SAIJA
Empowering through Microfinance

SHORTER NOTICE OF 24TH ANNUAL GENERAL MEETING

OF MEMBERS OF

SAIJA FINANCE PRIVATE LIMITED

TO BE HELD ON

THURSDAY, SEPTEMBER 30, 2021

AT 5:00 P.M.

THROUGH VIDEO CONFERENCING

SAIJA
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INDEX

NOTICE (SHORTER) OF ANNUAL GENERAL MEETING

To,

All the Shareholders / Members

All the Directors

The Auditors

The Debenture Trustees

NOTICE is hereby given that the 24th Annual General Meeting of the Shareholders of the Company will be held on **Thursday, September 30, 2021 at 5:00 P.M.** at the registered office of the Company through Video Conferencing to transact the following business:

ORDINARY BUSINESS:

To consider and if thought fit to pass the following resolutions with or without modification(s) as Ordinary resolution:

AGENDA ITEM 01:

To consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2021 along with the Report from the Auditors, report of Board of Directors and Secretarial Audit Report:

To consider and if thought fit, to pass the following resolution, with or without modifications, if any, as ordinary resolution:

"RESOLVED THAT the Audited Balance Sheet and Profit & Loss Account of the Company and the schedules and notes forming part of the said Accounts / Financial Statement, for the financial year ended 31st March 2021, along with the Reports from Auditor's, Report from Secretarial Auditor and Report of the Board of Directors of the company as circulated to the members, be and is hereby received, considered, approved and adopted."

SPECIAL BUSINESS:

AGENDA ITEM 02:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**")and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, for making offer(s) or invitation(s) to subscribe to secured/unsecured/subordinated, rated/unrated, listed/unlisted non-convertible debentures ("**NCDs**") on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (including any committee authorized by the Board of Directors thereof), based on the prevailing market condition."

"**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution for a period of next one year from this resolution i.e. up till **September 30, 2022**, shall not exceed the overall limit of Rs. 200,00,00,000/- (Rupees Two Hundred Crores only)."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "**the Board**"), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this resolution."

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting. The proxy form is enclosed herewith the Notice.

2. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

3. Members/Proxies attending the meeting are requested to bring the Attendance Slip (duly completed) to the Meeting.

4. Register of Directors' Shareholding will remain open during the continuation of meeting for inspection by Members.

5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of notice.

Date: 23.09.2021
Place: Delhi

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

Sd/-
(Shashi Ranjan Sinha)
Chairman cum Managing Director

Registered office:
F-128, 3rd Floor, Mohammadpur,
Behind Bhikaji Cama Place, New Delhi-110066

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013-

AGENDA ITEM 02:

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company is required to obtain the approval of its members by way of a special resolution, before making any offer or invitation for issuance of NCDs on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCDs by the Company for a period of 1(One) year from the date on which the members have provided the approval by way of the special resolution.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below:

a) Particulars of the offer including date of passing of board resolution: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time;

b) Kinds of securities offered and price at which security is being offered: This special resolution is restricted to the private placement issuance of non-convertible debentures by the Company which may be secured/unsecured/subordinated, rated/unrated, listed/unlisted with the terms of each issuance being determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time, for each issuance;

c) Basis or justification for the price (including premium, if any) at which offer, or invitation is being made: Not applicable;

d) Name and address of valuer who performed valuation: Not applicable;

e) Amount which the company intends to raise by way of such securities: As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of upto **Rs. 200,00,00,000/- (Rupees Two Hundred Crores only);**

f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorized by the Board of Directors thereof), from time to time.

The Directors recommend the resolution for members' approval as a **Special Resolution**.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

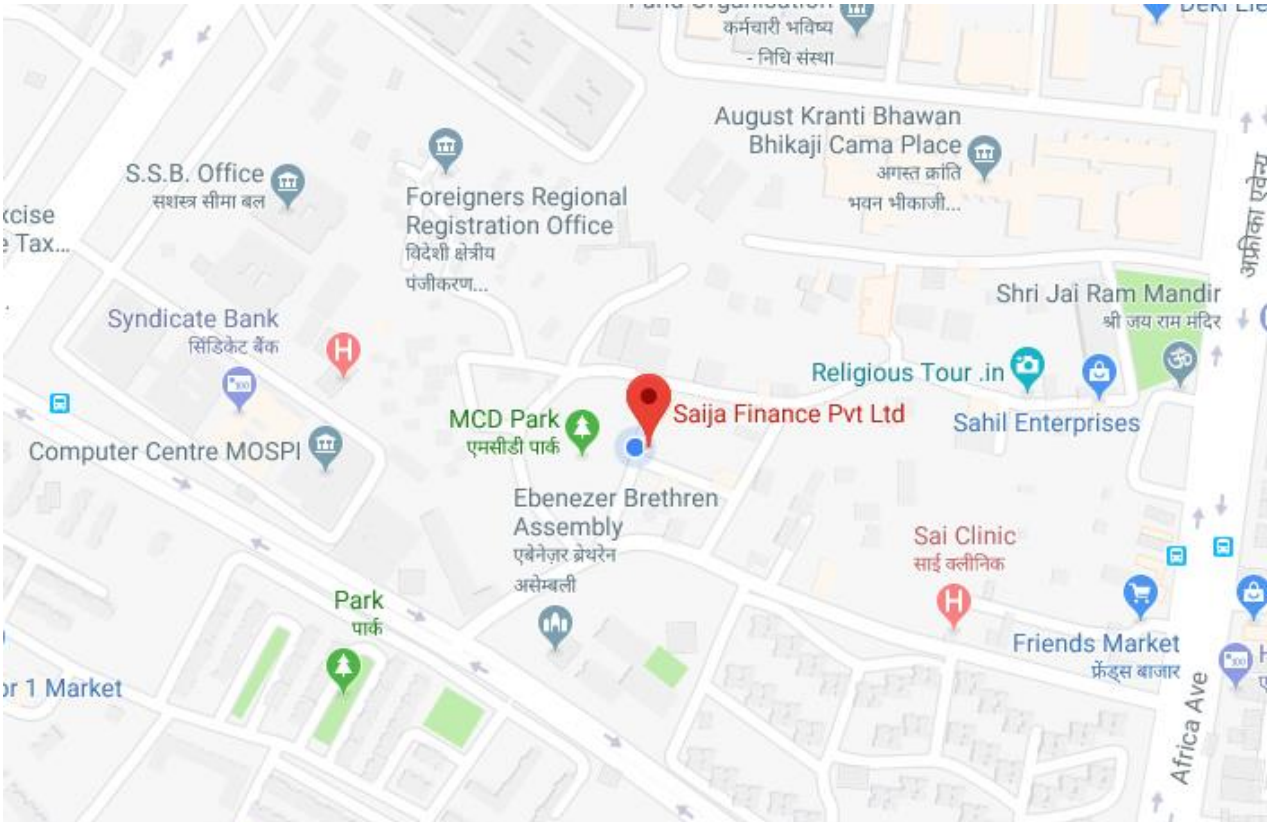
Date: 23.09.2021
Place: Delhi

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

Sd/-
(Shashi Ranjan Sinha)
Chairman cum Managing Director

Registered office:
F-128, 3rd Floor, Mohammadpur,
Behind Bhikaji Cama Place, New Delhi-110066

Route Map:


कर्मचारी भविष्य
- निधि संस्था
August Kranti Bhawan
Bhikaji Cama Place
अगस्त क्रांति
भवन भीकाजी...
S.S.B. Office
सशस्त्र सीमा बल
Foreigners Regional
Registration Office
विदेशी क्षेत्रीय
पंजीकरण...
Shri Jai Ram Mandir
श्री जय राम मंदिर
Syndicate Bank
सिंडिकेट बैंक
Religious Tour .in
MCD Park
एमसीडी पार्क
Saija Finance Pvt Ltd
Sahil Enterprises
Computer Centre MOSPI
Ebenezer Brethren
Assembly
एबेनेज़र ब्रेथरेन
असेम्बली
Sai Clinic
साई क्लीनिक
Park
पार्क
Friends Market
फ्रेंड्स बाजार
Africa Ave
अफ्रीका एवेन्यू

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company	Saija Finance Private Limited
Registered Office	F-128, 3rd Floor, Mohammadpur R K Puram, New Delhi-110066

Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We , being the member(s) of ____________shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on ------------, at the registered office of the Company at F-128, 3rd Floor, Mohammadpur, Behind Bhikaji Cama Place, New Delhi- 110066 through video conferencing and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.________________
2.________________
Signed this _____________, 2021

Signature of Shareholder

Affix
Revenue
Stamps

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

ATTENDANCE SLIP

SAIJA FINANCE PRIVATE LIMITED

Registered Office: F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING.

(Name in Block Letters)………………………………………… Folio No ………………
No. of Shares held …………………….
I hereby record that my presence at the Annual General Meeting of the Company held on ----- the ------- day of ------------, 2021 at -------- P.M at the registered office of the Company at F-128, 3rd Floor, Mohammadpur, Behind Bhikaji Cama Place, New Delhi- 110066.
Signature of the Shareholders or Proxy ……………………………

B S R & Associates LLP

Chartered Accountants

B S R & Associates LLP
Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of Saija Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saija Finance Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

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, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

As more fully described in Note 45.2.2 to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans to customer

Charge: INR 2,310.00 lacs for year ended 31 March 2021
Provision: INR 3,670.26 lacs at 31 March 2021

Refer to the accounting policies in "Note G to the financial statements "Impairment of financial assets", "Note W to the financial statements: Significant Accounting Policies- use of estimates" and "Note 6 to the financial statements: "Loans"

The key audit matter	How the matter was addressed in our audit
Subjective estimate Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of ECL on financial instruments involves significant judgement and estimates. Given the size of the loan book relative to the Balance Sheet and the impact of impairment provision on the books, we have considered this as a key audit matter. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them	Our key audit procedures included: ***Design and Operating effectiveness of Controls Testing:*** We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual, general IT and application controls over key systems used in the ECL process. *Key aspects of our controls testing involved the following:* • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with the RBI guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments, if any and management overlays, if any. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.

especially when considering the current uncertain economic environment arising from COVID-19. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, including off balance sheet elements, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements disclose the sensitivities estimated by the Company. Disclosures The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate. Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and the use of management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.	Involvement of specialists - we involved financial risk modelling specialists for the following: • Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays). • For models which were updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. • The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination. **Test of details** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Going concern assumption</td></tr>
<tr><td colspan="2">Refer to the "Note 2 (A) to the Financial Statements</td></tr>
<tr><td>The financial statements of the Company have been prepared on a Going Concern basis.

Management's assessment of going concern is based on its evaluation of relevant conditions and events that may raise substantial doubt about the Company's ability to continue as a going concern. The following considerations are covered by management.

• Current financial condition; including liquidity sources;
• Conditional and unconditional obligations due or anticipated within one year;
• Consideration of various risks viz., liquidity risk, credit risk, market risk [if applicable] and operational risk;
• Impact of COVID-19 and related uncertainties on the Company's performance.
• Management plans for fresh equity infusion through existing shareholders and new strategic investors.

Further, management has undertaken sensitivity and stress tests to assess the COVID-19 impact on the going concern assumption.</td><td>Our key audit procedures included:

• Evaluating management's assessment of the use of going concern assumption.

• Reading the minutes of meetings of the Board of Directors and audit committee for identifying any areas of impact on the asset-liability position.

• Holding discussions with management and understand plans /strategies, the impact of COVID-19 pandemic leading to a revision of plans/strategies and assessed the viability of such revised strategies.

• Assessing the Company's financing terms, including reviewing the sanctioned limits, undrawn facilities and other liquidity arrangements.

• Enquiring any difficulties faced on drawing down sanctioned lines from financial institutions or any concerns expressed by the regulator

• For a sample of contractual repayment dates, verifying that there were no repayment failures noted on repayment of borrowings.

• Testing financial covenants in loan documents for breaches and understand the revised forecast in a plausible downside scenario and assess the impact of covenant breaches on the liquidity assessments

• Assessing management's budgets and liquidity projections over the next 12 months given the current economic environment from existing business together with liquid assets held by the Company as at 31 March 2021 to assess whether it will be sufficient to pay off Company's existing liabilities as well as those arising in the next twelve months. This also included evaluating the post balance sheet business performance, understanding the stage of fresh equity infusion from the new strategic investor and committed support from the existing shareholder.</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit
Information technology	
IT systems and controls The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses Omni IT application for managing its loan transactions and also for overall financial reporting. Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'IT systems and Controls' as key audit matter because of the high level automation, the complexity of the IT architecture and the risks associated with remote access of key applications at the year end.	We involved our IT Specialist to: • Understand General IT Control (GITC) i.e. Access Controls, Program/ System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understand IT application controls covering: o user access and roles, segregation of duties; and o key interfaces, reports, reconciliations and system processing. • Test the IT application controls for design and operating effectiveness for the audit period; • Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process; • Understand IT infrastructure i.e. operating systems and databases supporting the in-scope systems; • Test the controls over the IT infrastructure covering user access (including privilege users) and system change (e.g. patches); and • Enquiry on data security controls in the context of a large population of staff working from remote location at the year end.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The information is expected to be made available to us after the date of this auditor's report.

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.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2021 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.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

    i) The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 34 to the financial statements;

    ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. - Refer Note 6 to the financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses;

    iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year 31 March 2021; and

    iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Anant Marwah
Partner
Membership No. 510549
UDIN: 21510549AAAAEG6272

Place: New Delhi
Date: 30 June 2021

Saija Finance Private Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Saija Finance Private Limited

(i) a. According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. According to the information and explanations given to us, the Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are owned by the Company. Hence, the provision of paragraph 3(i)(c) of the order is not applicable to the Company.

(ii) The Company is a finance Company and in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) A. During an earlier year, the Company had granted an interest free loan, amounting to Rs. 68,092,000 to Saija Management and Employee Welfare Trust ('Saija Trust'), a party covered in the register maintained under section 189 of the Act. The maximum amount outstanding during the year and year-end balance was Rs. 68,092,000. Further, as informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

B. As per the information and explanations given to us, no principal amount of the aforesaid loan became due during the year.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transactions in respect of loans, guarantees and securities covered under Section 185 of the Act. The Company has not made any investment as referred in Section 186(1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that Section.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 of the Act, or any other relevant provisions of the Act and the rules framed there under apply.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, except for slight delays in case of provident fund. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of customs or duty of excise.

Saija Finance Private Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Saija Finance Private Limited *(Continued)*

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues in respect of income tax, service tax, value added tax or goods and services tax which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	152.48	FY 2014-15 to 2016-17	Central Tax, Audit-Patna
The Income-tax Act, 1961	Income tax	7.62	AY 2013-2014	Income Tax Tribunal Authority
The Income-tax Act, 1961	Income tax	25.52	AY 2017-2018	CIT(A), Delhi
The Income-tax Act, 1961	Income tax	4.97	AY 2018-2019	DCIT, CPC

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to any debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) As explained in more detail in note 47 of the financial statements, during the year, the Company has identified certain instances of employee frauds/ cash embezzlement by the employees including instances of employees absconding post collection of repayment dues from customers at certain branches pertaining to the current year and previous years. These instances amount to Rs. 11.23 lacs, of which Rs. 0.99 lacs have been recovered subsequently. To the best of our knowledge and according to the information and explanations given to us, other than those disclosed above, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

Saija Finance Private Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Saija Finance Private Limited *(Continued)*

(xi) In our opinion and according to the information and explanations give to us, the provision of managerial remuneration of Section 197 read with Schedule V to the Act are not applicable on the Company, hence paragraph 3(xi) of the order is not applicable to the Company.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a nidhi Company as prescribed under Section 406 of the Act. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements, as required by the applicable Indian Accounting Standard.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable to the Company.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the Company has obtained the registration certificate from the Reserve Bank of India.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Anant Marwah
Partner
Membership No. 510549
UDIN: 21510549AAAAEG6272

Place: New Delhi
Date: 30 June 2021

Annexure B to the Independent Auditors' report on the financial statements of Saija Finance Private Limited for the year ended 31 March 2021

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Saija Finance Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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 Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included 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.

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.

Meaning of Internal Financial controls with Reference to Financial Statements

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

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.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Anant Marwah
Partner
Membership No. 510549
UDIN: 21510549AAAAEG6272

Place: New Delhi
Date: 30 June 2021

B S R & Associates LLP

Chartered Accountants

B S R & Associates LLP
Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

Auditors' Additional Report
To the Board of Directors of Saija Finance Private Limited

Report on the Financial Statements

1. In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of Saija Finance Private Limited ('the Company') for the year ended 31 March 2021 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016- 17 dated 29 September 2016 (the 'Direction'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's Responsibility for the financial statements

2. The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

3. The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Directions.

Auditor's Responsibility

4. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Conclusion

7. Based on our examination of the financial statements as at and for the year ended 31 March 2021, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us we further report that:

   i. The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration No. B.14.01576 from Reserve Bank of India ('RBI') dated 25 March 2009, in pursuance of section 45-IA of RBI Act, 1934;

   ii. The Company is entitled to continue to hold such certificate of registration in terms of its asset/ income pattern as on/ for the year ended 31 March 2021;

   iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.

   iv. The Board of Directors of the Company has passed a resolution in its meeting held on 15 May 2020 for non-acceptance of public deposits during the year ended 31 March 2021;

   v. The Company has not accepted any public deposits during year ended 31 March 2021;

   vi. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no.G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as per Ind AS in the preparation of the financial statements for the year ended 31 March 2021;

   vii. In our opinion and to the best of our information and according to the explanations given to us, the Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 3 (xxxi) of the Master Direction, for the year ended 31 March 2021.

      a) the capital adequacy ratio as disclosed in the Note 46.1 of the financial statements for the year ended 31 March 2021 has been correctly arrived at and such ratio is in compliance with minimum capital to risk asset ratio ('CRAR') prescribed by RBI. Further, as informed to us, the Company has is yet to file the annual return with RBI in the form NBS -7 as at 31 March 2021; and

      b) the Company has furnished to RBI, the provisional annual statement of capital funds, risk assets/exposures and risk asset ratio ('form NBS-7') for the year ended 31 March 2021 on or before 21 April 2021 within the stipulated period.

viii. Based on the criteria set forth by RBI in paragraph 3 (xix) of the Master Direction for classification of NBFCs as NBFC – Micro Finance Institution ('NBFC-MFI'), the Company meets the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction, with reference to the business carried on by it during the year ended 31 March 2021.

Restrictions of use

8. This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Anant Marwah
Partner
Membership No. 510549
UDIN: 21510549AAAAEI3126

Place: New Delhi
Date: 30 June 2021

Saija Finance Private Limited
Balance Sheet as at 31 March 2021
(All amount is Rupees lacs unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Financial assets			
Cash and cash equivalents	3	1,635.17	2,281.56
Bank balance other than cash and cash equivalents	4	771.27	675.54
Trade receivables	5	3.82	36.74
Loans	6	17,362.81	27,850.55
Other financial assets	7	770.92	1,048.14
Total financials assets		**20,543.99**	**31,892.53**
Non-financial assets			
Current tax assets (net)	8	114.01	254.54
Deferred tax assets (net)	9	442.55	442.55
Property, plant and equipment	10	53.29	74.02
Right-of-use assets	44.1	170.91	300.15
Intangible assets	11	29.22	51.17
Other non-financial assets	12	171.11	129.43
Total non-financials assets		981.09	1,251.86
Total assets		21,525.08	33,144.39
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		134.48	87.64
Debt securities	14	2,666.67	5,016.67
Borrowings (other than Debt securities)	15	11,475.80	16,881.29
Subordinated liabilities	16	3,000.00	3,000.00
Lease liabilities	44.2	174.23	337.61
Other financial liabilities	17	600.82	1,071.18
Total financial liabilities		**18,052.00**	**26,394.39**
Non-financial liabilities			
Provisions	18	82.21	42.15
Other non-financial liabilities	19	27.62	71.24
Total non-financial liabilities		**109.83**	**113.39**
EQUITY			
Equity share capital	20	5,546.45	5,546.45
Other equity	21	(2,183.20)	1,090.16
Total equity		**3,363.25**	**6,636.61**
Total Liabilities and Equity		21,525.08	33,144.39
Significant accounting policies	2		
Notes to financial statements	1 to 52		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/ W-100024

Anant Marwah
Partner
Membership No.: 510549

Place : New Delhi
Date : 30 June 2021

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

SAIJA FINANCE PRIVATE LIMITED NEW DELHI

S.R.Sinha
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi

Abhishek Agrawal
Director
DIN No.: 06760344
Place : Mumbai

Deepika

Deepika Bhatt
Company Secretary
Membership No.: FCS-11027
Place : New Delhi

Date : 30 June 2021

Daya Shankar Pandey
AVP - Finance & Accounts
PAN : AUXPP2739C
Place : New Delhi

Date : 30 June 2021

Saija Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2021

(All amount is Rupees lacs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Interest income	22	5,860.13	9,243.32
Profit on sale of investments (net)		16.28	96.78
Net gain on fair value changes	24	1.21	1.53
Revenue from contracts with customers	23	4.67	104.67
Total revenue from operations (I)		**5,882.29**	**9,446.30**
Other income (II)	25	121.88	63.69
Total income (III)=(I+II)		**6,004.17**	**9,509.99**
Expenses			
Finance costs	26	3,059.12	4,802.61
Impairment of loans	30	3,338.37	989.62
Employee benefits expenses	27	1,688.52	2,036.27
Depreciation and amortization	28	171.33	194.14
Other expenses	29	990.39	1,076.03
Total expenses (IV)		**9,247.73**	**9,098.67**
Profit / (loss) before tax (V)=(III-IV)		**(3,243.56)**	**411.32**
Tax expense: (VI)			
(1) Current tax		-	72.09
(2) Deferred tax charge/ (credit)		-	109.10
(3) Tax for earlier years		6.97	-
Profit / (Loss) for the year (VII)=(V-VI)		**(3,250.53)**	**230.13**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gains/ (loss) on defined benefit plans		(22.83)	50.75
Income tax impact thereon		-	(12.77)
Other comprehensive income for the year, net of tax (VIII)		**(22.83)**	**37.98**
Total comprehensive income for the year, net of tax (VII+VIII)		**(3,273.36)**	**268.11**
Earnings per equity share	31		
Basic (Rs.)		(5.86)	0.41
Diluted (Rs.)		(5.86)	0.41
Significant accounting policies	2		
Notes to financial statements	1 to 52		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/ W-100024

Anant Marwah
Partner
Membership No.: 510549

Place : New Delhi
Date : 30 June 2021

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

S.R.Sinha
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi

Abhishek Agrawal
Director
DIN No.: 06760344
Place : Mumbai

Deepika Bhatt
Company Secretary
Membership No.: FCS-11027
Place : New Delhi

Daya Shankar Pandey
AVP - Finance & Accounts
PAN : AUXPP2739C
Place : New Delhi

Date : 30 June 2021

Date : 30 June 2021

SAIJA FINANCE PRIVATE LIMITED NEW DELHI

Saija Finance Private Limited

Statement of Changes in Equity for the year ended 31 March 2021

(All amount is Rupees lacs unless otherwise stated)

Equity Share Capital

Particulars	No. of shares	Amount
Equity shares of INR 10 each, issued, subscribed and fully paid up		
Equity shares- Class A shares of Rs. 10 each	**61,334,482**	**6,133.45**
Less: Equity shares issued to Saija Management and Employee Welfare Trusl (Refer to note 20(f) below)	(5,870,000)	(587.00)
As at 1 April 2019	**55,464,482**	**5,546.45**
Issued during the year	-	-
As at 31 March 2020	**55,464,482**	**5,546.45**
Issued during the year	-	-
As at 31 March 2021	**55,464,482**	**5,546.45**

Other Equity

	Reserves and Surplus					Total
	Statutory reserve	Capital reserve	Securities premium	Revolving fund	Retained earnings	
Balance as at 1 April 2019	437.92	0.16	180.62	1.20	202.15	822.05
Profit for the year, net of taxes	-	-	-	-	230.13	230.13
Other comprehensive income for the year, net of taxes	-	-	-	-	37.98	37.98
Total comprehensive income for the year, net of taxes	-	-	-	-	268.11	268.11
Transfer from retained earning to statutory reserve	46.03	-	-	-	(46.03)	-
Balance as at 31 March 2020	483.95	0.16	180.62	1.20	424.23	1,090.16
Loss for the year, net of taxes	-	-	-	-	(3,250.53)	(3,250.53)
Other comprehensive income for the year, net of taxes	-	-	-	-	(22.83)	(22.83)
Total comprehensive income for the year, net of taxes	-	-	-	-	(3,273.36)	(3,273.36)
Balance as at 31 March 2021	483.95	0.16	180.62	1.20	(2,849.13)	(2,183.20)

Significant accounting policies 2

Notes to financial statements 1 to 52

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/ W-100024

Anant Marwah
Partner
Membership No.: 510549

Place : New Delhi
Date : 30 June 2021

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

S. R. Sinha
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi

Abhishek Agrawal
Director
DIN No.: 06760344
Place : Mumbai

Deepika

Deepika Bhatt
Company Secretary
Membership No.: FCS-11027
Place : New Delhi

Date : 30 June 2021

Daya Shankar Pandey
AVP - Finance & Accounts
PAN : AUXPP2739C
Place : New Delhi

Date : 30 June 2021

SAIJA FINANCE PRIVATE LIMITED NEW DELHI

Saija Finance Private Limited
Statement of Cash flow for the year ended 31 March 2021
(All amount is Rupees lacs unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities:		
Profit before tax	(3,243.56)	411.32
Adjustments:		
Depreciation and amortisaiton	171.33	194.14
Profit on sale of investments	(16.28)	(96.78)
Gain on derecognition of right-of-use assets	(46.37)	(0.46)
Impairment of loans	3,338.37	989.62
Other financial assets written-off	38.32	-
Interest on optionally convertible preference shares	-	3.90
Adjustments towards EIR of borrowings	(58.08)	75.37
Interest accretion on lease liabilities	43.96	46.96
Loss on sale of property, plant and equipment (net)	1.62	-
Net loss on fair value changes	(1.21)	(1.53)
Provision for insurance recoverable and recoverable from ex-employees	140.18	43.00
Operating cash flow before working capital changes	368.28	1,665.54
(Increase)/ decrease in loans	7,077.90	14,925.36
(Increase)/ decrease in bank balance other than cash and cash equival	(95.73)	(6.52)
Decrease in trade receivables	32.92	26.87
(Increase)/ decrease in other financial assets	175.36	(459.15)
(Increase)/ decrease in other non-financial assets	(3.68)	(59.72)
(Decrease) in trade payables	46.84	(164.12)
Increase/ (decrease) in other financial liabilities	(470.36)	(856.70)
Increase/ (decrease) in other non-financial liabilities	(43.62)	(19.57)
Increase/ (decrease) in provisions	17.23	27.71
Cash generated from / (used in) from operations	7,105.14	15,079.70
Income taxes (paid)/ refunded	133.56	(216.60)
Net cash generated from / (used) in operating activities	7,238.70	14,863.10
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(46.89)	(50.26)
Purchase of mutual funds	(11,100.00)	(36,147.00)
Sale of mutual funds	11,116.28	36,243.77
Net cash generated from / (used in) investing activities	(30.61)	46.51
Cash flow from financing activities:		
Repayment of debt securities	(2,350.00)	(8,023.33)
Proceeds from borrowings (other than debt securtities)	6,500.00	11,000.00
Repayment borrowings (other than debt securtities)	(13,620.22)	(18,181.77)
Proceeds / (repayment) related to securtisation transaction (net)	1,772.82	(2,648.54)
Redemption of optionally convertible preference shares	-	(369.11)
Payment of lease liabilities	(157.08)	(129.79)
Net cash generated from / (used in) financing Activities	(7,854.48)	(18,352.54)
Net increase/ (decrease) in cash and cash equivalents	(646.39)	(3,442.93)
Cash and cash equivalents at the beginning of the year	2,281.56	5,724.49
Cash and cash equivalents at the end of the year	1,635.17	2,281.56

B S R & Associates LLP Gurugram

Saija Finance Private Ltd. New Delhi

Saija Finance Private Limited
Statement of Cash flow for the year ended 31 March 2021
(All amount is Rupees lacs unless otherwise stated)

Cash and cash equivalents comprises of

	As at 31 March 2021	As at 31 March 2020
Cash in hand	2.04	51.98
Balances with banks in current accounts	1,633.13	2,229.58
Total (refer note 3)	**1,635.17**	**2,281.56**

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/ W-100024

Anant Marwah
Partner
Membership No.: 510549

Place : New Delhi
Date : 30 June 2021

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

S.R.Sinha
Chairman cum Managing Director

DIN No.: 00917884
Place : New Delhi

Abhishek Agrawal
Director

DIN No.: 06760344
Place : Mumbai

Deepika

Deepika Bhatt
Company Secretary
Membership No.: FCS-11027
Place : New Delhi

Date : 30 June 2021

Daya Shankar Pandey
AVP - Finance & Accounts
PAN : AUXPP2739C
Place : New Delhi

Date : 30 June 2021

SAIJA FINANCE PRIVATE LIMITED
NEW DELHI

1 Corporate information

Saija Finance Private Limited (the 'Company') was incorporated in India on 26 September 1997. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') vide Certificate No. B.14.01576 dated 25 March 2009 and had got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from 13 December 2013. The debentures of the Company have been listed on the Wholesale debt segment of the Bombay Stock Exchange.

The Company is engaged primarily in providing micro finance services to borrowers in the rural, semi-urban and urban areas of Bihar, Jharkhand, Uttar Pradesh, Haryana and Punjab who are enrolled as members and organised as Joint Liability Groups (JLGs)

2 Significant accounting policies

A) Basis of Preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern assumption

The Company has incurred significant losses in the current year resulting in a substantial erosion of its net worth. This is primarily attributable to impairment loss provision arising out of various factors including impact/ disruption caused by Covid-19. The Company's loan disbursals during the year have been significantly lower than plan/ budgeted levels, due to inordinate delay in additional equity infusion/ funding. While there have been instances of covenant breaches with several lenders, based on historical experience and current discussions with its lenders, there are no instances of adverse action by any of the lenders.

However, the Company has continued to meet its liability/ commitments during the year ended 31 March 2021. Further as of that date, the Company's static cash position is positive, i.e. the Company projects sufficient funds flow from the existing assets to repay its debts on time, in the foreseeable future. Further to meet its growth capital requirement, the Company has decided to have a new strategic investor and also seek financial support from the existing shareholder, as necessary.

Based on the above, the Board of Directors believe that the Company will be able to meet its obligations as they fall due, atleast for a period of 12 months after the balance sheet date, accordingly these financial results have been prepared on going concern basis.

(i) Statement of compliance and basis for preparation and presentation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

These finanical statements were approved by the Company's Board of Directors and authorized for issue in it's meeting held on 30 June 2021.

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis, except for the following items:
•Certain financial assets and liabilities - Measured at fair value
•Share-based payments - Measured at fair value

(iii) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 38.
Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event.

B) Revenue Recognition

(i) Interest income

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

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset. The interest income is recognised on EIR method on a time proportion basis applied on the carrying amount for financial assets.

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If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the amortised cost (i.e. carrying value net of loss allowance) of the financial asset.

Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and consideration received (including any new asset obtained less any new liability assumed).

(ii) Income from direct assignment transactions

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in statement of profit and loss.

(iii) Fees and commission income

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

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

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

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

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

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

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from investments are recognised on accrual basis as the investments are classified as fair value through profit and loss.

C) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement/document.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

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- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers the contractual cashflows as on the date of financial reporting.

Subsequent measurement

(i) The Company classifies its financial assets in the following measurement categories:

Amortised cost (AC)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss. Foreign exchange gains/losses are recognised in statement of profit and loss.

(ii) Fair value through Other Comprehensive Income (FVOCI) – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at fair value. Interest income is recognised using the effective interest (EIR) method. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

(iii) Fair value through Other Comprehensive Income (FVOCI) – equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment- by- investment basis.

After initial measurement, such financial assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

(iv) Fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognised in the statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

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D) Derecognition of financial assets and financial liabilities

Financial Assets

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company assess the derecognition test where the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

E) Modification of financial assets and financial liabilities

Financial assets

The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

F) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

G) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

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ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date:

For loans, ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset

- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations.

- **Stage 1: 12 month ECL**

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (significant impaired):**

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Credit impaired:**

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions are incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

H) Write-offs

The gross carrying amount of financial assets are written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss. However, financial assets that are written-off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

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I) Determination of fair value

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as pass through certificates, mutual funds etc.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

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

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

J) Functional and presentational currency
The financial statements are presented in Indian Rupees which is also functional currency of the company. All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

K) Foreign currency translation
Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency at the spot rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the gain or loss on fair value changes.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

L) Lease
The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

Company as a lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

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The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

M) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

N) Property, plant and equipment

i.Recognition and measurement

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a.Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for and depreciated as separate items (major components) of property, plant and equipment.

ii.Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii.Depreciation, estimated useful lives and residual value

Deprecation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The Company has estimated 5% residual value at the end of the useful life for all block of assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Improvements to leasehold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the statement of profit and loss in the year the asset is de-recognised.

O) Intangible assets

i.Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible 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 and net of any trade discounts and rebates.

ii.Subsequent expenditure

Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset

iii.Amortisation

Intangible assets comprise computer software which is amortized on a straight-line basis over the estimated useful economic life Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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P) Impairment of Non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

Q) First Loss Default Guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to
make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to IDBI Bank, for whom the Company acts as 'Business Correspondent'.
These contracts are initially measured at fair value and subsequently measure at higher of:
- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 60 days in respect to agreements with bank and financial institutions.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

R) Employee benefits

The Company's obligation towards various employee benefits has been recognised as follows:
Short-term employee benefits:
All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits:
Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified periodic contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans
The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under scheme administered by Life Insurance Corporation of India and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.
The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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S) Provisions, Contingent liabilities and contingent assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

T) Income tax

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

Current tax

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

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

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

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

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

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

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

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

U) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the financial year, adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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V) **Grants and subsidies**

Grant and subsidies are recognised when there is a reasonable assurance that (i) the Company will comply all the conditions attached with them; and (ii) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and realised to income in equal amounts over the expected useful life of the asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

W) **Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared.

i) **Fair value of financial instruments**

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

ii) **Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

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

iii) **Impairment of financial asset**

Elements of the ECL models that are considered accounting judgements and estimates include:

- The company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

iv) **Business model assessment**

Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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v) **Determination of estimated useful lives of property, plant and equipment and Intangible assets**

Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi) **Measurement of defined benefit obligations**

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

vii) **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

X) **Segment reporting**

The Chairman cum Managing Director (CMD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108, "Operating segments". Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company

Y) **Statement of cash flow**

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Z) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down to the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

AA) **Tarde receivables**

After initial recognition, trade receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

AB) **Exceptional items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

AC) **Securities premium**

The Company have used its security premium account to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

AD) **Standards issued but not effective**

On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through notification, ammdended Schdule III of the Companies Act,2013. The Ammendments revise Division I, II, and III of Schdule III and are applicable from 1 April 2021.

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	As at 31 March 2021	As at 31 March 2020
3 Cash and cash equivalents		
Cash on hand	2.04	51.98
Balances with banks		
- on current accounts	1,633.13	2,229.58
Total cash and cash equivalents	1,635.17	2,281.56
4 Bank balances other than cash and cash equivalents		
Bank deposits with remaining matuirty for more than 3 months but less than 12 months	172.01	622.56
Bank deposits with remaining maturity for more than 12 months	599.26	52.98
	771.27	675.54

Fixed deposit with banks/ financial institutions are under lien and are not available for free use. The details of the same are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed deposit against term loans	524.39	374.84
Pledge with banks as cash collateral for securitization transactions	246.88	177.03
Pledge with banks as cash collateral for business correspondent services	-	123.67
Total	771.27	675.54

5 Trade receivables		
(a) Receivables considered good - Secured	-	-
(b) Receivables considered good - Unsecured	3.82	36.74
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables - credit impaired	-	-
Less : Allowance for impairment loss allowance	-	-
	3.82	36.74

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer note 36 for receivables from related parties

6 Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Loans measured at amortised cost		
Term Loans:	20,996.61	29,070.05
Loans to customers (Joint liability group loans)	36.46	140.75
Total - Gross	21,033.07	29,210.80
Less: Impairment loss allowance	(3,670.26)	(1,360.25)
Total - Net	17,362.81	27,850.55
(a) Secured by tangible assets	-	-
(b) Secured by intangible assets	-	-
(c) Covered by Bank/Government Guarantees	-	-
(d) Unsecured	20,996.61	29,210.80
Total - Gross	20,996.61	29,210.80
Less: Impairment loss allowance	(3,670.26)	(1,360.25)
Total - Net	17,326.35	27,850.55
(I) Loans in India		
(i)Public Sector	-	-
(ii) Others (Joint liability group loans)	21,033.07	29,210.80
Total (I) - Gross	21,033.07	29,210.80
Less: Impairment loss allowance	(3,670.26)	(1,360.25)
Total (I) - Net	17,362.82	27,850.55
(C) (II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (II) - Net	-	-
Total (I) and (II)	17,362.82	27,850.55

Hypothecation of loans
Loans to customers (Joint liability group loans) includes Rs. 13,997.28 Lakhs (31 March 2020: Rs. 22,999.12) hypothecated to Banks and Financial Institutions against the loans received. It excludes loan on which charge has been created subsequent to year end.

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7 Other Financial assets	As at 31 March 2021	As at 31 March 2020
Unsecured, consider good unless otherwise stated		
Security deposits	533.24	497.59
Interest accrued on fixed deposits	16.49	45.96
Interest accrued on security deposits	48.50	20.66
Receivable under business correspondent model	-	50.61
Staff loan for vehicle	-	0.04
Excess interest spread on assignment	24.38	56.17
Contract asset	-	0.35
Loans to related parties		
Loans to Saija Management and Employee Welfare Trust	680.92	680.92
Less: Amount utilised by the trust for purchase of equity shares	(680.92)	(680.92)
Unsecured, considered doubtful		
Others recoverable	56.46	124.33
Impairtment on other receivable	(20.00)	-
Insurance claim receivable	250.01	270.41
Impairtment on insurance claim receivable	(138.16)	(17.98)
Receivable from ex-employees	41.11	41.11
Impairment for receivable from ex-employees	(41.11)	(41.11)
Total	**770.92**	**1,048.14**

8 Current Tax assets		
Advance income tax (net of provisions of Rs 1,012.67 (31 March 2020: Rs. 1,005.70))	114.01	254.54
	114.01	**254.54**

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9 Deferred tax assets (net)

9.1 Deferred tax assets (net)

	As at 1 April 2019	Recognised in profit and loss during 2019-20	Recognised in OCI during 2019-20	As at 31 March 2020	Unrecognised in profit and loss during 2020-21	Unrecognised in OCI during 2020-21	As at 31 March 2021
Tax Effect of items constituting deferred tax liabilities							
Application of effective interest rate on financial Liabilities	(33.40)	21.77	-	(11.63)	(14.62)	-	(26.25)
Excess interest spread	(37.70)	23.56	-	(14.14)	8.00	-	(6.14)
Others	(2.29)	(0.94)	-	(3.23)	(1.14)	-	(4.37)
	(73.39)	44.39	-	(29.00)	(7.76)	-	(36.76)
Tax Effect of items constituting deferred tax assets :							
Difference between written down value (WDV) of property, plant and equipment and other intangible assets as per books and under Income Tax Act 1961.	17.94	2.75	0.00	20.69	1.43	-	22.12
Employee benefit	104.82	(37.09)	(12.77)	54.96	10.95	-	65.91
Impairment of Loans and other financial assets	387.89	(40.29)	-	347.60	633.45	-	981.05
Effective interest rate on financial assets	120.47	(82.68)	-	37.79	(21.40)	-	16.39
Brought forward loss	-	-	-	-	220.14	-	220.14
Others	6.69	3.82	-	10.51	(8.89)	-	1.62
	637.81	(153.49)	(12.77)	471.55	835.68	-	1,307.23
Deferred tax assets (net)	564.42	(109.10)	(12.77)	442.55	827.92	-	1,270.47
Deferred tax asset (unrecognised)				-	-	-	827.92
Deferred tax asset (net recognised)	564.42	(109.10)	(12.77)	442.55	827.92	-	442.55

9.2 Income tax recognised in Statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense:		
Current year	-	72.09
Changes in estimates pertaining to earlier years	6.97	0.00
Total current tax (A)	6.97	72.09
Deferred tax assets/ (liabilities):		
Current year origination and reversals of temporary difference	-	109.10
Deferred tax charge/ (credit) (B)	-	109.10
Total tax expense recognised in statement of profit and loss	6.97	181.19

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	For the year ended 31 March 2021	For the year ended 31 March 2020
9.3 Income tax recognised in Other Comprehensive Income		
Income tax impact on Remeasurement of defined benefits	-	(12.77)
Total Income tax recognised in Other Comprehensive Income	-	(12.77)

9.4 Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	(3,243.56)	411.32
Applicable income tax rate	25.17%	25.17%
Expected Income tax expenses	(816.34)	103.52
Adjustments:		
Impact of unrecognised deferred tax asset	(5.75)	-
Unrecognised deferred tax assets	827.92	-
Effect of changes in the tax rates	-	76.60
Adjustment related to tax of prior years	1.14	1.07
Reported Income tax expenses	6.97	181.19

Note 1: During the previous year, the Company elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

Note 2: During the current year, considering future taxable income, the Company has recognized deferred tax assets (net of liabilities) only to the extent it is probable that future taxable income will be available against which unsed tax credits / losses will be adjusted.

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10 Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021
(i) Out of Own funds:									
Furniture and fixtures	34.87	0.34	-	35.21	15.21	4.90	-	20.11	15.10
Computers	95.54	0.88	0.43	95.99	70.44	11.83	0.32	81.95	14.04
Office equipment	40.58	5.34	6.12	39.79	22.92	8.16	5.82	25.26	14.53
Leasehold Improvement	32.01	4.91	9.75	27.18	20.57	5.48	8.33	17.72	9.46
(ii) Out of grant:								-	
Computers	0.12	-	-	0.12	-	-		-	0.12
Office equipment	0.04	-	-	0.04	-	-		-	0.04
Total	203.16	11.47	16.30	198.33	129.14	30.37	14.47	145.04	53.29

	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 1 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020
(i) Out of Own funds:									
Furniture and fixtures	34.21	0.66	-	34.87	8.47	6.74	-	15.21	19.66
Computers	86.37	9.17	-	95.54	42.71	27.73	-	70.44	25.10
Office equipment	32.52	8.06	-	40.58	12.03	10.89	-	22.92	17.66
Leasehold Improvement	26.96	5.05	-	32.01	12.50	8.07	-	20.57	11.44
(ii) Out of grant:									
Computers	0.12	-	-	0.12	-	-	-	-	0.12
Office equipment	0.04	-	-	0.04	-	-	-	-	0.04
Total	180.22	22.94	-	203.16	75.71	53.43	-	129.14	74.02

11 Intangible assets

	Gross carrying amount				Accumulated Amortization				Net carrying amount
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2021
Computer Software	102.42	-	-	102.42	53.14	21.76	-	74.90	27.52
Out of grant	2.25	-	-	2.25	0.36	0.19	-	0.55	1.70
Total	104.67	-	-	104.67	53.50	21.95	-	75.45	29.22

	Gross carrying amount				Accumulated Amortization				Net carrying
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020	As at 31 March 2020
Computer Software	94.18	8.24	-	102.42	16.45	36.69	-	53.14	49.28
Out of grant	2.25	-	-	2.25	-	0.36	-	0.36	1.89
Total	96.43	8.24	-	104.67	16.45	37.05	-	53.50	51.17

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12 Other non financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, consider good unless otherwise stated		
Capital advance	38.00	19.09
Prepaid expenses	4.39	9.43
Balance with statutory/ government authorities	68.24	20.52
Vendor advance	53.48	11.72
Staff advances	7.00	68.67
	171.11	129.43

13 Trade payables

	As at 31 March 2021	As at 31 March 2020
(i) total outstanding dues of micro enterprises and small enterprises: and (refer note 13.1)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.48	87.64
	134.48	87.64

13.1 Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	-	-

14 Debt Securities

Particulars	As at 31 March 2021	As at 31 March 2020
Debt securities (at amortised cost)		
Secured		
Redeemable non-convertible debentures (refer note 14.1)	2,666.67	4,350.00
Unsecured		
Redeemable non-convertible debentures (refer note 14.2)	-	666.67
Total	2,666.67	5,016.67
Debt securities in India	2,666.67	5,016.67
Debt securities outside India	-	-
Total	2,666.67	5,016.67

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14.1 267 (31 March 2020: 435) privately placed secured redeemable fully paid non-convertible debentures of Rs. 1,000,000 each aggregating Rs. 2,666.67 lacs (31 March 2020: Rs. 4,350.00 lacs) carry interest rate ranging from 12.00% p.a. to 14.25% p.a. (31 March 2020: 13.45% p.a. to 14.30% p.a.). The debentures are secured by way of hypothecation of book debts and receivables.

Call/Put option can be exercised by the debenture subscriber or the issuer (Company) at the end of 36 months from the allotment date.

Terms of privately placed secured redeemable non-convertible debentures

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
> 24 <= 36 months	Bullet	1,000.00	-
> 12 <= 24 months	Bullet	1,666.67	1,000.00
Up to 12 months	Bullet	-	3,350.00
		2,666.67	4,350.00

14.2 Nil (31 March 2020: 66.67) privately placed secured redeemable fully paid non-convertible debentures of Rs. 1,000,000 each aggregating Rs. Nil (31 March 2020: Rs. 4,350.00) carry interest rate ranging from Nil (31 March 2020: 15% p.a.).

Call/Put option can be exercised by the debenture subscriber or the issuer (Company) at the end of 36 months from the allotment date.

Terms of privately placed unsecured redeemable non-convertible debentures

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
Up to 12 months	Bullet	-	666.67
		-	666.67

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15 Borrowings (other than debt securities)

	As at 31 March 2021	As at 31 March 2020
Borrowings (at amortised cost)		
Term loans (secured)		
- from banks (refer note 15.1)	2,178.58	2,855.15
- from other parties (refer note 15.2)	7,341.38	13,843.12
Associated liabilities related to securtisation transaction (refer note 15.3) (Secured)	1,955.84	183.02
Total (A)	**11,475.80**	**16,881.29**
Borrowings in India	11,475.80	16,881.29
Borrowings outside India	-	-
Total (B)	**11,475.80**	**16,881.29**

15.1 Secured term loan from bank aggregating to Rs 2,248.27 (31 March 2020: 2,855.15) carrying interest rate ranges from 11.00% p.a.to 14.50% p.a. (31 March 2020: 11.00% p.a.to 14.50% p.a.). The term loan from bank are secured by way of hypothecation of book debts and receivables, lien of fixed deposits, security deposits and personal guarantee of the promotors in certain cases.

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
> 60 months	Monthly	-	-
> 48 < = 60 months	Monthly	-	2,000.00
> 24 < = 48 months	Monthly	2,120.16	-
> 12 < = 24 months	Monthly	-	87.50
< 12 months	Monthly	128.11	772.02
Less: Adjustments towards EIR		(69.68)	(4.37)
		2,178.59	**2,855.15**

15.2 Secured term loan from other parties aggregating to Rs 7,374.67 (31 March 2020: 13,843.11) carrying interest rate ranges from 11.84% p.a.to 15.00% p.a. (31 March 2020: 11.84% p.a.to 15.00% p.a.). The term loan from other parties are secured by way of hypothecation of book debts and receivables, lien of fixed deposits and security deposits and personal guarantee of the promotors in certain cases.

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
> 36 months	Monthly	-	-
> 24 < = 36 months	Monthly	-	181.82
> 12 < = 24 months	Monthly	1,412.73	2,472.74
< 12 months	Monthly	5,961.94	11,230.38
Less: Adjustments towards EIR		(33.29)	(41.82)
		7,341.38	**13,843.12**

15.3 This represents amounts received in respect of securitization transactions (net of repayments therein) as these transactions do not meet the derecogniton criteria specified under Ind AS. These are secured by way of hypothecation of designated loans assets receivables. It carry's an interest ranging from 10.25% p.a.to 14.00 % p.a. (31 March 2019: 10.25% p.a.to 12.30%).

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
> 12 < = 24 months	Monthly	62.78	-
< 12 months	Monthly	1,893.05	183.02

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16 Subordinated liabilities

	As at 31 March 2021	As at 31 March 2020
Subordinated liabilities measured at amortised cost		
From bank (unsecured) (refer note 16.1)	3,000.00	3,000.00
Total (A)	**3,000.00**	**3,000.00**
Subordinated liabilties in India	3,000.00	3,000.00
Subordinated liabilties outside India	-	-
Total (B)	**3,000.00**	**3,000.00**

16.1 Unsecured term loan from bank aggregating to Rs 3,000.00 (31 March 2020: 3,000.00) carrying interest rate ranges from 16.00% p.a.to 17.75% p.a. (31 March 2020: 16.00% p.a.to 17.75% p.a.)

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2021	As at 31 March 2020
> 60 months	Bullet	-	1,500.00
> 48 < = 60 months	Bullet	1,500.00	-
> 36 < = 48 months	Bullet	-	-
> 24 < = 36 months	Bullet	-	1,500.00
> 12 < = 24 months	Bullet	1,500.00	-
		3,000.00	3,000.00

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	As at 31 March 2021	As at 31 March 2020
17 Other financial liabilities		
Payable under assignment transactions	63.10	227.03
Employee benefits payable	379.93	378.08
Insurance claims payable to customers	16.08	14.65
Business correspondent model loss default guarantee	-	71.47
Interest accrued but not due		
-Debt securities	30.23	172.41
-Borrowings (other than debt securities)	57.35	207.54
-Subordinated liabilities	42.99	-
Excess money received from customer	11.14	-
	600.82	1,071.18

18 Provisions	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 44)	76.81	35.01
Compensated absences (refer note 44)	5.40	7.14
	82.21	42.15

19 Other non financial liabilities	As at 31 March 2021	As at 31 March 2020
Statutory due payable	27.62	71.24
	27.62	71.24

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(All amount is Rupees lacs unless otherwise stated)

20 Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of Rs 10 each	69,000,000	6,900.00	69,000,000	6,900.00
Preference share of Rs 10 each				
Compulsorily convertible preference shares of Rs 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Optionally converlible preference shares of Rs 10 each	3,000,000	300.00	3,000,000	300.00
	102,000,000	10,200.00	102,000,000	10,200.00

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up				
Equity shares				
(Equity shares- Class A shares of Rs. 10 each)	61,334,482	6,133.45	61,334,482	6,133.45
Less: Equity shares issued to Saija Management and Employee Welfare Trust (Refer to note 21(f) below)	(5,870,000)	(587.00)	(5,870,000)	(587.00)
Total	55,464,482	5,546.45	55,464,482	5,546.45

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	61,334,482	6,133.45	61,334,482	6,133.45
Less: Equity shares issued to Saija Management and Employee Welfare Trust (Refer to note 21(f)	(5,870,000)	(587.00)	(5,870,000)	(587.00)
Outstanding at the end of the year	55,464,482	5,546.45	55,464,482	5,546.45

(b) Terms/ rights attached to equity shares

The Company has issued its equity shares in Class A and B having a par value of Rs 10 per share. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting. In the event of liquidation, the shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities of the Company in proportion to their shareholdings. During the previous year, compulsorily convertible preference shares were converted into Class - A equity shares with conversion ratio of 1:1.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Sashi Ranjan Sinha	1,002,125	1.63%	1,002,125	1.63%
Rashmi Sinha	997,875	1.63%	997,875	1.63%
Accion Gateway LLC	1,960,396	3.20%	1,960,396	3.20%
Accion Africa Asia Investment Company	25,762,808	42.00%	25,762,808	42.00%
Pragati India Fund Limited	25,741,278	41.97%	25,741,278	41.97%
Saija Management and Employee welfare trust (Refer to note 21(f) below)	5,870,000	9.57%	5,870,000	9.57%
Total	61,334,482		61,334,482	

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end

(e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end

(f) Issue of shares to Saija Finance Private Limited Employees' Stock Option Scheme ('ESOP')/ Management Stock Option Plan ('MSOP')

Pursuant to the Board of Director's approval in the Board meeting held on 31 March 2012, the Company had constituted a trust under the name "Saija Management and Employee Welfare Trust" ('Saija Trust'), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP/ MSOP Scheme. During the year ended 31 March 2013, the Company had given a loan amounting to Rs. 680.92 to Saija Trust for the purpose of acquiring equity shares equivalent to 18.73% of total share capital in the Company. On 1 June 2012, pursuant to the meeting of the Board of Directors of the Company on that date, the Company had issued 58.7 equity shares of Rs. 10 each at a premium of Rs. 1.60 per share. The ESOP / MSOP plan / scheme is yet to be formalised, approved and implemented by the Company.

During the financial year 2017-18, the Saija Management and Employee Welfare Trust ('The Trust') had transferred 2.25 number of equity shares without any consideration, to two of its existing shareholders (who are also the promoters) of the Company, out of which one is the Managing Director of the Company. This transfer was carried out consequent to an understanding/ agreement with other shareholders of the Company to increase the agreed proportion of the promoters in the total equity share capital of the Company. These equity shares were inadvertently transferred to the Trust in year 2012, hence, had been transferred to the promoters in the financial year 2017-18

However, the Trust was formed only to issue Employee Stock Option (ESOP) / Management Stock Option (MSOP) after formulating ESOP/ MSOP scheme, subject to compliance with related laws and regulations. Further, the Trust has not formulated/ approved any such scheme till date. Hence, on a detailed evaluation carried out in earlier year, these shares have been transferred back by the above mentioned promoters to the Trust. The Company intends to achieve the promoter's shareholding proportion(as agreed between the shareholders vide the shareholders agreement dated 19 December 2017) in the total equity share capital of the company after ensuring compliance with relevant laws and regulations, including possible extinguishment of shares transferred to ESOP trust.

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21 Other equity

(A) Capital Reserve

	As at 31 March 2021	As at 31 March 2020
Opening balance	0.16	0.16
Add: Addition during the year	-	-
Closing balance	0.16	0.16

(B) Revolving Fund

	As at 31 March 2021	As at 31 March 2020
Opening balance	1.20	1.20
Add : Addition during the year	-	-
Closing balance	1.20	1.20

(C) Securities premium

	As at 31 March 2021	As at 31 March 2020
Opening balance	274.54	274.54
Less: 5,870,000 (31 March 2020 5,870,000) equity shares issued to Saija Management and Employee Welfare Trust at premium of Rs 1.60 per share (Refer to note 21(f))	(93.92)	(93.92)
Closing balance	180.62	180.62

*This represents premium on issue of shares to be utilized in accordance with the Act.

(D) Statutory reserve

	As at 31 March 2021	As at 31 March 2020
Opening balance	483.95	437.92
Add : Additions/Deductions	-	46.03
Closing balance	483.95	483.95

(E) Surplus/(deficit) in the Statement of Profit and Loss

	As at 31 March 2021	As at 31 March 2020
Opening balance of surplus/ (deficit)	424.23	202.15
Add: Profit for the year	(3,250.53)	230.13
Add: Other comprehensive income for the year, net of tax	(22.83)	37.98
Less: Transfer to statutory reserve	-	(46.03)
Closing balance	(2,849.13)	424.23
Total other equity	(2,183.20)	1,090.16

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Nature of reserve:

Statutory reserve :

Statutory reserve is used to record reserve in accordance with section 45-IC of the Reserve Bank of India Act, 1934. The statutory reserves can be utilised for the purpose as specified by the RBI from time to time. This is a Statutory reserve created in accordance with section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to Reserve Fund based on its net profit as per the statement of profit and loss. Transfer to statutory reserve for the year ended 31 March 2019 and 1 April 2019 are based on previous GAAP reported numbers.

Securities premium reserve:

Securities premium reserve is used to record the premium on issuance of shares. The reserve can be utilised as per the provision of the Act.

Retained earnings:

Retained earnings is used to record profit for the year. This amount is utilised as per the provision of Act

Revolving fund:

Revolving fund represents grant received from Small Industries Development Bank of India ('SIDBI') during the year 2008-09.

Capital reserve:

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

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22 Interest Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on (meaured at amortised cost)		
- loans	5,777.38	9,171.78
- on fixed deposits	51.77	50.88
- on cash collateral/ security deposits	30.98	20.66
	5,860.13	9,243.32

23 Revenue from contracts with customers

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fee income that are recognised at a point of time	4.67	104.67
	4.67	104.67

24 Net gain on fair value changes*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on financial instruments at fair value through profit or loss		
- Fair valuation of default guarantee liabilities	-	-
-Interest on unwinding of security deposits	1.21	1.53
Net gain on fair value changes	1.21	1.53
Fair Value changes:		
-Realised	-	-
-Unrealised	1.21	1.53
Net gain on fair value changes	1.21	1.53

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

25 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revoveries against loans written off	73.58	56.47
Gain on termination of lease	46.37	-
Miscellaneous income	1.93	7.22
	121.88	63.69

26 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial liabilities (amortised cost)		
Interest on		
- debt securities	526.98	1,048.61
- borrowings (other than debt securities)	1,913.17	3,025.25
- subordinated liabilities	522.28	507.64
Interest on lease liabilities	43.96	46.96
Interest on securitization liabilities	52.73	170.25
Interest on optionally convertible preference shares	-	3.90
	3,059.12	4,802.61

27 Employee benefits expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	1,545.95	1,881.60
Contribution to provident and other funds	113.19	111.86
Staff welfare expenses	10.00	5.26
Compensated absences	0.41	-
Gratuity (refer note 44)	18.97	37.55
	1,688.52	2,036.27

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28 Depreciation and amortization

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	30.37	53.43
Amortization of right-to-use assets	119.01	103.66
Amortization of intangible assets	21.95	37.05
	171.33	194.14

29 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	7.35	51.41
Rates and taxes	3.34	20.30
Repairs and maintenance	11.53	15.22
Office maintainence	40.76	36.03
Communication	139.09	112.99
Printing and stationery	28.93	26.04
Legal and professional	240.39	304.54
Insurance	6.28	17.96
Payment to auditors *	59.00	25.32
Impairment of other financial assets	140.18	43.00
Other financial assets written-off	38.32	-
Travel and conveyance	161.29	301.54
Bank charges	92.32	91.93
Loss on sale of property, plant and equipment (net)	1.62	-
Miscellaneous	19.99	29.75
Total	990.39	1,076.03

* Professional fees include payment to auditors:	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
For statutory audit (include fee pertaining to previous year Rs 10 lacs (31 March 2020: Nil)	46.10	15.00
For limited review	9.00	5.60
For tax audit	2.40	2.40
For other services	-	0.20
Reimbursement of expenses	1.50	2.12
	59.00	25.32

30 Impairment of loans

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loans written off	1,099.84	969.25
Impairment loss allowance on loans	2,310.00	20.37
Business correspondent model loss default guarantee written back	(71.47)	-
	3,338.37	989.62

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31 Earnings per equity share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Basic earning per share		
Net profit for the year (A)	(3,250.53)	230.13
The calculation of weighted average number of equity shares outstanding for purpose of basic earning per share calculations are as follows:-		
Number of equity shares outstanding at the beginning of the year	55,464,482	55,464,482
Number of equity shares issued during the year	-	-
Number of equity shares outstanding at the end of the year	55,464,482	55,464,482
Weighted average number of equity shares outstanding during the year (B)	55,464,482	55,464,482
Basic earning per share (C= A/B)	(5.86)	0.41
B. Diluted earning per share		
The calculation of weighted average number of equity shares outstanding for purpose of diluted earning per share calculations are as follows:-		
Add: Number of potential equity share in respect of compulsory convertible perference shares	-	-
Weighted average number of potential dilutive equity shares (D)	55,464,482	55,464,482
Diluted earning per share (E= A/D)	(5.86)	0.41

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32 Change in liabilities arising from financing activities

Particulars	As at 1 April 2020	Cash Flows	Other	As at 31 March 2021
Debt securities	5,016.67	(2,350.00)	-	2,666.67
Borrowings other than debt securities:				
- Term loans	16,698.27	(7,120.22)	(58.08)	9,519.97
- Associated liabilities related to securtisation transaction	183.02	1,772.82	-	1,955.84
Subordinated liabilities	3,000.00	-	-	3,000.00
Total liabilities from financing activities	24,897.96	(7,697.40)	(58.08)	17,142.48

Particulars	As at 1 April 2019	Cash flows	Other	As at 31 March 2020
Debt securities	13,040.00	(8,023.33)	-	5,016.67
Borrowings other than debt securities:				
- Term loans	23,804.67	(7,181.77)	75.37	16,698.27
- Associated liabilities related to securtisation transaction	2,831.56	(2,648.54)	-	183.02
- Liability portion of optionally convertible perference shares	365.21	(365.21)	-	-
Subordinated Liabilities	3,000.00	-	-	3,000.00
Total liabilities from financing activities	43,041.44	(18,218.85)	75.37	24,897.95

Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

33 Segment information

The Chairman cum Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by the Ind AS 108, "Operating segments". The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the CODM. The Company is engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108.

a) The Entity wide disclosures as required by Ind AS 108 are as follows:
Information about products and services:

The Company is engaged primarily in providing micro finance services to borrowers in the rural, semi-urban and urban areas of Bihar, Jharkhand, Uttar Pradesh, Haryana and Punjab who are enrolled as members and organised as Joint Liability Groups (JLGs).

b) Revenue from external customers
The entire income of the Company is generated from customers who are domiciled in India.

c) Revenue from external customer
The Company does not derives revenues, from any single customer, amounting to 10 per cent or more of Company's revenues.

34 Contingent liabilities and commitments

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Contingent liabilities shall be classified as:		
	(a) Claims against the company not acknowledged as debt;		
	- Income tax (including interest)*	33.16	38.12
	- Service tax (including interest)*	152.48	152.48

* The Company's penidng tax litigation comprises of claims against the Company pertaining to proceedings pending with income tax authorities and Service tax authorities amounting to Rs.185.64 (31 March 2020: Rs.190.60). The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(ii) The Hon'ble Supreme Court of India, vide their ruling dated 28 February 2019, set out the principles based on which certain allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed by a third party and is pending before the SC for disposal. In view of the management, pending decision on the subject review petition and directions from the EPFO, the management had a view that the applicability of the decisions is prospective. Further, the impact for the past period, if any, is not practically ascertainable in view of various interpretation issues.

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35 Fair value measurement

35.1 Classification of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL), Fair value through other comprehensive income (FVTOCI) and amortized cost.

Particulars	FVTPL	FVTOCI	Amortized cost	Carrying value	Level 1	Level 2	Level 3
As at 31 March 2021							
Financial assets							
Cash and cash equivalent *	-	-	1,635.17	1,635.17	-		-
Bank balances other than cash and cash equivalent *	-	-	771.27	771.27	-	-	-
Trade receivables *	-	-	3.82	3.82	-	-	-
Loans and advances to customers	-	-	17,362.81	17,362.81	-	-	17,362.81
Other financial assets	-	-	770.92	770.92	-	-	770.92
Total	-	-	**20,543.99**	**20,543.99**	-	-	**18,133.73**
Financial liabilities							
Trade payables *	-	-	134.48	134.48	-	-	-
Debt securities	-	-	2,666.67	2,666.67	-	-	2,666.67
Borrowing other than debt securities	-	-	11,475.80	11,475.80	-	-	11,475.80
Subordinated liabilities	-	-	3,000.00	3,000.00	-	-	3,000.00
Lease liabilities	-	-	174.23	174.23	-	-	174.23
Other financial liabilities *	-	-	600.82	600.82	-	-	600.82
Total	-	-	18,052.00	18,052.00	-	-	17,917.52
As at 31 March 2020							
Financial assets							
Cash and cash equivalent *	-	-	2,281.56	2,281.56	-	-	-
Bank balances other than cash and cash equivalent *	-	-	675.54	675.54	-	-	-
Trade receivables *	-	-	36.74	36.74	-	-	-
Loans and advances to customers	-	-	27,850.55	27,850.55	-	-	26,066.64
Other financial assets	-	-	1,048.14	1,048.14	-	-	1,048.14
Total	-	-	**31,892.53**	**31,892.53**	-	-	**27,114.78**
Financial liabilities							
Trade payables *	-	-	87.64	87.64	-	-	-
Debt securities	-	-	5,016.67	5,016.67	-	-	5,064.14
Borrowing other than debt securities	-	-	16,881.29	16,881.29	-	-	16,687.01
Subordinated liabilities	-	-	3,000.00	3,000.00	-	-	2,811.08
Lease liabilities	-	-	337.61	337.61	-	-	337.61
Other financial liabilities *	-	-	1,071.18	1,071.18	-	-	1,071.18
Total	-	-	26,394.39	26,394.39	-	-	25,971.02

* The carrying value of cash and cash equivalent, Bank balance other than cash and cash equivalent, trade receivables, trade payables and other financial liabilities approximates the fair value, due to their short-term nature except for security deposits for which fair value is computed at amortised cost.

35.2 Measurement of fair values

The finance department of the Company includes personel that performs the valuation of the financial assets and liabilities required for financial reporting purpose, including level 3 fair value. This team reports directly to the Chairman cum Managing Director.

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in Level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.
Other financial assets	The fair value of other financial assets, including the fair value of gain on sale of receivable calculated on the basis of discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates are based on current available yields in the market to the Company.
Debt securities, Borrowings other than debt securities and Subordinated liabilities	The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates were based on the available interest rates in the market.
Other financial liabilities	The fair value of other financial liabilities includes the lease liability as other than the lease liabilities are short term in nature, hence lease liabilities are calculated on the basis of discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates are based on current available yields in the market to the Company.

Transfers between Level 3

There were no changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during the year ended 31 March 2021 and 31 March 2020.

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36 Related party disclosures

(A) List of related parties and description of relationship as identified and certified by the Company.

Entities in respect of which the Company is an associate
Accion Africa Asia Investment Company
Paragati India Fund Limited

Key Management Personnel (KMP) and their relatives
Shashi Ranjan Sinha (Chairman cum Managing Director)
Rashmi Sinha (Whole Time Director)
Vishwanath Prasad Singh (Independent Director)
Shaibal Gupta (Independent Director)
Carlos Eduardo Castello (Independent Director)
Abhishek Agrawal (Nominee Director)
Ashutosh Binayake Mahendra (Nominee Director)
John Henry Fischer (Nominee Director)

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:
Saija Consultants Private Limited
Saija Management and Employee Welfare Trust

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Key Management Personnel (KMP)		
Compensation of key management personnel		
Short term employee benefits		
- Shashi Ranjan Sinha (Chairman cum Managing Director)	48.00	53.99
- Rashmi Sinha (Whole Time Director)	42.00	47.99
Post employement benefits*	-	-
Other long-term benefit*	-	-

*Does not include gratuity and compensated absence as these are provided based on the Company as a whole

(ii) Enterprise over which key management personnel is able to exercise significant influence		
Saija Consultants Private Limited		
Commission income	0.25	91.57

(C) Amount due to/from related party as on:	As at 31 March 2021	As at 31 March 2020
(i) Key Management Personnel (KMP)		
Employee related payables		
- Shashi Ranjan Sinha (Chairman cum Managing Director)	8.95	8.17
- Rashmi Sinha (Whole Time Director)	8.61	8.04
Personal guarantee outstanding as at year end#		
- Shashi Ranjan Sinha and Rashmi Sinha (jointly)	4,835.00	90.91
# Net of guarantee released on borrowings repaid during the year		
(ii) Entities in respect of which the Company is an associate:		
Recoverable from Accion International	1.28	1.28
(iii) Enterprise over which key management personnel is able to exercise significant influence		
Saija Consultants Private Limited		
Trade payable	-	-
Trade receivable	3.82	6.41
Saija Management and Employee Welfare Trust		
Loan receivable (also refer note 20 (f))	680.92	680.92

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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37 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans is net of impairment loss allownace on loans.

	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	1,635.17	-	1,635.17	2,281.56	-	2,281.56
Bank Balance other than cash and cash equivalents	172.01	599.26	771.27	622.56	52.98	675.54
Trade receivables	3.82	-	3.82	36.74	-	36.74
Loans	13,024.36	4,338.45	17,362.81	20,201.36	7,649.19	27,850.55
Other financial assets	647.67	123.25	770.92	760.49	287.65	1,048.14
Non-financial Assets						
Current tax assets (net)	-	114.01	114.01	-	254.54	254.54
Deferred tax assets (net)	-	442.55	442.55	-	442.55	442.55
Property, plant and equipment	-	53.29	53.29	-	74.02	74.02
Right-of-use assets	-	170.91	170.91	-	300.15	300.15
Intangible assets	-	29.22	29.22	-	51.17	51.17
Other non-financial assets	171.11	-	171.11	129.43	-	129.43
Total Assets	**15,654.14**	**5,870.93**	**21,525.08**	**24,032.14**	**9,112.25**	**33,144.39**

LIABILITIES

Financial Liabilities

Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.48	-	134.48	87.64	-	87.64
Debt securities	-	2,666.67	2,666.67	4,016.67	1,000.00	5,016.67
Borrowings (other than debt securities)	7,983.11	3,492.70	11,475.80	12,185.42	4,695.87	16,881.29
Subordinated liabilities	-	3,000.00	3,000.00	-	3,000.00	3,000.00
Lease liabilities	75.03	99.19	174.23	123.90	213.71	337.61
Other financial liabilities	600.82	-	600.82	1,071.18	-	1,071.18
Non-financial liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	53.24	28.97	82.21	19.56	22.59	42.15
Other non-financial liabilities	27.62	-	27.62	71.24	-	71.24
Total liabilities	**8,874.30**	**9,287.53**	**18,161.82**	**17,575.61**	**8,932.17**	**26,507.78**
Net assets	**6,779.84**	**(3,416.58)**	**3,363.26**	**6,456.53**	**180.08**	**6,636.61**

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38 Transfer of financial assets

38.1 Transferred financial assets that are not derecognised in their entirety

The Company transfers its receivables source of securitization agreement with a first loss default guarantee (FLDG). The Company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement.

As per previous GAAP, the above loans were derecognized as they satisfied the true sale criteria.

Under Ind AS, the Company continues to recognize its receivables in its entirety in the balance sheet because it retains credit risk on the receivables transferred (due to FLDG). Hence, the Company continues to recognize its receivables in its books of accounts and cash received on securitisation is recognized as an associated liability.

The Company had no ability to use these assets during the tenure of the receivables in view of the legal transfer pursuant to securitisation agreement.

The following table sets out the carrying amount of the financial assets transferred that are not derecognized in their entirety and associated liabilities:

Paticulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of assets	2,011.23	381.42
Carrying amount of associated liabilities	1,955.84	183.02
Fair value of assets (A)	2,011.23	381.42
Fair value of associated liabilities (B)	1,955.84	183.02
Net position at fair value (A-B)	55.39	198.40

The carrying value of assets and liabilities approximates the fair value, due to their short-term nature.

39 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). As per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. Refer note 48.1 for regulatory capital.

40 Expenditure in foreign currency (on accrual basis):

The Company does not have any foreign currency exposure and/or derivatives during the year and as at balance sheet date and has not incurred any expenditure during the current year and previous year other then detailed below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Directors sitting fee	5.30	-

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41 Disclosure relating to assignment transactions :

During the current year and previous year the Company has sold loans through assignment. The information on assignment activity of the Company as an originator is as shown below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total number of loans assigned	-	17,019
Total book value of loans assigned	-	4,223.74
Sale consideration received for loans assigned	-	3,818.53
Principal outstanding of loans assigned	423.44	1,570.33
Credit enhancements provided and outstanding (gross):		
-Cash collateral	-	-

42 Disclosure relating to securitisation :

During the current year and previous year the Company has sold loans through securitisation. The information on securitisation activity of the Company as an originator is as shown below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total number of loans securitised	10,632	8,832
Total book value of loans securitised	2,468.84	1,419.78
Sale consideration received for loans securitised	2,237.53	1,306.20
Principal outstanding of loans securitised	2,011.23	381.42
Credit enhancements provided and outstanding (Gross):		
-Cash collateral	246.88	177.03

Disclosure as per RBI Direction:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
No. of SPVs sponsored by the NBFC for securitisation transactions during the year	2.00	1.00
Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date of balance sheet:	2,208.01	421.83
Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR') as on the date of balance sheet:		
a) Off balance sheet exposures		
-First loss	-	-
-Others	-	-
b) On balance sheet exposures		
-First loss	-	-
-Others	231.32	218.55
Amount of exposures to securitisation transactions other than MRR:		
a) Off balance sheet exposures		
-First loss	-	-
-Others	-	-
b) On balance sheet exposures		
-First loss	246.88	177.03
-Others	-	-

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43 Retirement benefit plan

43.1 Defined contribution plan

The Company makes periodic contribution towards provident fund and Employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount recognized as expense towards such contributions are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Employer's contribution to provident fund	88.96	71.55
Employer's contribution to employee state insurance	24.24	40.31
	113.20	111.86

43.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

43.3 Defined benefit plan

The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under scheme administered by Life Insurance Corporation of India and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2021 and 31 March 2020

i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	59.18	75.28
Included in statement of profit and loss account :		
Current service cost	17.34	34.77
Interest expense	3.48	5.63
Benefits paid	(8.13)	(4.36)
	71.87	111.32
Remeasurement gains/(losses) in other comprehensive income (OCI)		
Actuarial loss/(gain) arising from :		
- demographic assumptions	-	(24.97)
- financial assumptions	0.98	(3.63)
- experience adjustment	21.19	(23.54)
	22.17	(52.14)
Other		
Contributions paid by the employer	-	-
Balance at the end of the year	94.04	59.18

ii) Reconciliation of plan assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening value of plan assets	24.18	26.68
Interest Income	1.85	3.24
Subtotal	26.03	29.92
Return on plan assets excluding amounts included in interest income	(0.67)	(1.39)
Subtotal	25.36	28.53
Contributions by employer	-	-
Banefits paid	(8.13)	(4.36)
Closing value of plan assets	17.23	24.17
Net defined benefit liability	76.81	35.02

ii) Expense recognised in statement of profit and loss account :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	17.34	34.77
Net interest expense/ (income)	1.63	5.63
Total	18.97	40.40

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iii) Expense recognised in Other comprehensive income/ (loss):

Particulars	As at 31 March 2021	As at 31 March 2020
Remeasurement gains/(losses)		
Actuarial loss (gain)/arising from		
- demographic assumptions	-	(24.97)
- financial assumptions	0.98	(3.63)
- experience adjustment	21.19	(23.54)
Return on plan assets excluding amounts included in interest income	0.67	1.39
Total	22.84	(50.75)

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.05% p.a.	6.25% p.a.
Withdrawal rate		
25 years & below	25.00%	25.00%
25 years to 35 years	25.00%	25.00%
35 years to 45 years	20.00%	20.00%
45 years to 55 years	15.00%	15.00%
55 years & above	20.00%	20.00%
Mortality (% of IALM 12-14)		
Retirement age (years)	58	58
Future salary growth*	10.00% p.a.	0.00% for 1 year and 10.00% p.a. thereafter
Weighted average duration (years)	4.54	4.51
Rate of return on plan assets	6.05% p.a.	6.25% p.a.

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

v) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2021	As at 31 March 2020
Impact of the change in discount rate		
Increase by 0.5%	91.39	56.90
% change	(2.56%)	(3.45%)
Decrease by 0.5%	96.33	59.78
% change	2.70%	1.43%
Salary growth rate sensitivity		
Increase by 0.5%	96.10	59.67
% change	2.46%	1.25%
Decrease by 0.5%	91.56	56.98
% change	(2.38%)	(3.32%)
Withdrawal rate sensitivity		
W.R. x 110%	90.12	56.01
% change	(3.92%)	(4.97%)
W.R. x 90%	97.98	60.93
% change	4.46%	3.38%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi) Expected contribution during the next annual reporting period

The expected contribution for the next year is Rs. 26.99

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vii) Expected maturity analysis of the defined benefit plans in future years (valued on undiscounted basis)

Duration (years)	As at 31 March 2021		As at 31 March 2020	
	Amount	%	Amount	%
Year 1 cashflow	12.68	9.30%	6.42	8.00%
Year 2 cashflow	13.07	9.60%	7.62	9.50%
Year 3 cashflow	12.30	9.00%	7.82	9.80%
Year 4 cashflow	12.56	9.20%	7.04	8.80%
Year 5 cashflow	11.52	8.40%	6.76	8.40%
Year 6 to year 10 cashflow	38.15	27.90%	22.38	27.90%

The Company expects to contribute Rs. 26.99 to the fund in the next financial year (31 March 2020: Rs. 17.34).The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4.54 years (31 March 2020: 4.51 years)

43.4 Other long term employee benefit plan

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 60 accumulation of leaves. The salary for calculation of earned leave is last drawn salary

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44 Leases

44.1 The table below provides details for the changes in the carrying value of right of use assets

	As at 31 March 2021	As at 31 March 2020
Gross		
Opening balance	480.91	336.03
Additions during the year	59.35	152.45
Deductions during the year	(159.77)	(7.57)
Closing Balance	380.49	480.91
Amortisation		
Opening balance	180.76	80.52
Amortisation for the year	119.01	103.66
Deductions during the year	(90.19)	(3.42)
Closing balance	209.58	180.76
Net closing balance	170.91	300.15

44.2 The table below provides details for the changes in the lease liabilities

	As at 31 March 2021	As at 31 March 2020
Opening balance of lease liabilities	337.61	274.46
- Additions	59.31	150.59
- Deductions	(115.96)	(4.59)
- Accretion of finance cost	43.96	46.96
- Payments	(150.69)	(129.81)
Closing balance of lease liabilities	174.23	337.61

44.3 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

	As at 31 March 2021	As at 31 March 2020
Upto 12 months	102.21	136.74
1-5 Years	117.29	312.87
More than 5 Years	-	12.60
Total	219.51	462.20
Less: Impact of discounting	45.27	124.59
Lease liabilities included in the statement of financial position	174.23	337.62

44.4 Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	43.96	46.96
Expenses relating to short-term leases	7.35	51.42
Depreciation expense for right-of-use assets	119.01	103.66
	170.32	202.04

44.5 Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	157.08	181.20

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45 Risk Management

45.1 Introduction and risk profile

This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

45.1.1 Risk management structure and Company's risk profile.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee. The Risk Management committee of Board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process."

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management believes that an effective Risk Management Process is the key to sustained operations thereby protecting value for all stakeholders , identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective Risk Management by implementing following steps:

1. Adheres to procedures described in various policies approved by the Board from time to time by implementing adequate financial controls.
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the Risk Management System through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Company.
7. Optimizes risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company in consonance with business objectives.
8. Engages Internal Auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the Audit Committee.
9. The Company has implemented adequate internal financial controls.
10. The Company has a Board approved ALM Policy

45.2 Credit Risk

Credit risk arises from loans, cash and cash equivalents, bank balance other than cash and cash equivalents, investments and other financial assets. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's asset on finance and trade receivables from customers; loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

Financial assets measured on a collective basis

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. Portfolio review is performed every quarter and is reviewed by the management on quarterly basis.

(b) Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers.

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(c) Probability of default (PD)

Day past dues (DPD) analysis is the preliminary inputs in the determination of the term structure of DPD for exposures. The Company collects performance and default information about its credit risk exposures analyzed by region, type of product, borrowers as well as by DPD. The Company analyze the data collected and generate estimates of the PD of exposures and how these are expected to change as result of passage of time.

(d) Exposure of default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

(f) Significant increase in credit risk

The Company continuously monitor all the assets subject to ECL in order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been significant increase in credit risk since initial recognition. The Company also applies a secondary qualitative methods for triggering a significant increase in credit risk for an asset, such as moving customer/ facilities to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than one month overdue, the credit risk is deemed to have increase significantly since initial recognition. The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

(g) Expected credit loss on loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, date of initial recognition, remaining term to maturity, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days but less than 90 days are classified under Stage 2. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the statistical models and other historical data.

45.2.1 Inputs, assumptions and estimation techniques used to determine expected credit loss

The Company's loan loss provision are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters such as Domestic Credit Growth (% change YoY) and Real GDP Growth (% change YoY). The selection of these variables was made purely based on business sense. The macro- economic variables were regressed using a regression model against the logodds of the weighted average PD's to forecast the forward-looking PD's with macro-economic overlay incorporated. Best, base and worst scenarios were created for all the variables and default rates were estimated for all the scenarios. These default rates were then used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed

45.2.2 Impact of COVID-19 The "Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)", generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020, continues to spread across India and there is an unprecedented level of disruption on socioeconomic front across the country. Globally, countries and businesses are under lockdown. Considering the severe health hazard associated with COVID-19 pandemic, the Government of India declared a lock down effective from 25 March 2020 which was initially till 14 April 2020 and was extended multiple times. There is a high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on the future developments, which are highly uncertain.Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including economic forecasts up to the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Further, given the uncertainty over the potential macro-economic impact, the Company's management has considered economic forecasts upto the date of approval of these financial statements. Accordingly, the provision for expected credit loss on financial assets as at 31 March 2021 aggregates Rs. 3,670.26 (as at March 31, 2020, Rs. 1,360.25) which includes potential impact on account of the pandemic. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

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45.3 Liquidity risk and funding management

Liquidity risk is risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed condition in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund based working capital loans from various banks. Further, the Company has access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. The Company also manages liquidity by raising funds through securitization transaction.

The Company uses debt funds and fixed deposit receipts to manage/ invest its available surplus.

The Asset Liability Management Committee (ALCO) of the Company defines its risk management strategy and set the overall policies and procedures. The Liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.

45.3.1 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March 2021 and 31 March 2020.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history

As at 31 March 2021	Less than 1 year	1 to 5 years	Over 5 years	Total
Financial liabilties				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.48	-	-	134.48
Debt securities	-	2,666.67	-	2,666.66
Borrowings (Other than debt securities)*	7,983.11	3,532.89	-	11,516.00
Subordinated Liabilities	-	3,000.00	-	3,000.00
Lease liabilities	75.03	99.19	-	174.24
Other financial liabilities	600.82	-	-	600.82
Total undiscounted financial liabilities	8,793.44	9,298.74	-	18,092.19

As at 31 March 2020	Less than 1 year	1 to 5 years	Over 5 years	Total
Financial liabilties				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	87.64	-	-	87.64
Debt securities	4,630.12	1,066.73	-	5,696.86
Borrowings (other than debt securities)*	13,816.75	5,872.17	-	19,688.92
Subordinated liabilities	506.25	2,879.29	1,500.00	4,885.54
Lease liabilities	136.74	312.87	12.60	462.20
Other financial liabilities	1,071.18	-	-	1,071.18
Total undiscounted financial liabilities	20,248.67	10,131.08	1,512.60	31,892.34

*Contractual cashflows for borrowing (other than debt securities does not includes adjustment towards EIR

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45.4 Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.The Company's does not have any significant market exposures.

45.5 Interest rate risk

Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future Net Interest Income (NII). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).

The Board of Directors of the Company is responsible for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined interest rate sensitive gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO. Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

Particulars	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments		
Financial assets	20,996.61	29,070.05
Financial liabilities	10,028.72	15,360.42
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	7,113.75	9,537.54

The above disclosure includes loans under the head "financial assets", Borrowings(other than debt securities), debt securities and subordinated liabilities under the head "financial liabilities".

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments				
Cash flow sensitivity	71.14	(71.14)	95.38	(95.38)

45.6 Currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's does not have any foreign currency exposures.

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45.2.3 Analysis of portfolio

An analysis of changes in gross carrying amount in relation to Loan portfolio is as follows:

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	27,727.07	229.87	1,113.11	29,070.05	43,289.38	434.18	910.35	44,633.92
New assets originated (refer note 1and 2 below)	9,541.67	318.35	34.00	9,894.02	22,746.73	64.75	187.50	22,998.99
Assets repaid (excluding write offs) (refer note 2 below)	(16,814.97)	(72.80)	(20.32)	(16,908.10)	(36,453.33)	(579.70)	(560.57)	(37,593.61)
Transfers to Stage 1	1.23	(1.15)	(0.08)	-	20.03	(17.33)	(2.70)	-
Transfers to Stage 2	(1,233.60)	1,233.61	(0.01)	-	(437.51)	439.39	(1.88)	-
Transfers to Stage 3	(2,889.66)	(144.93)	3,034.59	-	(1,438.24)	(111.42)	1,549.66	-
Amounts written off	-	-	(1,059.36)	(1,059.36)	-	-	(969.25)	(969.25)
Gross carrying amount closing balance	**16,331.73**	**1,562.95**	**3,101.93**	**20,996.61**	**27,727.07**	**229.87**	**1,113.11**	**29,070.05**

Reconciliation of Impairment loss allowance in relation to Loan portfolio is as follows:

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance- opening balance	333.48	102.53	924.24	1,360.25	160.87	268.66	910.35	1,339.88
New assets originated (refer note 1, 2 and 3 below)	227.43	4.05	21.78	253.26	255.06	22.44	91.42	368.93
Effect of change in estimate/repayment	(201.93)	422.66	1,836.00	2,056.74	(81.95)	(146.00)	(120.60)	(348.55)
Transfers to Stage 1	0.45	(0.40)	(0.05)	-	7.92	(6.16)	(1.77)	-
Transfers to Stage 2	(14.80)	14.81	(0.00)	-	(1.97)	3.19	(1.22)	-
Transfers to Stage 3	(33.89)	(50.65)	84.54	-	(6.46)	(39.60)	46.06	-
Impairment allowance- Closing balance	**310.73**	**493.00**	**2,866.51**	**3,670.25**	**333.48**	**102.53**	**924.24**	**1,360.25**

An analysis of Expected credit loss rate:

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Expected credit loss rate*	1.90%	31.54%	92.41%	17.48%	1.20%	44.60%	83.03%	4.68%

* Expected credit loss rate is computed ECL divided by EAD

Note 1: New assets originated represents fresh disbursals made during the year. Classification of new assets originated in stage1, 2,3 is based on year end staging.

Note 2 : Assets originated and repaid during the year have not been disclosed in the movement of gross carrying amount.

Note 3: The contractual amount of financial assets that has been written off by the Company during the year ended 31 March 2021 and that were still subject to enforcement activity was Rs 1099.84 (31 March 2020 Rs. 969.25)

Note 4 : The Company recognize expected credit loss (ECL) on collective basis that takes into account comprehensive credit risk information.

Expected credit loss (ECL) has increased from Rs. 1,360.25 to Rs. 3,670.26 as at 31 March 2021. Primarily reason for increase in ECL is primarily on account of increase in expected loss rate percentage in Stage I, II and III categories primarily on account of increase in probability of default due to change in macro economic variable to estimate the impact of COVID.

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46 With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no. G.S.R 365(E) dated March 30, 2016, for financial reporting purposes, the Company has followed the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). Accordingly, the information given below is disclosed by the Company based on Ind AS financial statements and other records maintained by the Company for the year ended March 31, 2019. For the purpose of these disclosures "Non-performing assets (NPA) represents Stage 3 loans and "Standard assets" represents "Stage 1" and "Stage 2" as defined in Ind AS financial statements .

Following disclosure of details as required in terms of Annexure XIV of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

46.1 Capital

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Capital to Risk Asset Ratio (CRAR (%))	20.45%	27.16%
(ii)	CRAR - Tier I Capital (%)	13.80%	20.18%
(iii)	CRAR - Tier II Capital (%)	6.65%	6.98%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

Notes

a Book value of the risk weighted assets are considered as net of related provision.

46.2 Investments

The Company does not have any investment outstanding as at 31 March 2021 and 31 March 2020.

46.3 Derivatives

The Company has not entered into any derivates contract (forward rate agreement/interest rate swap/exchage traded interest rate) during the year ended 31 March 2021 and 31 March 2020.

46.4 Details of non-performing financial assets purchased / sold

The Company did not purchase/ sell any non-performing assets during the financial year ended 31 March 2021 and 31 March 2020.

46.5 Provision and Contingencies

Break up of 'Provisions and Contingencies' shown under the Profit and Loss Account'

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inpairment loss allowance on loan assets	2,310.00	20.37
Provision for income tax	6.97	72.09
Provision for gratuity	18.97	37.55
Provision for compensated absences	0.41	(9.45)
Total	2,336.35	120.56

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46.6 Assets Liability Management maturity pattern of certain items of Assets and Liabilities as per books

As at 31 March 2021

Particulars	Upto to 30/31 days	Over 1 Month to 2 Month	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	Total
Liabilities									
Deposits (Liabilities)	-	-	-	-	-	-	-	-	-
Borrowings	1,242.19	872.46	760.75	1,547.41	3,560.31	1,530.91	1,961.78	-	**11,475.79**
Foreign Currency Liabilities	5.30	-	-	-	-	-	-	-	**5.30**
Assets									
Advances (Loan Book)(Gross) (refer note 1 below)	1,362.08	1,239.81	1,240.99	3,431.30	5,750.18	4,338.45	-	-	**17,362.81**
Investments (net of provisions)	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

Note 1 The asset maturity pattern of non- performing customer is disclosed as per there actual contractual maturities and have not been disclosed in buckets "over 3 years to 5 years" and "over 5 years", as the life of such loans is within the period of 48 months

As at 31 March 2020

Particulars	Upto to 30/31 days	Over 1 Month to 2 Month	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	Total
Liabilities									
Deposits (Liabilities)	-	-	-	-	-	-	-	-	-
Borrowings	949.87	1,269.93	1,151.06	3,744.82	9,056.52	5,232.27	1,996.27	1,497.22	**24,897.98**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances (Loan Book)(Gross) (refer note 1 below)	2,784.09	2,073.33	2,027.21	5,274.93	7,430.16	9,480.33	-	-	**29,070.05**
Investments (net of provisions)	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

Note 1 The asset maturity pattern of non- performing customer is disclosed as per there actual contractual maturities and have not been disclosed in buckets "over 3 years to 5 years" and "over 5 years", as the life of such loans is within the period of 48 months

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46.7 Exposures

The Company does not have any real estate or capital market exposure as at 31 March 2021 and as at 31 March 2020.

46.8 Details of financing of parent company products

Since there is no parent company, hence reporting on financing of parent company products is not applicable.

46.9 Details of Single Borrrower 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.

46.10 Unsecured advances

The Company has not given any unsecured advances wherein intangible collateral such as rights, licences, authority etc. have been taken as a security.

46.11 Registration obtained from other financial sector regulators

There are no registrations obtained from other financial sector regulators during the current year and previous year

46.12 Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instrument	Rating Agency	Rating	Outstanding as at 31 March 2021
1	Non Convertible Debentures	ICRA	BB+(Stable)	1,666.67
2	Non Convertible Debentures	Brickworks	BBB-(SO)	2,666.67
3	Non Convertible Debentures	Acuite	BBB-(Negative)	1,666.67
4	Long Term Bank Facility	Brickworks	BBB-(SO)	10,000.00

S.No.	Instrument	Rating Agency	Rating	Outstanding as at 31 March 2020
1	Non Convertible Debentures	ICRA	BBB-(Stable)	5,016.67
2	Long Term Bank Facility	ICRA	BBB-(Stable)	10,000.00
3	MFI Grading	SMERA	M2	NA

46.13 Net Profit or Loss for the period, prior period items and changes in accounting policies

There is no prior period transaction during the current year and also there is no change in accounting policies during the current year and previous year

46.14 Revenue recognition

There is no transaction in which revenue recognition has been postponed pending the resolution of significant uncertainties.

46.15 Draw down from reserves

During the current year and previous year, there has been no draw down from the statutory reserves.

46.16 Concentration of loans and advances

Particulars	As at 31 March 2021	As at 31 March 2020
Total advances to twenty largest borrowers	15.34	15.72
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.09%	0.05%

46.17 Concentration of exposures

Particulars	As at 31 March 2021	As at 31 March 2020
Total exposure to twenty largest borrowers	15.34	15.72
Percentage of exposures to twenty largest borrowers/customers to total exposures of the applicable NBFC on borrowers/customers	0.09%	0.05%

46.18 Concentration of NPAs

Particulars	As at 31 March 2021	As at 31 March 2020
Total exposure to top four NPA accounts	2.92	2.57

46.19 Sector-wise NPAs (Percentage of NPAs to Total Advances in that Sector)

S.No.	Sector	As at 31 March 2021	As at 31 March 2020
1	Agriculture and Allied Activities	3.00%	8.00%
2	Services	5.75%	4.30%
3	Retail Trade	8.86%	2.18%
4	Others	0.30%	6.65%

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46.20 Movement of NPAs

Particulars			As at 31 March 2021	As at 31 March 2020
(i)	Net NPAs to Net Advances (%)		1.53%	0.00%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	1,113.11	910.35
	(b)	Additions during the year	34.00	187.50
	(c)	Reductions during the year	3,014.18	984.51
	(d)	Writte-off during the year	(1,059.36)	(969.25)
	(e)	Closing balance	3,101.93	1,113.11
(iii)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	924.24	910.35
	(b)	Additions during the year	21.78	91.42
	(c)	Reductions during the year	1,920.49	(77.53)
	(d)	Provisions written back during the year	-	-
	(e)	Closing balance	2,866.51	924.24
(iv)	Movement of Net NPAs			
	(a)	Opening balance	188.87	0.00
	(b)	Addition during the year	12.22	96.08
	(c)	Provisions written back during the year	-	-
	(d)	Reductions during the year	34.33	92.79
	(e)	Closing balance	235.42	-

46.21 Overseas assets

The Company does not hold any overseas asset during the current year and previous year

46.22 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The company does not have off-balance sheet SPVs sponsored during the current year and previous year

46.23 Disclosure with respect to Customer complaints

S.No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	317	67
c	No. of complaints redressed during the year	317	67
d	No. of complaints pending at the end of the year	-	-

46.24 Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2021 and 31 March 2020

46.25 The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

46.26 Information on net interest margin

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest charged to customers (a)#	23.79	23.99
Average effective cost of borrowing (b)	14.92	14.74
Net Interest margin (a) - (b)	8.87	9.25

weighted average rate charged to customers on disbursement (owned portfolio) made during the year.

47 Information on instances of fraud

Nature of fraud	Amount of fraud	Recovery	Amount written off
Cash embezzlement/ cash theft/cash lost in transit	11.23	0.99	10.24
	(161.14)	(34.99)	(70.29)

(Figures in brackets indicate values for previous year)

During the current year, certain instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amounts aggregating to Rs.11.23 lakhs were identified. The Company has recovered Rs. 0.99 lakhs from these cases. The Company has since terminated the services of such employees and also initiated legal action against such employees. The Company as at year ended 31 March 2021 has made necessary write offs/ provisions in its books of accounts for the above effect.

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48 Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 18 of Non-Banking Financial Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

		Particulars	As at 31 March 2021		As at 31 March 2020	
	Liabilities side:		Amount in INR Outstanding	Amount in INR Overdue	Amount in INR Outstanding	Amount in INR Overdue
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:					
	(a)	Debentures				
		Secured	2,696.90	-	4,513.95	-
		Unsecured	-	-	675.14	-
		(Other than falling within the meaning of public deposits)	-	-	-	-
	(b)	Deferred credits	-	-	-	-
	(c)	Term loans	9,577.32	-	16,905.81	-
	(d)	Inter corporate loans and borrowings	-	-	-	-
	(e)	Commercial paper	-	-	-	-
	(f)	Public deposits	-	-	-	-
	(g)	Other loans (subordinate debt)	3,042.99		3,000.00	
		Total	15,317.21	-	25,094.90	-

		Assets side:	As at 31 March 2021	As at 31 March 2020
2	Break-up of loans and advances including bills receivables {other than those included in (3) below}:			
	(a)	Secured		
	(b)	Unsecured #	17,326.34	27,709.80
		Total	17,326.34	27,709.80

Comprises of Minimum retention requirement (relating to assignment transaction) loans to customers net of provisions for impairment loss allowance

3	Break-up of leased assets and stock on hire and hypothecation loans counting towards other assets counting towards AFC activities		As at 31 March 2021	As at 31 March 2020
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a) Financial lease	-	-
		(b) Operating lease	-	-
	(ii)	Stock on hire including hire charges, under sundry debtors:		
		(a) Assets on hire	-	-
		(b) Repossessed stock	-	-
	(iii)	Other Loans counting towards AFC activities:		
		(a) Loans where assets have been repossessed	-	-
		(b) Loans other than (a) above	-	-
		Total	-	-

4	Break-up of investments		Amount outstanding	Amount outstanding
	Current investments:			
1	Quoted:			
	(i)	Shares:		
		(a) Equity	-	-
		(b)Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others (please specify)	-	-
2	Unquoted:			
	(i)	Shares:		
		(a) Equity	-	-
		(b)Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others (please specify)	-	-
	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 (please specify)	-	-
2	Unquoted:			
	(i)	Shares:		
		(a) Equity	-	-
		(b)Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others (please specify)	-	-
		Total	-	-

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

Category	Amount net of provisions As at 31 March 2021			Amount net of provisions As at 31 March 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties:						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	-	17,326.34	17,326.34	-	27,709.80	27,709.80
Total	-	17,326.34	17,326.34	-	27,709.80	27,709.80

6 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 Market value/ Break-up or Fair value or NAV	As at 31 March 2021 Book value (net of Provisions)	As at 31 March 2020 Market Value/ Break-up or Fair Value or NAV	As at 31 March 2020 Book value (net of Provisions)
1 Related Parties:				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	-	-	-	-
Total	-	-	-	-

7 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	3,101.93	1,113.11
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	235.42	-
(iii)Assets acquired in satisfaction of debts (net of provisions)	-	-

Note : The provision for non-performing assets has been reduced from the overall provision created by the Company, to arrive at contingent provision for standard asset.

49 Disclosure as per RBI Circular Number RBI/2019-20/220/DOR.No.BP. BC.63/21.04.048/2020-21 dated April 17, 2020.

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended (Refer note 1)	-	387.36
(ii)	Respective amount where asset classification benefits is extended (refer note 1 & 2)	-	119.48
(iii)	Provisions made during the Q4 FY 2020 (refer note 3)	-	-
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	-

Note 1: Amounts represents accounts in default but standard where moratorium benefit is extended by the Company including the loans included in (ii) where asset classification benefit is also extended as per IRAC norms.

Note 2: Represents accounts where moratorium benefit is extended and asset classification benefit as IRAC norms is extended.

Note 3: The Company is carrying provision more than 5% as at March 31, 2020 on the loans wherein asset classification benefit as per IRAC norms is extended, hence no additional provision is required to be created by the company. 46.28

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50 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 :

As at 31 March 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	16,331.73	310.73	16,020.99	65.08	245.66
	Stage 2	1,562.95	493.00	1,069.95	4.94	488.06
Subtotal		**17,894.68**	**803.73**	**17,090.95**	**70.02**	**733.72**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,101.93	2,866.51	235.42	1,050.13	1,816.39
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,101.93**	**2,866.51**	**235.42**	**1,050.13**	**1,816.39**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**16,331.73**	**310.73**	**16,020.99**	**65.08**	**245.66**
	Stage 2	**1,562.95**	**493.00**	**1,069.95**	**4.94**	**488.06**
	Stage 3	**3,101.93**	**2,866.51**	**235.42**	**1,050.13**	**1,816.39**
	Total	**20,996.61**	**3,670.24**	**17,326.36**	**1,120.14**	**2,550.11**

As at 31 March 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	27,727.06	333.47	27,393.59	112.05	221.42
	Stage 2	229.88	102.53	127.35	0.89	101.64
Subtotal		**27,956.94**	**436.00**	**27,520.94**	**112.94**	**323.06**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,113.11	924.25	188.86	795.85	128.40
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,113.11**	**924.25**	**188.86**	**795.85**	**128.40**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**27,727.06**	**333.47**	**27,393.59**	**112.05**	**221.42**
	Stage 2	**229.88**	**102.53**	**127.35**	**0.89**	**101.64**
	Stage 3	**1,113.11**	**924.25**	**188.86**	**795.85**	**128.40**
	Total	**29,070.05**	**1,360.25**	**27,709.80**	**908.79**	**451.46**

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(All amount is Rupees lacs unless otherwise stated)

51 Disclosure of restructured accounts

As at March 31, 2021

S.No	Type of Restructuring Asset Classification Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Stan-dard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable))	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	3,123	955	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	781.26	247.82	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	546.88	173.47	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY (net of receipt during the year)	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable))	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	3,123	955	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	781.26	247.82	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	546.88	173.47	-	-	-	-	-	-	-	-

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SAIJA FINANCE PRIVATE LIMITED NEW DELHI

Saija Finance Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amount is Rupees lacs unless otherwise stated)

52 Events after balance sheet date

There have been no events after the reporting date that requires disclosure in these financial statements.

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/ W-100024

Anant Marwah
Partner
Membership No.: 510549

Place : New Delhi
Date : 30 June 2021

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

S.R.Sinha
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi

Abhishek Agrawal
Director
DIN No.: 06760344
Place : Mumbai

Deepika Bhatt
Company Secretary
Membership No.: FCS-11027
Place : New Delhi

Date : 30 June 2021

Daya Shankar Pandey
AVP - Finance & Accounts
PAN : AUXPP2739C
Place : New Delhi

Date : 30 June 2021

DIRECTORS REPORT

To,
The Members,
Saija Finance Private Limited
Your Directors have pleasure in presenting their Report on the business and operations of the Company and the financial statement for the Financial Year ended March 31, 2021.

A. FINANCIAL HIGHLIGHTS

The Financial performance for the year ended March 31, 2021 has been summarised in the following tables:

Year Ended March 31,	2021 (Rs. Lakhs)	2020 (Rs. Lakhs)
Total Revenue	6004.17	9509.99
Less: Total Expenditure	9247.73	9098.67
Profit/(loss) Before Tax	(3243.56)	411.32
Profit/(Loss) After Tax	(3250.53)	230.13
Earnings Per Share (EPS)	(5.86)	0.41
Diluted EPS	(5.86)	0.41

The Company has posted loss of Rs. 3250.53 Lakhs for Financial Year 2020-21 as compared to profit after tax of Rs. 230.13 Lakhs for the Financial Year 2019-20. The losses incurred are majorly due to COVID-19 related aspects and adverse business conditions.

TRANSFER TO RESERVE FUND

Pursuant to the RBI Directions, non-banking financial companies (NBFCs) are required to transfer a sum not less than 20 per cent of its net profit every year to reserve fund before declaration of any dividend. As there is no profit for the FY 2020-21, hence the Company has not transferred any amount to reserve fund for the year ended March 31, 2021.

B. DIVIDEND

No dividend was declared during the Financial Year 2020-21.

C. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No Material change and commitments affecting the financial position of the company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

D. ENERGY CONSERAVTION & TECHNOLOGY ABSORPTION EFFORTS AND SUPPORT OF EQUIPMENT SALES TO CLIENTS

The company uses technologically advanced and power saving equipments and lamps in its offices to save the energy

Further, in order to satisfy the energy needs of its customers, Saija Finance Private Limited is providing solar product loan to its clients. The product range includes lights, Mixer, and mobile among others.

During FY 2020-21, the Company sold 46 units of clean energy products and disbursed INR 1.60 Lakhs worth of loans. It earned a profit of Rs. 0.25 Lakhs.

Following is the sale detail of solar products sale during FY2020-21:

Product Name	No. of units sold	Total Profit (Rs. Lakhs)
PRO 400	26	0.14
PROX light	8	0.04
Solar Boom Light	5	0.02
Total	**39**	**0.20**

Sale of mixer mobile and water purifier were as below:

Product Name	No. of unit Sold	Total Profit (Rs. Lakhs)
Mixer	1	0.01
Mobile	6	0.04
Grand Total	**7**	**0.05**

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not have any foreign currency exposure/earnings and has not incurred any expenditure during the year ended March 31, 2021 other than Director's sitting fee of Rs. 5.3 Lakhs.

RISK MANAGEMENT

The Board of Directors have adopted a risk management policy i.e. Integrated Operations & Credit Risk Management (IOCRM) Framework for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may pose significant loss or threat to the Company. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

E. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls and processes in place with respect to its operations, which provides reasonable assurance regarding the reliability of the preparation of financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures.

During the current year certain instances of Fraud of Rs 11.23 Lakhs were reported by the Auditors. The Company has recovered Rs 0.99 lakhs from some of the fraud employees. The company has terminated those employees and also initiated legal action against them. The Company as at end of Financial Year 2020-21 has made necessary write offs in its books of accounts for the above effects.

The company is taking measures to further strengthening its control environment to ensure timely identification and recording of embezzlements//misappropriation of cash if any.

The Company has implemented certain controls and recognizes that strengthening the internal control environment is an ongoing process.

F. DETAILS PURSUANT TO THE PROVISION OF THE COMPANIES ACT, 2013

As stipulated under Section 134(3) of the companies Act, 2013 the following details are provided hereunder:

1) THE EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the CA 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31, 2021 in Form MGT-9 has been annexed as **Annexure - I** to the Directors' Report.

2) NO. OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board of Directors have been provided in the **Annexure –II** dealing with Corporate Governance.

3) DIRECTOR'S RESPONSIBILITY STATEMENT

(i) The Director's confirm that in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed;

(ii) The Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the losses incurred by the Company for the year under review;

(iii) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the CA 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors prepared annual accounts of the Company on a "going concern" basis;

(v) The Directors laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

(vi) The Directors devised proper systems to ensure compliance with the provision of all applicable laws, and that such systems are adequate and operating effectively.

4) CORPORATE GOVERNANCE

The Company has adopted best corporate practices, and is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company follows the highest standards of business ethics. A report on Corporate Governance is appended to this report.

5) DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors. The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of various rules & regulations as applicable.

6) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The salient features of the policy on directors' appointment and remuneration forms a part of the 'Corporate Governance Report'

7) CORPORATE SOCIAL RESPONSIBILITY (CSR)

The composition of the CSR Committee is given in the report on Corporate Governance. The Board has approved the CSR policy on June 4, 2021, on recommendation of the CSR Committee. No CSR Committee meeting was held during the year under review; however the CSR committee met on June 2, 2021 to approve the CSR expenditure for the FY 2019-20.

For F.Y. 2020-21, the company is not required to spend on CSR under section 135 of the Companies Act, 2013.

The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

8) EVALUATION OF DIRECTORS, DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

i) The Nomination and Remuneration Committee has formulated the criteria for evaluation of Director, the Board and its Committees. The same are provided below:

- The criteria for evaluation of performance of Independent directors

    a) Attendance in the meetings of the Board as well as the committees thereof.
    b) Effective participation in the meetings and providing timely inputs on the matters brought before the Board or the Committees.
    c) Adherence to and affirmation with ethical standards and the Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently and affirmation to the Board about the continued "Independent status" as provided in section 149(6) of the Act.
    d) Rising of valid concerns to the board and the Committees and constructive contribution to the resolution of issues at the meetings.
    e) Inter-personal relation with other directors and management.

f) Unbiased and objective evaluation of the Board performance.
g) Understanding of the company and the external environment in which it operates.
h) Protecting the interest of Whistle Blower under vigil mechanism and safeguarding the confidential information of the company.

- The criteria for evaluation of performance of the non-Independent Directors/Executive Directors.

a) Attendance in the meetings of the Board as well as the committees thereof
b) Effective participation in the meetings and providing timely inputs on the matters brought before the Board or the Committees
c) Adherence to and affirmation with ethical standards and the Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently and affirmation to the Board.
d) Efforts for improvement in operations of the company for its long term revival
e) Team work attributes and supervising and training of staff members.
f) Protecting the interest of Whistle Blower under vigil mechanism and safeguarding the confidential information of the company.

In compliance with the provisions of the CA 2013 and the SEBI (LODR) Regulations 2015, the Board has, on the recommendation of the NRC, approved the Policy for Selection and Appointment of Directors. The aforesaid Policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board so as to maintain an appropriate balance of skills and experience within the Board. The Policy also provides for a selection criteria for appointment of Directors, viz., educational and professional background, general understanding of the Company's business dynamics, global business and social perspective, personal achievements and Board diversity. In addition, the policy also contains principles relating to remuneration payable to Directors.

9) DISCLOSURE PURSUANT TO SECTION 197 (12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The details required under Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **"Annexure III"**

10) SHARE CAPITAL

During the year there was no issue of share capital of the company.

However on July 20, 2021, the members of the company, on recommendation of the Board have approved reclassification of fully paid up share capital of INR 61,33,44,820 (Indian

Rupees sixty one crore thirty three lakh forty four thousand eight hundred and twenty) divided into shares into class A & class B shares as below-

- 6,13,34,482 (six crore thirteen lakhs thirty-four thousand four hundred and eighty-four) Equity Shares of INR 10/- (Indian Rupees ten only) each

to

- 5,54,64,482 (five crore fifty-four lakhs sixty-four thousand four hundred and eighty-two) Class A Equity Shares of INR 10/- (Indian Rupees ten only) each; and
- 58,70,000 (fifty-eight lakh and seventy thousand) Class B Equity Shares of INR 10/- (Indian Rupees ten only) each

by reclassifying the 58,70,000 (fifty-eight lakh and seventy thousand) Equity Shares of INR 10/- (Indian Rupees ten only) each held by Saija Management and Employee welfare trust as 58,70,000 (fifty-eight lakh and seventy thousand) Class B Equity Shares of INR 10/- (Indian Rupees ten only) each.

The members at the same meeting dated July 20, 2021, have also approved the variation in rights of the class B shareholders as below-

- Class B Equity Shares have the right to vote pari passu with the holders of Equity Shares;
- Class B Equity Shares have no other right including by way of dividend and other economic interest.

The MoA & AoA of the company are also amended accordingly to give effect to the resolutions passed by the members of the company as stated above.

11) AUDITOR'S

M/s BSR & Associates LLP, Chartered Accountant, Gurgaon are the Statutory Auditors of the company.

M/s A. Associates were appointed as Secretarial Auditors of the Company and the report submitted by them is placed.

12) COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has formulated five committees namely:

(i) Audit Committee

(ii) Nomination and Remuneration Committee

(iii) Risk Management Committee
(iv) Management Finance Committee
(v) CSR Committee

13) VIGIL MECHANISM

The Company has its vigil mechanism for its Directors and Employees to report their genuine concerns or grievances. Since the Company has an Audit Committee, the responsibility to oversee vigil mechanism has been entrusted to the Audit Committee. The Chairman of Audit Committee has been authorised to ensure effective implementation of the vigil mechanism established by the Company.

The details of vigil mechanism are as under:

(i) The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

(ii) All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company

(iii) If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

(iv) The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

(v) The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

(vi) All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

(vii) The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

14) EXPLANANTION OR COMMENTS BY BOARD ON QUALIFICATION OR ADVERSE REMARK MADE ON THE AUDIT REPORTS

The reports of statutory auditors for the year ended 31st March 2021 are free from any qualification or adverse remark which might have any adverse impact on the functioning and credibility of the company.
The reports of secretarial auditors for the year ended 31st March 2021 are free from any qualification or adverse remark which might have any adverse impact on the functioning and credibility of the company.

15) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking financial company registered with the RBI and engaged in the business of giving micro loans, is exempt from complying with the provisions of section 186 of the Act w.r.t. loans. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report. During FY2020-21, the Company has not made any significant investments.

16) RELATED PARTY TRANSACTIONS

All contracts, arrangement and transactions entered by the Company during FY2020-21 with related parties, if any, were in compliance with the applicable provisions of the Act. All related party transactions entered during FY2020-21 were on arm’s length basis and in the ordinary course of business of the Company under the Act. None of the transactions required members’ prior approval under the Act. During FY2020-21, there were no related party transactions requiring disclosure under section 134 of the Act. Hence, the prescribed Form AOC–2 does not form a part of this report. However, the details of transactions with related parties are provided in the Company’s financial statements in accordance with the Indian Accounting Standards.

17) ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep and sincere gratitude to the MFIN, The Reserve Bank of India, the Government of India and Regulatory Authorithities for their co-operation, support and guidance.
The Directors would like to express a profound sense of appreciation for the commitment shown by the employees in supporting the Company in its endeavour towards becoming a leading microfinance institution of the country. The Directors would also like to express their gratitude to shareholders, bankers and other stakeholders for their trust and support.

On behalf of the Board

(Shashi Ranjan Sinha)
Chairman cum Managing Director

(Rashmi Sinha)
Whole-Time Director

Date:
Place:

Annexure-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I **REGISTRATION & OTHER DETAILS:**

i	CIN	U65929DL1997PTC089892
ii	Registration Date	9/26/1997
iii	Name of the Company	SAIJA FINANCE PRIVATE LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	F-128, 3rd Floor, R.K. Puram, Mohammadpur, Delhi-110066
vi	Whether listed company	Company limited by shares and Non-Convertible Debentures are listed on Stock Exchange
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	**1. Link Intime India Private Limited** Address-C 101, 1st Floor, 247 Park, Lal Bahadur Singh Marg, Vikhroli (West), Mumbai - 400083. Tel.- +91 22 49186000 **2. Ankit Consultancy Private Limited** Address- 60, Pardeshipura, Electronic Complex, Indore (M.P.) 452010 Tel.:0731-4065799, 4065797

II **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	FINANCIAL AND RELATED ACTIVITIES	9971	100%
2			

III **PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	
2					
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/HUF	-	2,000,000	2,000,000	3.3%	-	2,000,000	2,000,000	3.3%
b) Central/ State Govt.	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-
e) Any other	-	5870000	5870000	9.6%	-	5870000	5870000	9.6%
SUB TOTAL:(A) (1)	**-**	**7,870,000.00**	**7,870,000.00**	**12.8%**		**7,870,000**	**7,870,000**	**12.8%**
(2) Foreign								
a) NRI- Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	10741278	42723204	53464482	87.2%	10741278	42723204	53464482	87.2%
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**10,741,278.00**	**42,723,204.00**	**53,464,482.00**	**87.2%**	**10,741,278.00**	**42,723,204.00**	**53,464,482.00**	**87.2%**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**10,741,278.00**	**50593204**	**61334482**	**100.0%**	**10,741,278.00**	**50,593,204.00**	**61,334,482.00**	**100.0%**
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**10741278**	**50593204**	**61334482**	**100%**	**10741278**	**50593204**	**61334482**	**100%**

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company
1	Mr.Shashi Ranjan Sinha	1002125	1.63%	NIL	1002125	1.63%
2	Ms.Rashmi Sinha	997875	1.63%	NIL	997875	1.63%
	Total	**2000000**	**3.26%**		**2000000**	**3.26%**

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
	At the beginning of the year	2000000	3.26%	2000000	3.26%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (Transfer - 26/09/2017)	NIL		NIL	
	At the end of the year	2000000	3.26%	2000000	3.26%

(iv) **Shareholding Pattern of top ten Shareholders**
(other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No	Shareholders Name	Shareholding at the end of the year		Type of shares	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the Company	Equity	Preference
1	Accion Africa Asia Investment Company	25,762,808	42.00%	Equity	
2	Pragati India Fund Limited	25,741,278	41.97%	Equity	
3	Accion Gateway LLC	1,960,396	3.20%	Equity	
4	Saija Mannagement and Employee Welfare Trust	5,870,000	9.57%	Equity	

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**Shashi Ranjan Sinha**				
	At the beginning of the year	1002125	1.63%	1002125	1.63%
	Change in Shareholding	0	0.00%	0	0.00%
	At the end of the year	1002125	1.63%	1002125	1.63%
2	**Rashmi Sinha**				
	At the beginning of the year	997875	1.63%	997875	1.63%
	Change in Shareholding	0	0.00%	0	0.00%
	At the end of the year	997875	1.63%	997875	1.63%

(V) INDEBTEDNESS (in Rs.) *as on March 2021*

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	2,123,128,623	366,666,667	-	2,489,795,290
ii) Interest due but not paid	116,579	-	-	116,579
iii) Interest accrued but not due	32,731,830	5,146,652	-	37,878,482
Total (i+ii+iii)	**2,155,977,032**	**371,813,319**	**-**	**2,527,790,351**
Change in Indebtedness during the financial year				
Additions	650,000,000	-		650,000,000
Reduction	1,358,881,603	66,666,667		1,425,548,270
Net Change	-708881603	**- 66,666,667**		- 775,548,270
Indebtedness at the end of the financial year				
i) Principal Amount	**1,414,247,020**	**300,000,000**		1,714,247,020
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	8,757,418	4,299,752		13,057,170
Total (i+ii+iii)	**1,423,004,438**	**304,299,752**		**1,727,304,190**

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Amt. (Rs.)	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	(i) Shashi Ranjan Sinha	4,800,000	9,000,000
		(ii) Rashmi Sinha	4,200,000	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	(i) Shashi Ranjan Sinha		
		(ii) Rashmi Sinha		
2	Stock option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others (specify)			
5	Others, please specify			
	Total (A)		9,000,000	9,000,000
	Ceiling as per the Act		NA	NA

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Amount
1	Independent Directors	
	(a) Fee for attending board committee meetings	950,000/-
	(b) Commission	
	(c) Others, please specify	
	Director Remuneration	
	Director Remuneration	
	Total (1)	**950,000/-**
2	Other Non Executive Directors	
	(a) Fee for attending board committee meetings	NIL
	(b) Commission	
	(c) Others, please specify.	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Cieling as per the Act.	**NA**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs.)

Sl. No.	Particulars of Remuneration of KMP			Total	
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	849,708.00	NIL	849,708.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	-	-	-	-
	as % of profit				
	others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/Punishment/Compounding fees imposed**	**Authority (RD/NCLT/ Court)**	**Appeall made if any (give details)**
A. COMPANY					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
B. DIRECTORS					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

Annexure-II

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is creation and enhancing long -term sustainable value for the stakeholders through ethically driven business process. At Saija, it is imperative that our Company affairs are managed in a fair and transparent manner.

Saija Finance Private Limited recognizes its role as a responsible corporate citizen and follows best practices and the highest standards of Corporate Governance through its four pillars which are its core values .i.e. Transparency, Discipline, Excellence and Social Responsibility.

Saija’s Vision is to be a value-driven company that creates significant social impact through high- quality sustainable microfinance and allied services and it has mission to bring innovative and transparent microfinance to millions in urban and rural India.

For the fulfillment of its vision and mission company maintains a team of skilled person which provide customer focused and efficient services. Saija has been balancing its dual objectives of “social” and “financial” goals since its inception. Discipline, Social responsibility and transparency in all its dealings with its customers, lenders, investors and employees’ have been the corner stone of its operations. Transparency in the decision making process has been providing comfort to all stakeholders, particularly the lenders and investors.

B. RBI GUIDELINES ON CORPORATE GOVERNANCE

Saija follows the guidelines issued by RBI on Corporate Governance and updates itself with the guidelines issued by RBI on regular basis.

The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention. This is also in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. BOARD OF DIRECTORS

The Board of Directors (‘the Board’) is at the core of our corporate governance practice and oversees how the management serves and protects the long -term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. Company has composition of both Executive and Non-Executive Directors.

Size and Composition of the Board

Composition of the Board during FY 2020-21:

Name	DIN	PAN	Designation	Date of Birth	Date of Appointment
Mr. Vishwanath Prasad Singh	00015784	ALZPS7615K	Independent Director	25-01-1944	22-12-2015 (Re-appointment for 2nd term wef 22-12.2020)
Mr. Carlos Eduardo Castello	06499244	NA	Independent Director	12-01-1956	15.05.2020
Mr. Abhishek Agrawal	6760344	AECPA4338P	Nominee Director (ACCION)	08-08-1980	02-09-2015
Mr. John Henry Fischer	07908218	AFBPF8986Q	Nominee Director (ACCION)	27-04-1966	20-09-2019
Mr. Ashutosh Binayake Mahendra	7363604	ABVPB1878R	Nominee Director (Pragati)	03-03-1973	22-12-2015
Mr. Shashi Ranjan Sinha	00917884	ABYPS3955P	Chairman cum Managing Director	21-02-1956	1-01-2008
Mrs. Rashmi Sinha	01200048	ABYPS3958A	Whole Time Director	18-02-1960	02-09-2015
Mr. Shaibal Gupta	1064233	ADNPG6888J	Independent Director	21-06-1953	15-06-2013(Cessation due to death on 28.01.2021)

D. BOARD MEETINGS

Scheduling and selection of agenda items for Board meetings

Dates for Board meetings in the ensuing year are decided in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the results and other items on the agenda. Additional meetings are held, when necessary. Committees of the Board usually meet the day of Board meeting or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approvals.

During the financial year 2020-21, the Board met (7) seven times on 15th May, 2020, 25th May, 2020, 30th June, 2020, 31st July, 2020, 30th October 2020, 13th November, 2020 and 2nd March, 2021. The gap between no two Board meetings exceeded one hundred and twenty days.

E. DUTIES AND RESPONSIBILITES OF THE BOARD OF DIRECTORS

In accordance with the provisions of Section 166 of the Companies Act, 2013 and as a matter of corporate governance, the directors of the Company have the following duties: -

(1) A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
(2) A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
(3) A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
(4) A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
(5) A director of a Company shall not assign his office and any assignment so made shall be void.

F. MINIMUM INFORMATION TO BE PLACED BEFORE THE BOARD

(1) Annual operating plans and budgets and any updates.
(2) Periodic results for the entity and its operating divisions or business segments.
(3) Minutes of meetings of audit committee and other committees of the board of directors.
(4) The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

(5) Show cause, demand, prosecution notices and penalty notices, which are materially important.
(6) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
(7) Any material default in financial obligations to and by the entity or substantial non-payment for goods sold by the entity.
(8) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the entity or taken an adverse view regarding another enterprise that may have negative implications on the entity.
(9) Details of any joint venture or collaboration agreement.
(10) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
(11) Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
(12) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
(13) Periodic details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
(14) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
(15) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;
(16) Conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

G. BOARD COMMITTEES

Audit Committee

The Audit Committee was constituted in the year 2013 and was recently reconstituted on 15th February 2020 in accordance with Section 177 of Companies Act, 2013. The Board has approved a Charter for the functioning of the Committee, on 31 March, 2015.

The terms of reference of the Audit Committee is as set out in Section 177 of the Companies Act, 2013. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the

Management, the internal auditor and statutory auditor and notes the processes and safeguards employed by each of them.

The composition of the Committee is as follows:

S.No.	Name of Director	Designation	Position in committee
1.	Mr. Carlos Eduardo Castello	Independent Director	Member
2.	Mr. V. P. Singh	Independent Director	Member
3.	Mrs. Rashmi Sinha	Whole time director	Member
4.	Mr. Abhishek Agarwal	Nominee Director	Permanent Invitee
5.	Mr. Ashutosh Binayake	Nominee Director	Permanent Invitee

During the financial year 2020-21, (4) Four Audit Committee meetings were held on:

1. July 31, 2020
2. October 30, 2020
3. November 13, 2020
4. March 02, 2021

Nomination & Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013, the Board on 15th February 2020 re-constituted the Nomination and Remuneration Committee. The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Director, Non-Executive Director and Independent Director consistent with criteria approved by the Board and to recommend, for approval by the Board. The Company has Board approved Fit & Proper Criteria Policy as per the RBI directives.

Following is the composition of Nomination & remuneration Committee:

S.No.	Name of Director	Designation	Position in committee
1.	Mr. Carlos Eduardo Castello	Independent Director	Member
2.	Mr. V. P. Singh	Independent Director	Member
3.	Mr. John Henry Fischer	Nominee Director	Member
4.	Mr. Abhishek Agarwal	Nominee Director	Permanent Invitee
5.	Mr. Ashutosh Binayake	Nominee Director	Permanent Invitee

Risk Management Committee

The Company has a Risk Management Committee as per the provisions of RBI regulations. The Company has constituted the committee with following members as at the end of the Financial Year under review-

Following is the composition of Risk Management Committee:

S.No.	Name of Director	Designation	Position in committee
1.	Mr. Carlos Eduardo Castello	Independent Director	Member
2.	Mr. V. P. Singh	Independent Director	Member
3.	Mrs. Rashmi Sinha	Whole time director	Member
4.	Mr. Abhishek Agarwal	Nominee Director	Member
5.	Mr. Ashutosh Binayake	Nominee Director	Member

Management Finance Committee:

The Management Finance Committee was re-constituted on 23rd April 2016**.** Pursuant to the provisions of Section 179 of the Companies Act,2013 the consent of the members of the Board of directors was taken to constitute the "Management Finance Committee" for the purpose of discussing, approving and transacting, the matters relating to borrowing and investing the funds/ money availing credit facilities from bankers/ funders of the Company.

Following is the present composition of Management Finance Committee:

S.No.	Name	Designation	Position in committee
1.	Mr. Shashi Ranjan Sinha	Chairman cum managing Director	Chairperson
2.	Mrs. Rashmi Sinha	Whole-Time Director	Member
3.	Vice-President (Finance)		Member
4.	Vice-President (Commercial)		Member
5.	Vice-President (Operations)		Member

CSR Committee

The CSR Committee was constituted on 20th September 2019**.** Pursuant to the provisions of

Section 135 of the Companies Act, 2013, the consent of the members of the Board of directors was taken to constitute “The CSR Committee” for the purpose of discussing, approving and transacting the matters relating to the CSR Activities by the Company.

Following is the present composition of the CSR Committee:

S.No.	Name	Designation	Position in committee
1.	Mr. Shashi Ranjan Sinha	Chairman cum managing Director	Chairperson
2.	Mrs. Rashmi Sinha	Whole-Time Director	Member
3.	Mr. V. P. Singh	Independent Director	Member
4.	Mr. Abhishek Agarwal	Nominee Director	Member
5.	Mr. Ashutosh Binayake	Nominee Director	Member

H. Code of conduct

The Company has adopted the Saija Code of Conduct (CoC) for Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Directors regarding compliance of the Code during the year under review. It has also adopted the Saija CoC for Non-Executive Directors of the Company. Code of Conduct has been posted on the website of the Company.

I. Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities.
There has been no instance of non -compliance with any legal requirements, nor have there been any restrictions imposed by any stock exchange or SEBI, on any matters relating to the capital market over the last three years.

Annexure-III

DISCLOSURE IN DIRECTOR'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Requirements	Disclosures
1.	The ratio of remuneration of each director to the median of remuneration of employees of the Company for the Financial Year.	Name of Directors — Ratio Mr. Shashi Ranjan Sinha — 39.72 Mrs. Rashmi Sinha — 34.76
2.	Percentage increase in remuneration of each Director and Key Managerial Personnel in the Financial Year.	Mr. Shashi Ranjan Sinha- No Increment during year (Chairman and Managing Director) Mrs. Rashmi Sinha- No Increment during year Company Secretary - No Increment during year
3.	The percentage increase in median remuneration of employees in Financial Year.	During FY 2020-21, the percentage increase in the median remuneration of employees as compared to previous year was approximately 7%.Further, the number of employees at the end of FY 2020-21 is 725 as compare to 973 employees at the end of previous FY.
4.	No. of permanent employees on roll of the Company	725
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for	The average salary of employees other than Key Managerial Personal in the FY-2020-21 is increased approximately by 13% as compare to that of in FY 2019-20. There is no increment in the salary of Company Secretary (KMP) in the financial year. Any exceptional change recorded for increase in the Managerial Remuneration.

6.	increase in the managerial remuneration. The key parameters for any variable component of remuneration availed by the directors.	
7.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.

General Note:

1. Profit of the Company is calculated as per section 198 of the Companies Act, 2013.
2. Managerial Personnel includes Chairman and Managing Director, Whole Time Director and Company Secretary (KMP).

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Saija Finance Private Limited
F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Saija Finance Private Limited (CIN: U65929DL1997PTC089892).** Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **Saija Finance Private Limited's** books, registers, documents, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the company, its officers and authorized representatives, during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March' 2021** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, documents, minute books, forms, and returns filed and other record maintained by **Saija Finance Private Limited (CIN: U65929DL1997PTC089892)** for the financial year ended on 31st March' 2021 according to the provisions of:

i) The Companies Act' 2013 (the Act) and the rules made there under;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii) The Depositories Act, 1996 and the regulations and Bye- Laws framed there under;
iv) Foreign Exchange Management Act, 1999 and the rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)-

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E-mail : akumarassociate@yahoo.co.in

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
d) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009
e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

vi) RBI Act for Non-Deposit accepting NBFC.
vii) Memorandum of Association and Articles of Association of the Company;
viii) I have also examined compliance with the applicable clauses as following-
a) Secretarial Standards issued by "The Institute of Company Secretaries of India".
b) The Listing Agreement entered into by the Company with the Stock Exchange.

In respect of other Statutes / Regulations applicable to the Company, I have relied on the information provided to me by the company and no audit has been conducted for those matters.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

a) Although the Company is a Private Company limited by shares, during the Financial Year the Company holds listed Non-Convertible Debentures on recognized Stock Exchange and during the said period the company issued fresh or new Non-Convertible Debentures for Rs. 10,00,00,000/- to SBI on 08th December, 2020 which is listed on BSE.

b) The company, during the year under reporting, redeemed Non-Convertible Debentures, that was issued earlier, amounting to Rs. 33,50,00,000/- in accordance with the Act and the terms and conditions of issue.

c) As on the closing date of financial year under reporting, the company has not appointed Chief Financial Officer (CFO) as required under Section 203 of the Companies Act 2013 read with Rule 8 of 'Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014'.

d) As informed, the company has been normally paying the undisputed Statutory Dues on time.

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e) The Net worth of the Company as per audited Financial Statement for Financial Year 2020-21 was Rs. 3,363.25 Lakhs compared to the previous year's Net Worth figure of Rs. 6,636.61 Lakhs.

f) On several instances the filings of Forms / Documents / Records particularly with RBI and SEBI (as per LODR) was done late.

g) There was no Corporate Social Responsibility (CSR) Committee meeting was held during the reporting period.

I further Report that:

During the Financial year under Reporting, the Company was not required to spend under Corporate Social Responsibility (CSR) as the profit of the Company during financial year 2019-20 was less than or below Rs. 5 Crores.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent as well as Non-Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notices were given to all Directors to schedule the Board Meetings with agendas. HOWEVER, on several instances, the financials / reports / documents or details to support the agendas were circulated late. A system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through consensus while the dissenting members' views, wherever applicable, are captured and recorded in the minutes where such members specifically demand for recording the same.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and to ensure compliance with applicable laws, rules, regulations and guidelines.

For A. KUMAR & ASSOCIATES
COMPANY SECRETARIES

Ajay Kumar

Proprietor

Place: Patna.
Date: 14.09.2021.

Name of Company Secretary: Ajay Kumar
FCS No.: 5204
C.P. No.: 3433

NOTE: This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

"Annexure A"

To,

The Members,
Saija Finance Private Limited
F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. Based on verification of documents and amendments in Companies Act and LODR, **we hereby make the following recommendations for future compliances** under Companies Act, 2013 (the Act) :-

   (a) The company shall ensure at earliest that the Independent Directors qualifies / passes the 'Online Proficiency Self Assessment Test for Independent Directors Data Bank' with Indian Institute of Corporate Affairs, as applicable.

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(b) The Company shall ensure the compliances of Corporate Social Responsibility (CSR) in accordance with the most recent amendment of Section 135 of the Companies Act, 2013 dated 22/01/2021.

(c) The Company shall ensure the applicable compliances in accordance with the amended LODR (copy of the amended provisions attached for reference of Board).

For A. KUMAR & ASSOCIATES
COMPANY SECRETARIES

Ajay Kumar.

Proprietor

Name of Company Secretary: Ajay Kumar

Place: Patna

FCS No.: 5204

Date: 14/09/2021.

C.P. No.: 3433

1. Amendment with Respect to Quarterly Compliance

S.No.	Reg.	Particulars	Old Provision	Amended Provision	Change
1	7(3)	Share Transfer Agent	The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised Rep. of the share transfer agent, wherever applicable, within one month of end of each half of the financial year.	The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, within 30 days of end of each financial year.	The Compliance Certificate duly signed by compliance officer of the Company and Authorised Rep. of STA to be submit to Stock Exchange within 30 days of the end of Financial Year, instead of each half of the Financial year.
2	27	Corporate Governance Report	The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within fifteen days from close of the quarter.	The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within Twenty One days from end of each quarter.	CG Report to be submit within 21 days from the end of each quarter.
3	40(9)	Transfer or Transmission of Securities	The Listed Entity shall ensure that the share transfer agent produce a Certificate from PCS within 1 month from end of each half of financial year Certifying that all certificates have been issued within 30 days from date of transfer/ lodgement etc.	The Listed Entity shall ensure that the share transfer agent produce a certt from PCS within 30 days from end of financial year Certifying that all certificates have been issued within 30 days from date of transfer/ lodgement etc.	This Certificate is required to be submit Annually, within 30 days from the end of Financial year.

2. Amendments in Other Regulations

S.No.	Reg.	Particulars	Old Provision	Amended Provision	Change
1	3	Applicability of the Regulations	-	The provisions of these regulations which become applicable to listed entities on the basis of market capitalisation criteria shall continue to apply to such entities even if they fall below such thresholds	The provisions of LODR which became applicable on the basis of Mkt. Cap Shall continue to apply even if the threshold of the Company Falls
2	22	Vigil Mechanism	The listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns.	The listed entity shall formulate a vigil mechanism / Whistle Blower Policy for directors and employees to report genuine concerns.	The Company is required to make Whistle Blower Policy now.
3	24A(2)	Secretarial Audit	-	Every listed entity shall submit a secretarial compliance report in such form as specified by the Board, to stock exchanges,	Secretarial Compliance Report to be submit within 60 days from end of each F.Y

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				within sixty days from end of each financial year.	
4	25	Obligation with respect to Independent Directors	The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.	The independent directors of the listed entity shall hold at least one meeting in a Financial year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.	The word year replace with Financial year to remove the ambiguity
5	26	Obligation with respect to employees including Senior Mgt. KMP	Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.	OMITTED	
6	30	Disclosure of Events or Information	**Reg 30(6) Second Proviso** Provided further that disclosure with respect to events specified in sub-Para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.	**Reg 30(6) Second Proviso** Provided further that disclosure with respect to events specified in sub-Para 4 of Para A of Part A of Schedule III shall be made **within the timeline specified therein.** **Schedule V-** Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.	As per Reg 30(6) Second Proviso all the events specified in Para 4 of Para A of Part A of Schedule III shall be made within the timeline specified in Schedule III. i.e within 30 minutes of the conclusion of the Board meeting. However, where the meeting held for more than 1 day, then the results shall be disclosed within 30 minutes of the end of the meeting when the results are considered
7	34(2)	Annual Report	**Business Responsibility Report** For the Top 1000 listed entities based on mkt Capitalization Business Responsibility Report is mandatory.	The Req of submitting Business Responsibility Report shall be discontinued after the FY 20-21 and thereafter w.e.f 2022-23, the top 1000 listed entity shall submit a Business Responsibility and Sustainability Report. However, During the FY 21-22 the top 1000 co's may voluntarily submit Business Responsibility and Sustainability Report.	For **FY 20-21**– Business Responsibility Report is mandatory. However the Co may **Voluntarily** follow Business Responsibility and Sustainability Report. **For FY 22-23**– The entity shall submit Business Responsibility and Sustainability Report.
8	44(3)	Meeting of Shareholders and voting	The listed entity shall submit voting results to the Stock Exchange within 48 hours of conclusion of its General Meeting	The listed entity shall submit voting results to the Stock Exchange within 2 working days of conclusion of its General Meeting	
9	46	Website	-	1. A listed entity, which has	

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				a Subsidiary Company Incorporated o/s India- a)where such subsy is required to prepare cons Financial Statement under any law of the Country of its Inc. – Cons Financial Statement to be placed on Website of the Listed Company. b)If such Subsy is not req to get its Financial Statement Audited- Listed entity may place Unaudited Financial Statement. 2. **Secretarial Compliance Report** to be place on the Website of the Company 3. Annual Return under Sec 92 of the Co Act 2013. 4. Schedule of analysts or Institutional Investor meet and presentations made by the listed entity to analysts or institutional investors.	
10	47(1)(a)	Advertise-ments in Newspaper	The Listed entity shall publish the advertisement in Newspaper, notice of Board Meeting where Financial results shall be discussed.	OMITTED	Publishing of Newspaper advertisement is not required for the Board Meeting where the Financial Results shall be discussed.
11	Schedule III	Disclosure of Events	**Schedule III Part A Para A clause 15** Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;	**Schedule III Part A Para A clause 15** a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. b) Audio and Video Recording and transcripts of post earning/ quarterly calls conducted physically or through digitally means simultaneously with submission to Stock Exchange made available on website in following manner - a) Presentation and audio/ video recording- before the next trading day or within 24 hrs from conclusion of such call, whichever is earlier. b) Transcripts- within 5 working days of conclusion of calls.	
12	Schedule V	Corporate Governance Report (Annual Report)	-	**Stakeholders' relationship committee** (a) name of the non-executive director heading the committee; (b) name and designation of the compliance officer;	Details of Stakeholder's Relationship Committee and Risk Management Committee shall be inserted in the Annual Report

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			Clause 5- Remuneration of Directors (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report; (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report; (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made: (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc; (ii) details of fixed component and performance linked incentives, along with the performance criteria; (iii) service contracts, notice period, severance fees; (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	(c) number of shareholders' complaints received during the financial year; (d) number of complaints not solved to the satisfaction of shareholders; (e) Number of Pending Complaints. **Clause 5ARisk management committee:**(a) brief description of terms of reference;(b) composition, name of members and chairperson;(c) meetings and attendance during the year**Clause 6- Remuneration of Directors** (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity; (b) criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report; (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made: (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc; (ii) details of fixed component and performance linked incentives, along with the performance criteria; (iii) service contracts, notice period, severance fees; (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	
13	21	Risk Management Committee	**Reg 21(2)-** The majority of members of Risk Management Committee shall consist of members of the board of directors and in case of a listed entity having outstanding SR equity shares, at least two thirds	**Reg 21(2)-** The Committee shall have **min. 3 members** with majority of being members of BOD including at least 1 Independent Director and In case entity having o/s SR equity shares at least 2/3 members shall	**Reg 21(2)-** Composition of Committee members has changed. **Reg 21(3A)** The Comm. Is required to meet atleast 2 times in a year. **Reg 21(5)** The Provisions of Reg 21

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			of the Risk Management Committee shall comprise of independent directors **Reg 21(3A)** The Committee shall meet at least once in a year. **Reg 21(5)** Provisions of the Reg 21 shall applicable to Top 500 listed entities.	comprise of I.D Reg 21(3A) The Committee shall meet **at least twice** in a year. **Reg 21(3B)** Quorum shall be either 2 member or 1/3rd of the committee, whichever is higher including atleast 1 member of Board of Director. **Reg 21(3C)** Not more than 180 days shall elapse between any 2 continuous meeting on a continuous basis.**Reg 21(5)** Provisions of the Reg 21 shall applicable to **Top 1000** listed entities. **Reg 21(6)-** The comm. shall have powers to seek info. from any employee, obtain o/s legal or other professional advice and secure attendance of outsiders with relevant expertise, if it consider necessary	shall be applicable on Top 1000 Company
14	43A	Dividend Distribution Policy	**Reg 43A(1)-** The top 500 Companies based on mkt. Cap shall formulate a Dividend Distribution Policy. **Reg 43A(3)** The listed entities other than top 500 hundred listed entities based on market capitalization may disclose their dividend distribution policies on a voluntary basis in their annual reports and on their websites.	**Reg 43A(1)-** The **top 1000** Companies based on mkt. Cap shall formulate a Dividend Distribution Policy. **Reg 43A(3)** The listed entities **other than top 1000** listed entities based on market capitalization may disclose their dividend distribution policies on a **voluntary basis** in their annual reports and on their websites.	The Provisions of Reg 43A shall be applicable on Top 1000 Company **Reg 43A(3)** The Company other than Top 1000 companies may voluntarily disclose Dividend Distribution Policy.

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