	2019-20		2018-19	
	Amount O/s	O/s	Amount O/s	O/s
(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	150.00	943.92		
(b) Loans other than (a) above	69,813.76	1,34,950.35		



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**4 Break-up of Investments :**

Particulars	2019-20 Amount O/s	2018-19 Amount O/s
<b>Current Investments :</b>		
1. <u>Quoted :</u>		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. <u>Unquoted :</u>		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
<b>Long Term investments :</b>		
1. <u>Quoted :</u>		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. <u>Unquoted :</u>		
(i) Shares : (a) Equity	103.20	103.20
(b) Preference	409.60	
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		

**5 Borrower group-wise classification of assets financed as in (2) and (3) above:**

Category	Amount		
	2019-20 Unsecured	2018-19 Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	9,810.44	758.45	758.45
(b) Companies in the same group	450.00		
(c) Other related parties			
2. Other than related parties	79,236.36	1,51,710.40	1,56,324.18
Total	79,236.36	5,372.23	1,57,082.63



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**6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	₹ in Lakhs			
	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)
	2019-20		2018-19	
<b>1 Related Parties **</b>				
(a) Subsidiaries	-	103.20	889.04	103.20
(b) Companies in the same group	409.60	600.00	-	-
(c) Other related parties	-	-	-	-
<b>2. Other than related parties</b>				
	409.60	703.20	889.04	103.20

\*\* As per Accounting Standard of ICAI

**7 Other information**

Particulars	₹ in Lakhs	
	2019-20 Amount	2018-19 Amount
<b>(i) Gross Non-Performing Assets (Refer Note No. 39)</b>		
(a) Related Parties	-	-
(b) Other than related Parties	5,880.43	6,264.42
<b>(ii) Net Non-Performing Assets (Refer Note No. 39)</b>		
(a) Related Parties	-	-
(b) Other than related Parties	5,880.43	6,264.42
<b>(iii) Assets acquired in satisfaction of debt</b>		

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**Asset Liabilities Management:**

Maturity pattern of certain items of assets and liabilities:

Particulars	₹ in Lakhs						
	Upto 1 Month	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Total
<b>Liabilities</b>							
Borrowing from Banks	541.67	5,008.69	1,333.33	4,145.83	18,291.67	14,833.33	44,154.52
Other Borrowings	1,445.00	-	5,345.00	-	-	10,637.00	22,161.00
<b>Assets</b>							
Advances **	3,488.16	6,495.85	15,835.12	8,221.54	21,014.61	30,644.80	91,250.28
Investments **	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-

\*The ECL provision has been netted off against balance available in the highest bucket of bans i.e. 1-3 years

\*\* EIR on Investment has been considered in the bucket of investment over 3 to 5 years





**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
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**47 Disclosure in respect of Paragraph 70 of "Non Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.**

<b>A. Capital to Risk Assets Ratio (CRAR)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
i. CRAR%	29.26%	22.88%
ii. CRAR -Tier I Capital %	28.49%	22.73%
iii. CRAR -Tier II Capital %	0.77%	0.15%
iv. Amount of Subordinated Debt raised as Tier II capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

<b>B. Investments</b>	<b>As at March 31, 2020</b>	<b>₹ in Lakhs As at March 31, 2019</b>
<b>Particulars</b>		
<b>1) Value of Investments</b>		
(i)Gross Value of Investments		
(a)In India	512.80	103.20
(b)Outside India,	-	-
(ii)Provisions for Depreciation		
(a)In India	-	-
(b)Outside India,	-	-
(iii)Net Value of Investments		
(a)In India	512.80	103.20
(b)Outside India,	-	-
<b>2) Movement of provisions held towards depreciation on investments.</b>		
(i)Opening balance	-	-
(ii)Add : Provisions made during the year	-	-
(iii)Less : Write-off / write-back of excess provisions during the year	-	-
(iv)Closing balance	-	-

**C. Derivatives**

- i) There were no Forward Rate Agreements / Interest Rate Swaps entered into by the company during the current & previous year.
- ii) There were no Exchange Traded Interest Rate (IR) Derivatives entered into by the company during the current & previous year.

**D. Securitisation**

- i) There were no SPV sponsored by NBFC for securitisation transactions during the current and previous year.
- ii) There were transactions carried out for sale of financial assets to securitisation / reconstruction company for asset reconstruction during the current and previous year.

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>₹ in Lakhs As at March 31, 2019</b>
Number of Accounts	1	-
Aggregate Value	1,619.00	-
Aggregate Consideration	1,500.00	-
Additional Consideration realised in respect of accounts transferred in earlier years.	-	-
Aggregate (gain) / loss over net book value	119.00	-

- iii) There were assignment transactions undertaken by NBFC for current year and previous year.

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>₹ in Lakhs As at March 31, 2019</b>
Number of Accounts	16,166	10,268
Aggregate Value	17,821.37	10,356.29
Aggregate Consideration	17,821.37	10,356.29
Additional Consideration realised in respect of accounts transferred in earlier years.	-	-
Aggregate gain / loss over net book value	-	-



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
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iv) There were transactions for Non-performing financial assets sold during the current year (previous year- Nil). There were no transactions for Non-performing financial assets purchased during the current and previous years.

Particulars	As at March 31, 2020	₹ in Lakhs
		As at March 31, 2019
Number of Accounts	2	-
Aggregate Value	5,319.11	-
Aggregate Consideration	4,825.00	-
Additional Consideration realised in respect of accounts transferred in earlier years.	-	-
Aggregate gain / loss over net book value	494.11	-

**E. Exposures**

i) Real estate exposures undertaken by the company are as under:

Category	As at March 31, 2020	₹ in Lakhs
		As at March 31, 2019
(a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(b) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	6,840.01	8,915.70
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
i. Residential		
ii. Commercial real estate		
<b>Total Exposure to Real Estate sector</b>	<b>6,840.01</b>	<b>8,915.70</b>

ii) Capital Market Exposures undertaken by NBFC are as under

Particulars	As at March 31, 2020	₹ in Lakhs
		As at March 31, 2019
direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31st March, 2020

loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	500.64
bridge loans to companies against expected equity flows / issues	-	-
all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	<b>500.64</b>

iii) Details of financing of parent company products: None

iv) The Company has not exceeded the Single Borrower Limit (SGL) or Group Borrower Limit (GBL) as

v) The Exposure to unsecured advance is ₹ 12,888.39 lakhs (Previous year ₹ 4779.59 lakhs) constituting

13.99% of Gross Loans and Advances.

**F. Miscellaneous**

i) Registration obtained from other financial sector regulators: none

ii) Disclosure of Penalties imposed by RBI and other regulators: none

iii) Related party transactions: refer note No. 42

iv) Ratings assigned by credit rating agencies and migration of ratings during the year:

CRISIL Rating Agency has assigned A-/Stable rating to credit facilities availed by the company

Particulars	2019-20	2018-19
v) Remuneration to Directors		
Chintan Valia (Managing Director)		
- Remuneration	94.26	93.67
<b>Total</b>	<b>94.26</b>	<b>93.67</b>

vi) Net Profit or Loss for the period, prior period items and changes in accounting policies: NIL

**G. Provisions and Contingencies**i) Break up of 'Provisions and Contingencies' shown under the head  
Expenditure in Statement of Profit and Loss

Particulars	2019-20	2018-19
Provision for Employee Benefits	97.05	105.70
Provision for Income Tax	-	11.07
Contingent provision against Standard Assets	854.46	468.88
Deferred Tax	(152.55)	(282.29)
Provision on Non-performing Assets (refer note no. 31)	276.00	1,330.52

**Note: Provision on Non-Performing Assets have been written off of ₹ 276 Lakhs (Previous year ₹1330.52).**

ii) During the year company has not withdrawn any amount from reserves.

**H. Concentration of Exposures, Advances and NPAs****i) Concentration of Advances**

Particulars	2019-20	2018-19
Total Advances to twenty largest borrowers	21,704.60	16,845.77
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	23.56%	10.72%

Note: Total advances includes interest receivable.

**ii) Concentration of Exposures**

Particulars	2019-20	2018-19
Total Exposure to twenty largest borrowers/customers	21,704.60	16,845.77
Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the NBFC on borrowers/customers	23.56%	10.72%



**FORTUNE INTEGRATED ASSETS FINANCE LIMITED**
**Notes Forming Integral Part of the Financial Statements as at 31st March, 2020**

iii) Concentration of NPAs		₹ in Lakhs
Particulars	2019-20	2018-19
Total Exposure to top four NPA accounts	1180.27	54.98

**iv) Sector-wise NPA**

Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	5.63%	55.79%
Auto loans	6.65%	3.20%
Other personal loans	8.77%	-

**I) Movement of NPA**

Particulars	2019-20	₹ in Lakhs
2018-19		

**i. Net NPA to net advances (%)**

6.38% 3.82%

**ii. Movement of NPA (Gross)**

(a) Opening	6,264.42	4,542.76
(b) Additions during the year	4,379.04	3,052.18
(c) Reductions during the year	(4,763.03)	(1,330.52)
(d) Closing Balance	5,880.43	6,264.42

**iii. Movement of NPA (Net)**

(a) Opening	6,264.42	4,542.76
(b) Additions during the year	4,379.04	3,052.18
(c) Reductions during the year	(4,763.03)	(1,330.52)
(d) Closing Balance	5,880.43	6,264.42

**iv. Movement of provisions for NPAs (excluding provisions on standard assets)**

(a) Opening	-	-
(b) Provisions made during the year	276.00	1,330.52
(c) Write-off / write-back of excess provisions	(276.00)	(1,330.52)
(d) Closing Balance	-	-

**J) There were no Overseas Assets of the company.**
**K) There were no Off-Balance Sheet SPVs sponsored of the company.**
**L) Disclosure of Complaints**

No. of complaints pending at the beginning of the year	21 Cases
No. of complaints received during the year	105 Cases
No. of complaints redressed during the year	126 Cases
No. of complaints pending at the end of the year	Nil

₹ in Lakhs

**48 Disclosure Pursuant to Reserve Bank Of India Circular No. RBI/2019-20/220 DOR.NO.BP.BC.63/21.04.048/2019-20:**

i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	10,673.30
ii) Respective amount where asset classification benefits is extended	10,673.30
iii) Provisions made for the year ended March 2020	528.82





49 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/170 DOR  
(NBFC).CC.PD.NO.109/22.10.106/2019-20

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Standard	Stage 1	70,140.27	139.50	70,000.77	281.24	141.74
	Stage 2	16,104.05	860.42	15,243.63	64.42	-796.00
Subtotal		86,244.32	999.92	85,244.40	345.66	-654.26
Non Performing Assets (NPA)						
Substandard (Sub- Total -(A))	Stage 3	4,938.01	585.36	4,352.65	516.88	-68.48
Doubtful						
Upto 1 Year	Stage 3	340.88	46.44	294.44	95.45	49.01
1 to 3 years	Stage 3	1,830.92	236.55	1,594.37	741.52	504.97
More than 3 years	Stage 3	355.62	73.45	282.17	231.15	157.70
Substandard (Sub- Total -(B))		2,527.42	356.44	2,170.98	1,068.12	711.68
Loss (Sub- Total -(C))	Stage 3	13.47	2.42	11.05	13.47	11.05
Subtotal of NPA (Sub- Total -(A+B+C))		7,478.91	944.22	6,534.69	1,598.48	654.26
Total	Stage 1	70,140.27	139.50	70,000.77	281.24	141.74
	Stage 2	16,104.05	860.42	15,243.63	64.42	-796.00
	Stage 3	7,478.91	944.22	6,534.69	1,598.48	654.26
	Total	93,723.23	1,944.14	91,779.09	1,944.14	-0.00

Difference between the Total Loan above amounting Rs. 93,723.23 lakhs & Loan balance as per Note 11 of Rs. 92,124.75 lakhs consist of NPA provision amounting Rs. 1598.48 lakhs, which has been written off by the Company.

- 50 The Scheme of Arrangement ("Scheme 1") between the Company ("Demerged Company") and Wind Construction Private Limited ("Resulting Company") with effect from "appointed date" of 1st July, 2016 has been sanctioned on 18th December, 2017 by National Company Law Tribunal. As the approval of Reserve Bank of India is awaited, the arrangement though effective from "appointed date" 1st July, 2016 shall be operative from "effective date" i.e. the last of date on which all the consents and approvals referred to in the Scheme 1 are obtained or waived. As approval of the Reserve Bank of India is pending, Company's accounts have been prepared independently without giving effect of the Scheme 1. The Financial Statements are subject to revision by the Company in accordance with the prevailing laws and regulations so as to give effect of the aforesaid arrangement, after receipt of all required approvals from the statutory authorities in respect of the demerger.


For M/s Gohel and Associates LLP  
Chartered Accountants  
Firm Registration No.W100162

  
Abhay M. Gohel  
Partner  
Membership No. : 152864  
Mumbai, June 23, 2020



For and on Behalf of Board of Directors  
of Fortune Integrated Assets Finance Limited

  
Chintan Valia  
Managing Director  
DIN:05333936  
Mumbai, June 22, 2020

  
Nitul Mehta  
Director  
DIN:06811946  
Mumbai, June 22, 2020

