

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
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## Independent Auditor's Report

To the Members of Sindhuja Microcredit Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Sindhuja Microcredit Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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.

### Emphasis of Matter

4. We draw attention to Note 41 of the accompanying financial statements, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Company's operations and its consequential impact on the financial metrics of the Company, the extent of which is dependent on future developments. Our opinion is not modified in respect of this matter.





## Sindhuja Microcredit Private Limited

### Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited on the financial statements for the year ended 31 March 2021 (cont'd)

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#### Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





## Sindhuja Microcredit Private Limited

### Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited on the financial statements for the year ended 31 March 2021 (cont'd)

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.

#### Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;





## Sindhuj Microcredit Private Limited

### Independent Auditor's Report of even date to the members of Sindhuj Microcredit Private Limited on the financial statements for the year ended 31 March 2021 (cont'd)

- 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 financial statements 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 prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) the COVID-19 matter described in paragraph 4 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 June 2021 as per Annexure B expressed an unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Vikram Dhanania**

Partner

Membership No.: 060568

UDIN:24060568AAAACM9617



Place: Kolkata

Date: 22 June 2021



**Annexure A to the Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited, on the financial statements for the year ended 31 March 2021**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for





**Annexure A to the Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited, on the financial statements for the year ended 31 March 2021 (Cont'd)**

which the loans were obtained.

- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the Company is not a public Company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standard. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**Vikram Dhanania**

Partner

Membership No.: 060568

UDIN:21060568AAAACM9617

Place: Kolkata

Date: 22 June 2021





**Annexure B to the Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited on the financial statements for the year ended 31 March 2021**

**Annexure B**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Sindhuja Microcredit Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.





**Annexure B to the Independent Auditor's Report of even date to the members of Sindhuja Microcredit Private Limited on the financial statements for the year ended 31 March 2021 (Cont'd)**

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**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Vikram Dhanania**

Partner

Membership No.: 060568

UDIN: 21060568AAAACM9617

Place: Kolkata

Date: 22 June 2021





**Sindhuj Microcredit Private Limited**  
**Balance Sheet as at 31 March 2021**  
(All amounts in ₹, unless stated otherwise)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	319,281,900	156,781,900
Reserves and surplus	4	697,481,645	209,252,611
		<b>1,016,763,545</b>	<b>366,034,511</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	830,078,596	614,779,852
Other long-term liabilities	6	-	150,814
Long-term provisions	7	7,797,251	5,625,531
		<b>837,875,847</b>	<b>620,556,197</b>
<b>Current liabilities</b>			
Other current liabilities	8	1,101,401,897	764,093,697
Short-term provisions	9	33,564,710	11,356,223
		<b>1,134,966,607</b>	<b>775,449,920</b>
<b>Total</b>		<b>2,989,605,999</b>	<b>1,762,040,628</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	10	12,368,684	12,400,878
Intangible assets	11	235,842	302,694
Deferred tax assets (net)	12	9,306,870	3,073,202
Long-term loans and advances	13	492,894,726	494,979,756
Other non-current assets	14	4,227,298	58,296,437
		<b>519,033,420</b>	<b>569,052,967</b>
<b>Current assets</b>			
Cash and bank balances	15	687,572,119	126,607,891
Short-term loans and advances	16	1,748,671,208	1,035,632,322
Other current assets	17	34,329,252	30,747,448
		<b>2,470,572,579</b>	<b>1,192,987,661</b>
<b>Total</b>		<b>2,989,605,999</b>	<b>1,762,040,628</b>

The accompanying notes form an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Vikram Chhanania  
Partner  
Membership No.: 060568



For and on behalf of Board of Directors

Abhisheka Kumar

Abhisheka Kumar  
Managing Director  
DIN : 02972579

Malkit Singh Didyala

Malkit Singh Didyala  
Whole Time Director  
DIN : 07957488

Pankaj Kumar Sinha  
Pankaj Kumar Sinha  
Company Secretary  
Membership No. : 021971



Place: Kolkata  
Date: 22 June 2021

Place: Noida  
Date: 22 June 2021



**Sindhuj Microcredit Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2021**  
(All amounts in ₹, unless stated otherwise)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	18	413,763,111	251,963,476
Other income	19	552,407	988,272
<b>Total revenue</b>		<b>414,315,518</b>	<b>252,951,748</b>
<b>Expenses</b>			
Employee benefits expense	20	126,185,704	81,462,028
Finance costs	21	200,362,578	113,407,341
Depreciation and amortisation expenses	22	3,433,889	2,083,215
Other expenses	23	55,463,717	41,149,708
<b>Total expenses</b>		<b>385,445,888</b>	<b>238,102,292</b>
<b>Profit before prior period items</b>		<b>28,869,630</b>	<b>14,849,456</b>
Prior period item	24	-	7,837,086
<b>Profit before tax</b>		<b>28,869,630</b>	<b>22,686,542</b>
<b>Tax expenses:</b>			
Current tax		12,898,360	3,990,756
Deferred tax credit		(6,233,668)	(3,073,202)
<b>Total tax expenses</b>		<b>6,664,692</b>	<b>917,554</b>
<b>Profit for the year</b>		<b>22,204,938</b>	<b>21,768,988</b>
<b>Earnings per equity share</b>			
[Nominal value per share ₹ 10 (previous year: ₹ 10)]	32		
Basic earnings per share		0.96	1.75
Diluted earnings per share		0.92	1.63

[Nominal value per share ₹10 (previous year: ₹10)]

**The accompanying notes form an integral part of these financial statements.**

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

  
**Vikram Dhanania**  
Partner  
Membership No.: 060568



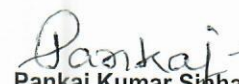
Place: Kolkata  
Date: 22 June 2021

For and on behalf of Board of Directors

**Abhisheka Kumar**  
Managing Director  
DIN : 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN : 07957488

  
**Pankaj Kumar Sinha**  
Company Secretary  
Membership No.: 021971



Place: Noida  
Date: 22 June 2021



**Sindhuj Microcredit Private Limited**  
**Cash Flow Statement for the year ended 31 March 2021**  
(All amounts in ₹, unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A) Cash flows from operating activities</b>		
Profit before tax	28,869,630	22,686,542
Adjustments to reconcile profit before tax to net cashflows		
Depreciation and amortisation expenses	3,433,889	2,083,215
Provision towards loan assets	22,666,396	12,593,128
Provision for employee benefits	1,713,811	1,090,505
Gain on sale of property, plant and equipment	-	(4,320)
(Reversal)/expense on Employee Stock Option Scheme (ESOP)	(396,666)	565,712
<b>Operating profit before working capital changes</b>	<b>56,287,060</b>	<b>39,014,782</b>
Adjustments for change in working capital:		
Increase in loans and advances	(705,966,882)	(1,237,262,344)
Decrease in other assets	13,428,769	903,696
Increase in liabilities	4,352,216	17,414,444
<b>Cash flows used in operating activities</b>	<b>(631,898,837)</b>	<b>(1,179,929,422)</b>
Income taxes paid (net of refunds)	(12,523,582)	(5,643,207)
<b>Net cash used in operating activities (A)</b>	<b>(644,422,419)</b>	<b>(1,185,572,629)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,334,843)	(9,532,637)
Proceeds from sale of property, plant and equipment	-	15,934
Proceeds from sale of investments	-	19,000,000
<b>Net cash (used in)/ generated from investing activities (B)</b>	<b>(3,334,843)</b>	<b>9,483,297</b>
<b>Cash flow from financing activities</b>		
<b>C</b> Proceeds from issue of equity shares (including premium)	-	198,995,607
Proceeds from issue of compulsory convertible preference shares (including premium)	650,000,000	-
Share issue expense on issue of equity and compulsory convertible preference shares	(21,079,238)	(14,445,612)
Repayment of short term borrowings	-	(20,025,236)
Proceeds from long term borrowings	1,360,989,792	1,319,966,652
Repayment of long term borrowings	(813,546,431)	(397,914,497)
<b>Net cash generated from financing activities (C)</b>	<b>1,176,364,123</b>	<b>1,086,576,914</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>528,606,861</b>	<b>(89,512,418)</b>
Cash and cash equivalents at the beginning of the year	126,607,891	216,120,309
<b>Cash and cash equivalents at the end of the year</b>	<b>655,214,752</b>	<b>126,607,891</b>
<b>Note:</b>		
Cash and cash equivalent comprise of following (refer note 15)		
<b>Cash and cash equivalents</b>		
Cash on hand	7,296,033	153,023
Balances with banks		
- in current accounts	21,218,719	48,454,868
- in deposit accounts	626,700,000	78,000,000
	<b>655,214,752</b>	<b>126,607,891</b>

This is Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Vikram Chhanania**  
Partner  
Membership No. : 060568



Place: Kolkata  
Date: 22 June 2021

For and on behalf of Board of Directors

*Abhisheka Kumar* *Malkit Singh Didyala*

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

*Pankaj*  
**Pankaj Kumar Sinha**  
Company Secretary  
Membership No. : 021971



Place: Noida  
Date: 22 June 2021



**1 General Information**

**1.01 Background and corporate information**

Sindhuja Microcredit Private Limited ("the Company") is a private limited Company and incorporated under the provisions of the Companies Act, 2013 (the "Act") and having its registered office at Noida Uttar Pradesh, India. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC -ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") on 11 September 2018. The Company is engaged primarily in providing micro finance services to women in the rural and semi-rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG').

**1.02 Use of estimates**

The preparation of financial statements is in conformity with the Generally Accepted Accounting Principles in India and requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities including contingent liabilities at the end of the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The actual results could differ from these estimates and the differences between the actual results and the estimates are recognized in the years in which the results are known / materialise and their effects disclosed in the notes to the financial statements.

**2 Significant Accounting Policies**

**2.01 Basis of preparation of financial statements**

These financial statements have been prepared on a going concern basis under historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the applicable accounting standards specified under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), other accounting pronouncements of the Institute of Chartered Accountants of India ("ICAI"), relevant provision of the Companies Act, 2013 as applicable and the guidelines issued by the Reserve Bank of India ("RBI"). Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

An asset or liability is respectively classified as current when it is expected to be realized or settled in the company's normal operating cycle or within 12 months after the reporting date. Current assets and liabilities include the current portion of non-current assets and non-current liabilities respectively. All other assets and liabilities are classified as non-current as required by Schedule III of the Companies Act, 2013.

**2.02 Property, plant and equipment**

- i) **Tangible assets:** Tangible assets are carried at cost less accumulated depreciation, if any. The cost of a tangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising on disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Capital work in progress:**

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work in progress.

- ii) **Intangible assets:** Intangible assets are carried at cost of acquisition less amortisation. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Assets which are not ready for their intended use are shown as intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.





**2.03 Depreciation and amortisation**

- i) Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of assets prescribed under Part 'C' of Schedule II of the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

Block of Assets	Estimated useful lives (years)
Vehicle	8
Electrical equipments	10
Office equipment	5
Furniture and fittings	10
Computer equipment	3

Depreciation is calculated on pro-rata basis from the date on which the asset is ready for use till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the statement of profit and loss.

The estimated useful life of the assets is reviewed at the end of each financial year and the amortisation and depreciation method are revised, if necessary.

- ii) Intangible assets are amortized over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 3 years.
- iii) Leasehold improvements are depreciated over the lease term.

**2.04 Impairment of tangible and intangible assets**

The Company assess at each balance sheet date whether there is any indication of impairment based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or cash generating unit to which asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as impairment loss and is recognized in its Statement of Profit and Loss. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost.

**2.05 Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which these investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at lower of cost or fair value.

**2.06 Portfolio**

Portfolio loans have been classified as 'short term loans and advances' and 'long-term loans and advances' according to their tenure.

**2.07 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Interest income on loans is recognized under the internal rate of return method on accrual basis except in the case of non-performing assets where it is recognized upon realization and any such income recognized before the asset became non-performing and remaining unrealized is reversed.
- Interest income on fixed deposits with bank is recognized on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.
- Processing fee collected on loans disbursed are recognized at the inception of the loan.
- Income from business correspondent is recognised as and when the services are rendered as per agreed terms and conditions of the contract.
- Dividend income is recognised at the time when the right to receive is established.
- All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.





**2.08 Asset classification and provisioning norms**

**a) Assets classification**

Loans to Customers are classified as Standard and Non-performing assets, based on the criteria laid down below:

**Standard asset**

The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

**Non-performing asset**

An asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

**b) Provisioning norms**

**Provisioning norms for MFI loan portfolio:**

The total provision for loan portfolio to be higher of

(i) 1% of the outstanding loan portfolio or

or

(ii) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

Apart from the above, the Company also creates additional provision on overdue managed portfolio. If the overdue period exceeds 90 days upto 180 days, then the provision of 50% of overdue amount is recognised and if overdue period exceeds 180 days, then, 100% provision on overdue managed portfolio is recognised.

**2.09 Borrowing Costs**

Borrowing cost, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalised.

Borrowing cost consists of interest and other cost that the Company incurred in connection with borrowing of funds. Other ancillary borrowing costs incurred in connection with obtaining loan are amortised over the period of loan. All other borrowing costs are expensed in the period they are incurred. In case any loan is prepaid/cancelled then the unamortised portion of such borrowing cost is charged to the Statement of Profit and Loss in the year such loan is prepaid / cancelled.

**2.10 Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currency entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Conversion

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the Statement of Profit and Loss.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

**2.11 Provisions and contingent liabilities / assets**

**Provision**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further the Company being a NBFC-MFI also complies with the guidelines issued by the Reserve Bank of India regarding the various provisioning norms.

**Contingent liability**

A Contingent liability is a possible obligation arising 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 may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

**Contingent assets**

Contingent Assets are neither recognised nor disclosed in the financial statements.





## 2.12 Employee benefits

### (a) Short term benefits

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

### (b) Defined contribution plan

Company's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

### (c) Defined benefit plan

Liabilities for gratuity, are determined by actuarial valuation on Projected Unit Credit Method made at the end of each Balance Sheet date and provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

### (d) Long term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of period in which the employee rendered the related services are provided for based on actuarial valuation carried out at the end of the financial period using projected unit Credit Method. Past services cost is recognized immediately to the extent that the benefits are already used and otherwise is amortized on straight line base over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognized past service cost, as redeemed by the fair value of scheme assets.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

### (e) Expense on Employee Stock Option Scheme (refer note 27)\*

The Employees Stock Option Scheme (the Scheme) provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in a graded manner. The options may be exercised within the specified period. The Company follows the intrinsic value method as per the Guidance note on Accounting for Share-based payments issued by The Institute of Chartered Accountants of India for accounting for stock based employee compensation plans. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purposes is measured on the basis of a fair valuation specified by an Independent valuer in respect of the stock options granted.

## 2.13 Segment reporting

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

The accounting policies adopted for segment reporting are line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

## 2.14 Taxes on Income

### (a) Current-tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

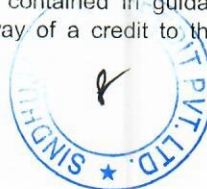
(b) Excess/short provision of income tax relating to earlier years is disclosed separately in the accounts.

### (c) Deferred tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

### (d) Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specific period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is recognised by way of a credit to the statements of profit and loss and presented as a MAT credit entitlement.





## 2.15 Earnings per equity share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.16 Lease

- (a) Lease arrangements where the significant portion of the risks and rewards of ownership vests with the Lessor are recognized as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.
- (b) Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

## 2.17 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of less than three months), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of face value of ₹10 each	16,000,000	160,000,000	16,000,000	160,000,000
Compulsory convertible Preference Shares of ₹10 each	16,250,000	162,500,000	6,250,000	62,500,000
	<b>32,250,000</b>	<b>322,500,000</b>	<b>22,250,000</b>	<b>222,500,000</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of face value of ₹ 10 each fully paid up	15,678,190	156,781,900	15,678,190	156,781,900
Compulsory Convertible Preference shares	16,250,000	162,500,000	-	-
	<b>31,928,190</b>	<b>319,281,900</b>	<b>15,678,190</b>	<b>156,781,900</b>
<b>a) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year</b>				
<b>Particulars</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	15,678,190	156,781,900	7,388,400	73,884,000
<b>Add: Issued during the year</b>				
Conversion of Compulsory convertible debentures into equity shares (refer (i) below)	-	-	1,773,474	17,734,740
Issued during the year (refer (ii) below)	-	-	6,516,316	65,163,160
Outstanding at the end of the year	<b>15,678,190</b>	<b>156,781,900</b>	<b>15,678,190</b>	<b>156,781,900</b>
(i) During the year ended 31 March 2020, 599,966 "Cumulative Compulsorily Convertible Debentures of face value ₹ 100 ("Series A CCD") each" converted into 1,773,474 equity shares at a price of ₹ 33.83 including premium of ₹ 23.83 each per equity share ranking pari passu with the existing equity shares each fully paid up in share capital of the Company.				
(ii) During the year ended 31 March 2020, 5,616,316 equity shares allotted to Carpedium Capital Partners Fund I at face value of ₹ 10 each at a premium of ₹ 23.83 and 450,000 equity shares each to Abhisheka Kumar and Malkit Singh Didyala (Promoters of the Company) at face value of ₹ 10 each at a premium of ₹ 23.83 each.				
<b>b) The reconciliation of Compulsorily convertible preference shares outstanding at the beginning and at the end of the reporting year</b>				
<b>Particulars</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	-	-	-	-
Issue of compulsory convertible preference shares (refer (i) below)	16,250,000	162,500,000	-	-
Outstanding at the end of the year	<b>16,250,000</b>	<b>162,500,000</b>	<b>-</b>	<b>-</b>
(i) During the year ended 31 March 2021, 5,000,000 compulsory convertible preference shares of face value of ₹ 10 each were issued and allotted to Carpedium Capital Partners Fund II and 11,250,000 compulsory convertible preference shares of face value of ₹ 10 each were issued and allotted to NMI Fund IV KS.				
<b>c) Details of shareholders holding more than 5% equity shares in the Company:</b>				
<b>Name of shareholder</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	Numbers	% of holding	Numbers	% of holding
<b>Equity shares</b>				
Mr. Abhisheka Kumar	2,452,600	15.64%	2,452,600	15.64%
Carpedium Capital Partners Fund I	7,389,890	47.13%	7,389,890	47.13%
Mr. Malkit Singh Didyala	1,810,000	11.54%	1,810,000	11.54%
	<b>11,652,490</b>	<b>74.31%</b>	<b>11,652,490</b>	<b>74.31%</b>
<b>d) Details of shareholders holding more than 5% compulsorily convertible preference shares in the Company:</b>				
<b>Name of shareholder</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	Numbers	% of holding	Numbers	% of holding
<b>Compulsorily convertible preference shares</b>				
Carpedium Capital Partners Fund II	5,000,000	30.77%	-	-
NMI Fund IV KS	11,250,000	69.23%	-	-
	<b>16,250,000</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>





e) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having the face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

f) **Terms of compulsory convertible preference shares**

During the year ended, 1,12,50,000 and 50,00,000 number of cumulative Compulsorily Convertible Preference Shares ("CCPS") of face value ₹ 10 ("Series B") each were allotted to NMI Fund IV KS and Carpediem Capital Partners Fund II respectively at a price of ₹ 40.00 (including premium of ₹ 30.00) per share. These CCPS shall be converted into equity shares on or before nineteen years and eleven months from the date of allotment of "series B" at a conversion price based upon pre-money multiple to be determined by the Board of Directors basis the financial performance of the Company.

g) There were no bonus issue during the year and no shares bought back by the Company in any of the previous years.

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	As at 31 March 2021	As at 31 March 2020
<b>4 Reserves and surplus</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	214,151,078	31,055,383
Add: Issue of equity shares	-	197,541,307
Issue of compulsory convertible preference shares	487,500,000	-
Less: Share issue expenses	(21,079,238)	(14,445,612)
<b>Balance at the end of the year (A)</b>	<b>680,571,840</b>	<b>214,151,078</b>
<b>Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934 ('RBI')]</b>		
Balance at the beginning of the year	4,353,798	-
Add: Amount transferred during the year *	4,440,988	4,353,798
<b>Balance at the end of the year (B)</b>	<b>8,794,786</b>	<b>4,353,798</b>
<b>Surplus/ (deficit) in the statement of Profit and Loss</b>		
Balance as at the beginning of the year	(9,817,977)	(27,233,167)
Add: Profit for the year	22,204,938	21,768,988
Less: Amount transferred during the year to Reserve fund (u/s 45(IC) of RBI Act, 1934) *	4,440,988	4,353,798
<b>Balance as at the end of the year (C)</b>	<b>7,945,973</b>	<b>(9,817,977)</b>
<b>Share options outstanding account</b>		
Balance as at the beginning of the year	565,712	-
Add: Amount transferred during the year	-	565,712
Less: Amount reversed during the year	396,666	-
<b>Share Options Outstanding Account (D)</b>	<b>169,046</b>	<b>565,712</b>
<b>Total Reserves and surplus (A+B+C+D)</b>	<b>697,481,645</b>	<b>209,252,611</b>
* In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year-end, the Company has transferred an amount of ₹ 4,440,988 (previous year ₹ 4,353,798).		
<b>5 Long-term borrowings</b>		
<b>Unsecured</b>		
<b>Debentures</b>		
Non convertible debentures*	135,000,000	50,000,000
<b>Secured</b>		
<b>Debentures</b>		
Non convertible debentures*	200,000,000	-
<b>Term Loans</b>		
From financial institutions*	1,447,912,583	1,275,880,095
Less: Current maturities of non-current borrowings	1,021,405,416	711,100,243
	426,507,167	564,779,852
From banks*	100,000,000	8,928,574
Less: Current maturities of non-current borrowings	31,428,571	8,928,574
	68,571,429	-
	<b>830,078,596</b>	<b>614,779,852</b>

\* for terms and conditions refer note 28





**Sindhuj Microcredit Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amounts in ₹ unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>6 Other long term liabilities</b>		
Lease equalisation reserve	-	150,814
	<b>-</b>	<b>150,814</b>
<b>7 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 26)	1,732,137	795,173
Provision for compensated absences	1,309,994	674,987
<b>Provision on loan portfolio (owned)</b>		
Contingent provision against standard assets	4,755,120	4,155,371
	<b>7,797,251</b>	<b>5,625,531</b>
<b>8 Other current liabilities</b>		
Current maturities of long-term borrowings	1,052,833,987	720,028,817
Interest accrued but not due on borrowings	7,501,447	6,063,934
Payable on managed portfolio	19,691,159	19,227,559
Statutory dues	6,009,164	5,201,344
Employee related payable	8,350,518	5,263,471
Other payable	7,015,622	8,308,572
	<b>1,101,401,897</b>	<b>764,093,697</b>
<b>9 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 26)	3,425	1,806
Provision for compensated absences	295,429	155,208
<b>Provision on loan portfolio (owned and managed)</b>		
Contingent provision against standard assets	1,375,291	10,251,432
Provision on non performing assets (own portfolio)	23,176,706	526,583
Provision on non performing assets (managed portfolio)	8,713,859	421,194
	<b>33,564,710</b>	<b>11,356,223</b>



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10 Property, plant and equipment - tangible assets

Particulars	Tangible assets					
	Vehicle	Electrical equipments	Office equipment	Furniture and fittings	Computer and peripherals	Total
<b>Gross block</b>						
Balance as at 1 April 2019	1,299,378	725,640	-	1,166,415	2,842,393	6,033,826
Additions during the year	3,551,517	623,323	270,896	1,502,580	3,240,971	9,189,287
Disposals/adjustments during the year	-	-	-	-	15,934	15,934
<b>Balance as at 31 March 2020</b>	<b>4,850,895</b>	<b>1,348,963</b>	<b>270,896</b>	<b>2,668,995</b>	<b>6,067,430</b>	<b>15,207,179</b>
Additions during the period	100,000	441,701	14,761	928,696	1,795,185	3,280,343
Disposals/adjustments during the year	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>4,950,895</b>	<b>1,790,664</b>	<b>285,657</b>	<b>3,597,691</b>	<b>7,862,615</b>	<b>18,487,522</b>
<b>Accumulated depreciation</b>						
Balance as at 1 April 2019	146,724	39,602	-	58,549	523,187	768,062
Depreciation for the year	197,359	246,182	24,395	176,535	1,398,088	2,042,559
Deductions/adjustments during the year	-	-	-	-	4,320	4,320
<b>Balance as at 31 March 2020</b>	<b>344,083</b>	<b>285,784</b>	<b>24,395</b>	<b>235,084</b>	<b>1,916,955</b>	<b>2,806,301</b>
Depreciation for the year	587,919	83,868	180,960	285,239	2,174,551	3,312,537
Depreciation of earlier years	-	-	-	-	-	-
Deductions/adjustments during the year	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>932,002</b>	<b>369,652</b>	<b>205,355</b>	<b>520,323</b>	<b>4,091,506</b>	<b>€ 118,838</b>
<b>Net block</b>						
Balance as at 31 March 2021	4,018,893	1,421,012	80,302	3,077,368	3,771,109	12,368,684
Balance as at 31 March 2020	4,506,812	1,063,179	246,501	2,433,911	4,150,475	12,400,878

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## 11 Intangible assets

Particulars	Intangible assets	
	Computer software	Total
<b>Gross block</b>		
Balance as at 1 April 2019		-
Additions during the year	343,350	343,350
Disposals/adjustments during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>343,350</b>	<b>343,350</b>
Additions during the period	54,500	54,500
Disposals/adjustments during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>397,850</b>	<b>397,850</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2019	-	-
Amortisation for the year	40,656	40,656
Deductions/adjustments during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>40,656</b>	<b>40,656</b>
Amortisation for the year	121,352	121,352
Deductions/adjustments during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>162,008</b>	<b>162,008</b>
<b>Net block</b>		
<b>Balance as at 31 March 2021</b>	<b>235,842</b>	<b>235,842</b>
<b>Balance as at 31 March 2020</b>	<b>302,694</b>	<b>302,694</b>



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**Sindhuja Microcredit Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
 (All amounts in ₹ unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>12 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Disallowance under section 40A(7) of the Income tax Act, 1961	436,806	200,584
Disallowance under section 43B of the Income tax Act, 1961	404,053	208,943
Provision for loan portfolio	8,448,767	2,723,726
Preliminary expenses	37,691	75,382
<b>Deferred tax liability</b>		
Depreciation and amortisation expenses	(20,447)	(135,433)
	<b>9,306,870</b>	<b>3,073,202</b>
<b>13 Long-term loans and advances</b> <b>(Unsecured, considered good, unless otherwise stated)</b>		
<b>Portfolio loans</b>		
Gross loan assets	534,102,553	486,773,387
Less: Managed assets	58,590,544	71,236,280
Net loan assets (refer foot notes on note 16)	475,512,009	415,537,107
<b>Other loans and advances</b>		
Security deposits *	5,806,544	54,302,742
Prepaid expenses	9,263,255	13,404,375
Advance against borrowings	1,500,000	10,083,334
Other advances	812,918	1,652,198
	<b>492,894,726</b>	<b>494,979,756</b>
* (Includes deposits aggregating to ₹ 30,195,099 (31 March 2020: ₹ 52,585,831) placed as cash collateral to avail term loans from financial institutions and as cash collateral in connection with transactions)		
<b>14 Other non-current assets</b>		
Bank deposits with remaining maturity of more than 12 months	-	52,800,000
Interest accrued on fixed deposits	-	1,344,985
Interest accrued on security deposits	27,514	-
Prepaid ancillary borrowing cost	4,199,784	4,151,452
	<b>4,227,298</b>	<b>58,296,437</b>
<b>15 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	7,296,033	153,023
Balances with banks		
- in current accounts	21,218,719	48,454,868
- in deposit accounts having original maturity of less than 3 months #	626,700,000	78,000,000
	655,214,752	126,607,891
<b>Other bank balances</b>		
Deposits with remaining maturity for more than 3 months but less than 12 months	32,357,367	-
	<b>687,572,119</b>	<b>126,607,891</b>

# Represents deposits amounting to Nil (previous year: ₹ 24,500,000) maintained as collateral against term loans availed.





	As at 31 March 2021	As at 31 March 2020
<b>16 Short-term loans and advances</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
<b>Portfolio loans</b>		
Gross loan assets	1,985,753,984	1,268,935,582
Less: Managed assets	324,379,125	246,609,977
Net loan assets #	1,661,374,859	1,022,325,605
<b>Other loans and advances</b>		
Advances recoverable in cash or in kind	337,049	1,271,959
Security deposits *	25,245,099	-
Advance tax (including tax deducted at source and net off provision for taxation)	1,812,045	2,186,821
Prepaid expenses	5,404,526	6,249,506
Advance against borrowings	11,283,334	1,250,000
Balances with statutory authorities	1,851,298	468,721
Other advances	41,362,998	1,879,710
	<b>1,748,671,208</b>	<b>1,035,632,322</b>
# Loan portfolio amounting to ₹ 1,410,565,518 (previous year: ₹ 1,172,301,431) is hypothecated with banks and financial institutions against amounts borrowed from the said banks and financial institutions		
* (Includes deposits aggregating to ₹ 30,195,099 (31 March 2020: ₹ 52,585,831) placed as cash collateral to avail term loans from financial institutions and as cash collateral in connection with transactions)		
<b>17 Other current assets</b>		
Interest accrued but not due on loans	15,283,592	18,351,834
Interest accrued on fixed deposits	4,159,730	607,699
Prepaid ancillary borrowing cost	9,214,836	8,602,617
Other current assets	5,671,094	3,185,298
	<b>34,329,252</b>	<b>30,747,448</b>

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**Sindhujha Microcredit Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**  
 (All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>18 Revenue from operations</b>		
Interest income on loan portfolio	349,142,332	191,898,426
Servicing fees	27,202,806	30,518,238
Processing fee on loan portfolio	18,408,806	17,928,850
Interest on fixed deposits	19,009,167	10,514,565
Dividend income from current investments	-	1,103,397
	<b>413,763,111</b>	<b>251,963,476</b>
<b>19 Other income</b>		
Advisory fees	-	604,148
Miscellaneous income	552,407	384,124
	<b>552,407</b>	<b>988,272</b>
<b>20 Employee benefits expense</b>		
Salaries and wages	115,600,874	73,767,650
Contribution to provident and other funds	10,245,337	6,203,114
Expense on Employee Stock Option Scheme (refer note 27)*	(396,666)	565,712
Staff welfare expense	736,159	925,552
	<b>126,185,704</b>	<b>81,462,028</b>
* The Company has changed its accounting policy with respect to measurement of expense on Employee Stock Option Scheme (ESOP). Stock options are accounted on the basis of Intrinsic value method as per the Guidance Note on accounting for Share-based payments (Revised), which was hitherto being accounted using the fair value method. Due to the said change, the profit for the year has increased by ₹ 565,712.		
<b>21 Finance costs</b>		
Interest expenses	190,018,884	108,672,664
Other borrowing costs	10,343,694	4,734,677
	<b>200,362,578</b>	<b>113,407,341</b>
<b>22 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	3,312,537	2,042,559
Amortisation of intangible assets	121,352	40,656
	<b>3,433,889</b>	<b>2,083,215</b>
<b>23 Other expenses</b>		
Rent (refer note 31)	9,237,242	6,817,903
Legal and professional charges	2,974,734	2,192,035
Rates and taxes	1,443,366	2,703,024
Travelling and conveyance expenses	1,475,726	2,978,049
Directors sitting fees	436,000	163,500
Printing and stationery	1,594,599	1,483,117
Communication expenses	2,176,608	1,066,325
Advertisement and recruitment expenses	236,648	634,313
Power and fuel	797,545	416,637
Contingent provision against standard assets	(8,276,392)	11,645,351
Provision for non-performing assets	30,942,788	947,777
Software expenses	5,674,842	4,051,577
Auditors remuneration (refer note 37)	1,199,297	1,123,381
Repairs and maintenance	2,718,227	2,155,931
Bank charges	757,222	645,105
Miscellaneous expenses	2,075,265	2,125,683
	<b>55,463,717</b>	<b>41,149,708</b>
<b>24 Prior period item</b>		
Share issues expenses	-	7,837,086
	<b>-</b>	<b>7,837,086</b>





## 25 Related party disclosures

## a) Names of related parties and description of relationship

Relationship	Name of the related party
Key Management Personnel (KMP)	Abhisheka Kumar Malkit Singh Didyala
Entities which are able to exercise control or have significant influence	Carpediem Capital Partners Fund I Carpediem Capital Partners Fund II NMI Fund IV KS

## b) Transactions with related parties

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Issue of equity shares (including share premium)</b>		
Abhisheka Kumar	-	15,223,500
Malkit Singh Didyala	-	15,223,500
Carpediem Capital Partners Fund I	-	189,999,970
Carpediem Capital Partners Fund I (Conversion of Compulsory convertible debentures)	-	59,996,625
<b>Issue of compulsory convertible preference shares</b>		
NMI Fund IV KS	450,000,000	-
Carpediem Capital Partners Fund II	200,000,000	-
<b>Reimbursement of expenses received</b>		
Abhisheka Kumar	113,500	344,394
Malkit Singh Didyala	32,649	379,911
<b>Remuneration</b>		
Abhisheka Kumar	4,035,794	3,747,523
Malkit Singh Didyala	4,035,794	3,747,523
<b>Contribution towards Provident fund and other Funds</b>		
Abhisheka Kumar	207,552	207,552
Malkit Singh Didyala	207,552	207,552
<b>Termination benefits</b>		
Abhisheka Kumar	92,009	73,606
Malkit Singh Didyala	92,999	74,224
<b>Year-end balances with related parties</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Termination benefits</b>		
Abhisheka Kumar	198,648	106,639
Malkit Singh Didyala	200,427	107,428





**26 Employee benefit plan**

- (a) The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation:

The following tables set out the status of the gratuity plan as required under AS 15 (Revised) "Employee Benefits":

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Statement of Profit and Loss</b>		
<b>Net employee benefit expense (recognised in employee cost)</b>		
Current service cost	879,896	522,895
Interest cost	53,398	16,437
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	5,289	38,481
<b>Total employer expense recognized in the Statement of profit and loss</b>	<b>938,583</b>	<b>577,813</b>
<b>Balance Sheet</b>		
<b>Benefit (assets)/ liability</b>		
Present value of obligation	1,735,562	796,979
Fair value of plan assets	-	-
<b>Net liability recognized</b>	<b>1,735,562</b>	<b>796,979</b>
<b>Movement in benefit liability</b>		
Opening defined benefit obligation	796,979	219,166
Interest cost	53,398	16,437
Current service cost	879,896	522,895
Benefit paid	-	-
Actuarial loss on obligation	5,289	38,481
<b>Closing defined benefit obligation</b>	<b>1,735,562</b>	<b>796,979</b>

**(i) Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the reporting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long-term basis.

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.30%	6.70%
Future salary increases	10.00%	10.00%
Expected average working lives of the employees (years)	34.45	34.67

**(ii) Demographic assumptions**

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Retirement Age	60	60
Mortality table	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	20%	20%
-All ages		

**(b) Defined Contribution Plan**

The contribution made to various statutory funds is recognized as expense and included in Note 20 'Employee benefits expense' under "Contribution to provident and other funds" in the Statement of Profit and Loss. The total contribution made towards provident fund and other funds for year ended 31 March 2021 is ₹ 9,306,754 (Previous year ₹ 5,625,301)

**27 Share-based employee remuneration**

**Employee Stock Option Plan - ESOP 2019**

Pursuant to a resolution passed by the members holding equity shares vide Extra Ordinary General Meeting held on 30 October 2019, the Company introduced the Employee Stock Option Plan ("ESOP") pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Guidance note on Accounting for Share-based payments. Under this scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 425,082 (Four Lakh twenty-five thousand and eighty-two) equity shares (Number of ESOP Options in aggregate). During the year ended 31 March 2021, the Company has granted 1,40,934 number of options (Previous year 82,917) to the eligible employees of the Company.





There shall be a minimum period of one year between the grant of Options and vesting of option or as decided by the Board. Subject to Participant's continuing the employment with the Company, all the Options granted to an employee shall vest in him or her as under:

- 25 % of total options granted to an employee shall vest at the expiry of one year from the date of grant of options.
- 25 % of total options granted to an employee shall vest at the expiry of two years from the date of grant of options.
- 25 % of total options granted to an employee shall vest at the expiry of three years from the date of grant of options.
- 25 % of total options granted to an employee shall vest at the expiry of four years from the date of grant of options, provided that the grant date may be different for different category of employees.

**Employee stock option schemes:**

Details of grant and exercise of such options are as follows:

Type of arrangement	SMPL ESOP- 2019	
	82,917 Options	140,934 Options
Date of grant of options	05-Nov-19	10-Nov-20
Number of options granted	82,917	140,934
Number of employee to whom such options were granted	19	45
Number of employees who have exercised the option	NIL	NIL
Number of options exercised	NIL	NIL
Date of Board approval	30-Sep-19	10-Nov-20
Vesting period	05-Nov-20	10-Nov-21
Exercise period	5 November 2020 to 4 November 2024	10 November 2021 to 10 November 2025
Exercise Price	33.83	33.83
Option Life	4 years	4 years
Fair Value of the option	33.81	40
Intrinsic Value	-	6.17
Risk free interest rate	7.71%	7.71%

The details of ESOP 2019 are summarized below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding options at the beginning of the year	79,917	33.83	-	33.83
Granted during the year	140,934	40.00	82,917	33.83
Forfeited during the year	9,850	39.69	3,000	33.83
Exercised during the year	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-
Expired during the year	-	-	-	-
Outstanding options at the end of the year	211,001	37.68	79,917	33.83
Exercisable at the end of the year	-	37.68	-	33.83

Other information regarding employee share-based payment plans is as below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expense arising from employee share-based payment plans	(396,666)	565,712
Expense arising from share and stock option plans	(396,666)	565,712
Closing balance of liability for cash stock appreciation plan	-	-
Expense arising from increase in fair value of liability for cash stock	-	-

**Principal assumption**

- The value of benefit for the purpose of calculating the amount of tax or for such other purpose as may be necessary shall be the fair market value of the shares in the Company as determined by a Category I Merchant Banker registered with the Securities and Exchange Board of India, on the Specified date.
- Discounted cash flow method is used to calculate the fair market value of the Employee stock option plan of the Company.





28 Borrowings

A. Secured term loan (TL) from Banks #						
Nature of Facility	Amount outstanding as at 31 March 2021		Amount outstanding as at 31 March 2020		Interest Rate	Terms of repayment
	Current	Non-current	Current	Non-current		
TL 1	-	-	8,928,574	-	15.50%	14 monthly installments
TL 2	31,428,571	68,571,429	-	-	13.50%	36 monthly installments
Total (A)	31,428,571	68,571,429	8,928,574	-		
B. Secured term loan (TL) from financial institutions #						
TL 1	-	-	7,500,000	-	15.50%	24 monthly installments
TL 2	-	-	1,875,000	-	15.50%	24 monthly installments
TL 3	-	-	4,166,667	-	15.50%	24 monthly installments
TL 4	-	-	6,250,000	1,250,000	15.50%	24 monthly installments
TL 5	12,500,000	-	12,500,000	12,500,000	15.25%	24 monthly installments
TL 6	9,166,678	-	8,333,333	9,166,667	15.25%	24 monthly installments
TL 7	13,750,000	-	11,458,338	13,750,000	15.25%	24 monthly installments
TL 8	9,361,215	-	17,039,035	9,361,212	15.25%	24 equated monthly installments
TL 9	24,802,093	-	19,496,844	26,890,629	15.25%	24 equated monthly installments
TL 10	21,864,407	38,151,791	-	-	12.10%	36 equated monthly installments
TL 11	9,486,432	-	25,902,674	7,162,824	15.75%	24 equated monthly installments
TL 12	13,268,181	1,219,222	11,548,079	13,451,923	15.25%	24 equated monthly installments
TL 13	23,804,820	22,486,617	-	-	14.00%	24 equated monthly installments
TL 14	-	-	7,500,005	-	15.75%	24 monthly installments
TL 15	-	-	12,500,000	-	15.75%	24 monthly installments
TL 16	2,083,326	-	10,416,670	2,083,326	15.25%	24 monthly installments
TL 17	2,083,326	-	10,416,670	2,083,326	15.25%	24 monthly installments
TL 18	4,166,660	-	10,416,670	4,166,660	15.25%	24 monthly installments
TL 19	4,166,660	-	10,416,670	4,166,660	15.25%	24 monthly installments
TL 20	10,416,662	-	10,416,670	10,416,662	15.00%	24 monthly installments
TL 21	11,458,329	-	10,416,670	11,458,329	15.00%	24 monthly installments
TL 22	27,083,333	-	20,833,334	27,083,333	14.75%	24 monthly installments
TL 23	27,083,333	-	20,833,334	27,083,333	14.75%	24 monthly installments
TL 24	25,000,000	18,750,005	-	-	14.00%	24 monthly installments
TL 25	22,916,667	27,083,333	-	-	13.65%	24 monthly installments
TL 26	22,916,667	27,083,333	-	-	13.65%	24 monthly installments
TL 27	4,826,029	-	22,014,484	4,841,536	15.75%	24 equated monthly installments
TL 28	5,239,623	-	12,921,734	4,767,948	15.85%	24 equated monthly installments
TL 29	3,404,054	-	8,625,431	3,091,630	15.85%	24 equated monthly installments
TL 30	13,696,797	-	11,963,766	13,715,027	15.75%	24 equated monthly installments
TL 31	9,131,198	-	7,975,844	9,143,351	15.75%	24 equated monthly installments
TL 32	16,262,781	-	11,650,623	16,262,781	15.85%	24 equated monthly installments
TL 33	10,841,854	-	7,767,082	10,841,854	15.85%	24 equated monthly installments
TL 34	16,106,267	-	11,701,570	16,106,267	15.10%	24 equated monthly installments
TL 35	16,106,267	-	11,701,570	16,106,267	15.10%	24 equated monthly installments
TL 36	16,148,333	-	11,696,592	16,148,333	15.10%	24 equated monthly installments
TL 37	16,148,333	-	11,696,592	16,148,333	15.10%	24 equated monthly installments
TL 38	15,901,605	1,517,016	11,547,353	17,418,620	15.10%	24 equated monthly installments
TL 39	15,901,605	1,517,016	11,547,353	17,418,620	15.10%	24 equated monthly installments
TL 40	15,712,549	2,877,711	11,409,741	18,590,259	15.10%	24 equated monthly installments
TL 41	15,712,549	2,877,711	11,409,741	18,590,259	15.10%	24 equated monthly installments
TL 42	15,712,549	2,877,711	11,409,741	18,590,259	15.10%	24 equated monthly installments
TL 43	14,611,481	10,960,948	-	-	14.15%	24 equated monthly installments
TL 44	14,611,481	10,960,948	-	-	14.15%	24 equated monthly installments
TL 45	19,468,560	14,632,081	-	-	14.15%	24 equated monthly installments
TL 46	-	-	8,322,418	-	15.25%	18 equated monthly installments
TL 47	9,549,722	-	19,865,823	8,816,092	15.25%	18 equated monthly installments
TL 48	2,410,550	-	22,162,091	4,789,870	15.75%	24 equated monthly installments
TL 49	21,340,728	26,859,940	-	-	15.00%	24 equated monthly installments
TL 50	18,139,616	22,830,952	-	-	15.00%	24 equated monthly installments
TL 51	-	-	22,595,106	-	15.50%	24 equated monthly installments
TL 52	2,367,617	-	22,427,139	2,367,617	15.50%	24 equated monthly installments
TL 53	52,452,265	9,578,515	37,969,221	62,030,779	15.50%	24 equated monthly installments
TL 54	25,000,000	20,833,334	-	-	14.00%	24 monthly installments
TL 55	25,000,000	22,916,669	-	-	14.00%	24 monthly installments
TL 56	-	-	13,888,888	-	15.75%	18 monthly installments
TL 57	4,215,885	-	15,460,069	3,984,375	15.75%	18 monthly installments
TL 58	27,272,727	18,181,819	-	-	14.25%	22 monthly installments
TL 59	27,272,727	20,454,546	-	-	14.25%	22 monthly installments
TL 60	27,450,984	-	39,215,680	27,450,984	14.45%	24 monthly installments
TL 61	50,000,000	37,499,999	-	-	14.00%	24 monthly installments
TL 62	14,963,545	-	21,376,496	14,040,171	15.50%	24 monthly installments
TL 63	19,238,845	-	21,376,496	18,206,837	15.50%	24 monthly installments
TL 64	9,226,799	-	9,939,015	9,224,038	15.25%	21 equated monthly installments
TL 65	9,305,173	10,694,823	-	-	14.00%	24 equated monthly installments
TL 66	14,429,533	-	19,225,921	14,012,861	14.25%	18 equated monthly installments
TL 67	25,365,795	-	-	-	13.65%	18 equated monthly installments
TL 68	27,750,139	32,249,861	-	-	13.25%	24 equated monthly installments
TL 69	37,141,319	-	-	-	14.00%	12 equated monthly installments
TL 70	18,588,735	21,411,265	-	-	14.00%	24 equated monthly installments
Total (B)	1,021,405,416	426,507,167	711,100,243	564,779,852		





## 28 Borrowings

A. Secured term loan (TL) from Banks #						
Nature of Facility	Amount outstanding as at 31 March 2021		Amount outstanding as at 31 March 2020		Interest Rate	Terms of repayment
	Current	Non-current	Current	Non-current		
C. Unsecured Non-Convertible Debentures						
NCD-1A	-	15,000,000	-	15,000,000	14.50%	30% in the 1st year, 30% in 2nd Year or upto maximum of 60%, and 40% in the 3rd year or bullet payment
NCD-1B	-	15,000,000	-	15,000,000	14.50%	30% in the 1st year, 30% in 2nd Year or upto maximum of 60%, and 40% in the 3rd year or bullet payment
NCD-1C	-	20,000,000	-	20,000,000	14.50%	30% in the 1st year, 30% in 2nd Year or upto maximum of 60%, and 40% in the 3rd year or bullet payment
NCD - 2A	-	30,000,000	-	-	14.00%	Bullet payment at the end of year 2
NCD -2B	-	15,000,000	-	-	14.00%	Bullet payment at the end of year 2
NCD 3	-	20,000,000	-	-	14.00%	Bullet payment at the end of year 2
NCD 4	-	20,000,000	-	-	14.00%	Bullet payment at the end of year 2
Total (C)	-	135,000,000	-	50,000,000		
D. Secured Non-Convertible Debentures						
NCD 5	-	200,000,000	-	-	15.70%	50% in the 2nd year and 50% in the 3rd year or 100% in 2nd year.
Total (D)	-	200,000,000	-	-		
Total (A+B+C)	1,052,833,987	830,078,596	720,028,817	614,779,852		

# All term loans were secured by way of exclusive charge on the standard asset portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements. The above term loans are also secured by way of personal guarantee of Mr. Abhisheka Kumar and Mr. Malkit Singh Didyala.

## 29 Ratings assigned by credit rating agencies

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Micro Finance Institution Grading	IRR MFI 3	Not Graded
(b) Long Term Bank Loans	"IND BBB-" / STABLE	"IND BBB-" / STABLE



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30 Segment reporting

**Business Segment**

The Company operated in a single reportable segment i.e. micro financing activities exclusively to rural women living below poverty line identified and organized in Joint Liability Group (JLG) which have similar risk and returns. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard 17 "Segment Reporting".

**Geographical Segment**

The significant operations of the Company are within India and therefore there is no separate geographical segment which needs to be disclosed as required by Accounting Standard 17 "Segment Reporting".

- 31 Disclosure in respect Company's operating lease arrangements entered into by the company, under Accounting Standard (AS-19) "Leases" issued by the Institute of Chartered Accountants of India.

The year-wise breakup of future minimum lease payments in respect of leased premises is as under:

Premises taken on lease	For the year ended 31 March 2021	For the year ended 31 March 2020
Operating lease payments recognized during the year	9,237,242	6,817,903
Not later than 1 year	-	1,594,933
Later than 1 year but not later than 5 years	-	5,279,428
Later than 5 years	-	-

32 Earning per equity share

In accordance with Accounting Standard 20, Earnings Per Share as notified by the Companies (Accounting Standards) Rules, 2014:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit after tax available for appropriation (₹)	22,204,938	21,768,988
Weighted average number of equity shares – Basic EPS	23,167,916	12,455,734
Weighted average number of equity shares – Diluted EPS	24,200,327	13,388,139
Basic earnings per share (₹)	0.96	1.75
Diluted earnings per share (₹)	0.92	1.63

33 Capital commitment

Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ Nil

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34 Provision for outstanding loan portfolio

Provision for outstanding own loan portfolio

Asset Classification	As at 31 March 2021		As at 31 March 2020	
	Loan portfolio	Provision	Loan portfolio	Provision
Standard portfolio	2,084,880,396	6,130,411	1,437,167,248	14,406,803
Sub Standard portfolio	40,902,647	12,072,881	337,761	168,880
Doubtful portfolio	11,103,825	11,103,825	357,703	357,703
Loss portfolio	-	-	-	-
<b>Total</b>	<b>2,136,886,868</b>	<b>29,307,117</b>	<b>1,437,862,712</b>	<b>14,933,386</b>

Provision for outstanding managed loan portfolio

Asset Classification	As at 31 March 2021		As at 31 March 2020	
	Loan portfolio	Provision	Loan portfolio	Provision
Standard portfolio	366,138,952	-	317,264,592	-
Sub-standard portfolio	9,683,995	2,834,717	320,943	160,472
Doubtful portfolio	7,146,722	5,879,142	260,722	260,722
Loss portfolio	-	-	-	-
<b>Total</b>	<b>382,969,669</b>	<b>8,713,859</b>	<b>317,846,257</b>	<b>421,194</b>

The movement in provision during the year is explained below:

Own Portfolio

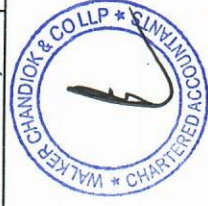
Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Standard portfolio	Sub-standard & Doubtful portfolio	Total	Standard portfolio	Sub-standard & Doubtful portfolio	Total
Opening balance	14,406,803	526,583	14,933,386	2,761,452	-	2,761,452
Additions/ reversals, net	(8,276,392)	22,650,123	14,373,731	11,645,351	526,583	12,171,934
<b>Closing balance</b>	<b>6,130,411</b>	<b>23,176,706</b>	<b>29,307,117</b>	<b>14,406,803</b>	<b>526,583</b>	<b>14,933,386</b>

Managed Portfolio

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Standard portfolio	Sub-standard & Doubtful portfolio	Total	Standard portfolio	Sub-standard & Doubtful portfolio	Total
Opening balance	-	421,194	421,194	-	-	-
Additions/ reversals, net	-	8,292,665	8,292,665	421,194	421,194	421,194
<b>Closing balance</b>	<b>-</b>	<b>8,713,859</b>	<b>8,713,859</b>	<b>421,194</b>	<b>421,194</b>	<b>421,194</b>

35 Disclosures pertaining to Securitization

The Company has not entered into any Securitization transactions during the year ended 31 March 2021 (Previous year: Nil)





**36 Contingent Liabilities**

- i) The Company has entered into an arrangement towards rendering of financial services and accordingly has given guarantees towards loans referred by the Company aggregating to ₹ 125,115,285 (previous year: ₹ 238,384,693). The guarantee is provided by way of corporate guarantee and cash collateral.

**37 Auditors remuneration (excluding Goods and Service Tax)**

Particulars	For year ended 31-Mar-21	For year ended 31-Mar-20
<b>Payment to Auditor</b>		
- as an auditor	1,100,000	1,100,000
- for other services	-	-
-for reimbursement of expenses	99,297	23,381
<b>Total</b>	<b>1,199,297</b>	<b>1,123,381</b>

**38 Amounts payable to Micro and Small enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



39 Additional disclosures as required by the Reserve Bank of India :

i) Capital to Risk Asset Ratio (CRAR)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
CRAR %	42.72%	18.89%
CRAR- Tier I Capital (%)	41.77%	18.10%
CRAR- Tier II Capital (%)	0.95%	0.79%

ii) The Company has no direct exposure to real estate sector

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Residential</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-

iii) Maturity pattern of certain items of assets and liabilities:

As at 31 March 2021

Particulars (Mar -2021)	1- 7 days	8-14 days	15 to 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Borrowings	281.34	81.14	559.16	1,087.48	1,032.94	2,791.81	4,694.47	8,300.79	-	-
Advances	805.42	353.61	868.98	1,498.18	1,532.28	4,443.72	7,111.56	4,755.12	-	-
Investments	-	-	-	-	-	-	-	-	-	-

(Amount in ₹ lakhs)

As at 31 March 2020

Particulars (Mar -2020)	1- 7 days	8-14 days	15 to 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Borrowings	36.25	28.91	-	-	701.76	2,167.39	4,265.98	6,147.80	-	-
Advances	-	-	-	267.95	1,080.19	3,333.77	5,541.35	4,155.37	-	-
Investments	-	-	-	-	-	-	-	-	-	-

(Amount in ₹ lakhs)





39 Additional disclosures as required by the Reserve Bank of India :

iv) Provisions and contingency

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision towards NPA (owned assets)	22,650,123	526,583
Provision towards NPA (managed assets)	8,292,665	421,194
Provision made towards Income tax	12,898,360	3,990,756
Provision for Standard Assets	(8,276,392)	11,645,351

v) Draw down from Reserves

There has been no draw down from reserves during the year ended 31 March 2021 (previous year: Nil).

vi) Concentration of Advances, Exposures and NPAs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Concentration of Advances</b>		
Total advances to twenty largest borrowers	900,000	800,000
(%) of advances to twenty largest borrowers to total advances	0.04%	0.06%
<b>Concentration of Exposures</b>		
Total exposure to twenty largest borrowers/customers	900,000	800,000
(%) of exposure to twenty largest borrowers/customers to total exposure	0.04%	0.06%
<b>Concentration of NPAs</b>		
Total exposure to top four NPA accounts	176,316	98,165

vii) Sector wise Non-Performing Assets (NPA)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Agriculture & allied activities	43,666,377	671,809
MSME	4,521,385	-
Corporate borrowers	-	-
Services	1,287,292	-
Trade	2,531,418	23,654
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

viii) Movement in Non-Performing Asset (NPA)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Net NPA to net advances percentage	1.35%	0.01%
ii) Movement of NPAs (Gross)		
a) Opening balance	695,464	-
b) Addition during the year	51,315,922	695,464
c) Reduction during the year	4,914	-
d) Closing balance	52,006,472	695,464
iii) Movement of Net NPAs		
a) Opening balance	168,881	-
b) Addition during the year	28,660,885	168,881
c) Reduction during the year	-	-
d) Closing balance	28,829,766	168,881
iv) Movement of Net NPAs		
a) Opening balance	526,583	-
b) Addition during the year	22,655,037	526,583
c) Write off/write back of excess provisions	4,914	-
d) Closing balance	23,176,706	526,583



**Sindhuj Microcredit Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹, unless otherwise stated)

ix) **Disclosure with respect to customer complaints**

S. No.	Particulars	Number of complaints	
		For the year ended 31 March 2021	For the year ended 31 March 2020
i	No of complaints pending at the beginning of the year	-	-
ii	No of complaints received during the year	249	130
iii	No of complaints redressed during the year	239	130
iv	No of complaints pending at the end of the year	10	-

x) **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:**

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2021 and 31 March 2020.

xi) **Registration obtained from other financial sector regulators**

Sr. No.	Regulator	Registration No.	Date of Registration
1	Ministry of Corporate Affairs	U65990UP2017PTC09900	01-Dec-17
2	Reserve Bank of India	N-12.00469	11-Sep-18

xii) **Details of penalties imposed by RBI and other regulators**

No penalties have been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2021 (Previous year: Nil)

xiii) **Unsecured Advances**

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31 March 2021. (previous year: Nil)

xiv) **Details of non-performing financial assets purchased / sold**

The Company has not purchased/sold any non-performing financial assets during the financial year ended 31 March 2021 and 31 March 2020.

xv) **Additional disclosures pursuant to Para 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016.**

	As at 31 March 2021		As at 31 March 2020	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side :</b>				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures				
(other than falling within the meaning of public deposits)				
Secured	200,067,239	-	-	-
Unsecured	135,000,000	-	50,000,000	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans (includes short-term borrowings and interest accrued)				
Secured	-	-	-	-
Unsecured	1,555,346,791	-	1,290,872,603	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans	-	-	-	-
(2) Breakup of 1(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-





**Sindhuja Microcredit Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
(Ail amounts in ₹, unless otherwise stated)

Assets side :		As at 31 March 2021	As at 31 March 2020
(3) Break up of Loans and Advances:			
a) Secured, gross		-	-
b) Unsecured, gross		2,136,886,868	1,437,862,712
<b>Total</b>		<b>2,136,886,868</b>	<b>1,437,862,712</b>
(4) Break up of Leased Assets			
(i) Lease assets including lease rentals under sundry debtors:			
(a) finance lease		-	-
(b) operating lease		-	-
(ii) Stock on hire including hire charges under sundry debtors:			
(a) assets on hire		-	-
(b) repossessed asset		-	-
(iii) Other loans counting towards AFC activities			
(a) loans where assets have been repossessed		-	-
(b) loans other than (a) above		-	-
(5) Breakup of investments ( long-term unquoted equity)			
Current investments :			
1. Quoted			
(i) Shares			
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted			
(i) Shares			
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
Long Term investments :			
1. Quoted			
(i) Shares :		-	-
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted			
(i) Shares:			
(a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
xv) Additional disclosures pursuant to Para 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016 (continued)			
(6) Borrower group-wise classification of assets financed as in (2) and (3)			
	Net of provision as at 31 March 2021		
Category	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	-	2,136,886,868	2,136,886,868
<b>Total</b>	-	<b>2,136,886,868</b>	<b>2,136,886,868</b>



**Sindhuja Microcredit Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹, unless otherwise stated)

Category	Net of provision as at 31 March 2020		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
2. Other than related parties	-	1,437,862,712	1,437,862,712
<b>Total</b>	-	<b>1,437,862,712</b>	<b>1,437,862,712</b>

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

Category	As at 31 March 2021		As at 31 March 2020	
	Market value / Breakup or fair value or NAV	Book value (net of provisions)	Market value / Breakup or fair value or NAV	Book value (net of provisions)
1. Related parties	-	-	-	-
2. Other than related parties	-	-	-	-
<b>Total</b>	-	-	-	-

(8) Other information	As at 31 March 2021	As at 31 March 2020
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	52,006,472	695,464
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	28,829,766	168,881
(iii) Assets acquired on satisfaction of debt	-	-

xvi) Disclosures pursuant to RBI's notification no. DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 and notification no DOR.No.BP.BC.71/21.04.048/2019-20 dated 23 May 2020 on COVID-19 – Regulatory Package

RBI vide its notification DOR.No.BP.BC.47/21.04.048/2019-20 dated 27 March 2020 had allowed NBFCs to grant three month moratorium for the period from 01 March 2020 to 31 May 2020 to its customers which was subsequently extended to additional three months vide notification DOR.No.BP.BC.71/21.04.048/2019-20 dated 23 May 2020.

The Company has extended the relaxation to its borrowers across the loans product offerings in the following manner:

- 1) For the loans in which customers avails the moratorium, interest shall accrue at the contractual interest rate during the moratorium period with corresponding increase in the residual tenure.
- 2) Interest accrual for moratorium period is adjusted over the balance period with EMI recalibration.
- 3) Rescheduling of payment including interest will not qualify as a default for purpose of supervisory reporting and reporting to Credit Bureau.
- 4) Days Past Due (DPD) status and reporting to Credit Bureaus between 1 March 2020 and 31 August, 2020 will not change with effect from 01 March 2020. However, due to EMI repayments post 1 March 2020, if there is a reduction of DPD days, the same will be recorded and reported.

xvii) Disclosures pursuant to Reserve Bank of India notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020

Particulars	As at 31 March 2021	As at 31 March 2020
Amount in SMA/ overdue category where the moratorium deferment was extended to customers	928,676	929,376
Amount where asset classification benefit is extended	233,912	233,912
Provision made	-	-

Information on net interest margin (qualifying asset)	As at 31 March 2021	As at 31 March 2020
Average Interest (a)	22.26%	25.15%
Average effective cost of borrowing (b)	14.88%	16.56%
Net Interest margin (a-b)	7.38%	8.59%

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**40 Public disclosure on liquidity**

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

**Borrowings**

Sr No.	As at 31 March 2021				As at 31 March 2020			
	Number of Significant Counter parties	Amount (In ₹)	% Total Deposit	% Total Liabilities #	Number of Significant Counter parties	Amount (In ₹)	% Total Deposit	% Total Liabilities #
A	1	303,765,059	Not applicable	15.40%	2	617,528,883	Not applicable	44.24%

# Total Liabilities does not include the shareholders fund

2) Top 20 large deposits - There are no deposits taken by the Company during the year. (31 March 20: Nil)

3) Top 10 borrowings - ₹ 1,492,110,410 constitutes 79.24% of total borrowings (31 March 2020 ₹ 1,186,942,965 constitutes 89.68% of total borrowings)

**4) Funding Concentration based on significant instrument/product**

S. No	Name of Instrument	As at 31 March 2021			As at 31 March 2020	
		Amount		% of total liabilities #	Amount	% of total liabilities #
		(In ₹)			(In ₹)	
1)	Term loan	-	1,547,912,583	78.46%	1,284,808,669	92.03%
2)	Non-convertible debentures	-	335,000,000	16.98%	50,000,000	3.58%
3)	Cash credit / Bank overdraft	-	-	-	-	-
4)	Compulsorily convertible debentures	-	-	-	-	-

# Total Liabilities does not include the shareholders fund

**5) Stock ratios:**

(a) Commercial papers as a % of total public funds, total liabilities and total assets - Nil (31 March 2020: Nil)

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets - Nil (31 March 2020: Nil)

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets - Nil (31 March 2020: Nil)

**6) Institutional set-up for liquidity risk management**

The Company has constituted an asset liability committee for overseeing and ensuring adherence to the limits set by the Board as well as for deciding business strategy of the NBFC (on the assets and liability sides) in line with the NBFC's budget and decided risk management objectives. The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans



41 Impact of COVID-19 outbreak

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrower defaults and consequently an increase in corresponding provisions. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company has recognized provisions as on 31 March 2021 towards its loan assets, based on the information available at this point of time. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic condition.

The Company's capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.

42 Foreign currency exposure and Derivative instruments

There are no outstanding derivative contract and foreign currency exposure as at current and previous year balance sheet date.

43 The figures of the previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures of the current year.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Vikram Dhanania  
Partner  
Membership No.: 060568

Place: Kolkata  
Date: 22 June 2021

For and on behalf of Board of Directors of

Abhisheka Kumar

Abhisheka Kumar  
Managing Director  
DIN: 02972579

Pankaj  
Pankaj Kumar Sinha  
Company Secretary  
Member No: 021971

Place: Noida  
Date: 22 June 2021

Malkit Singh Didyala  
Whole Time Director  
DIN: 07957488

