

samasta
microfinance



STRONGER TOGETHER

ANNUAL REPORT 2020-21

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Disclaimer

This document contains statements about expected future events and financials of Samasta Microfinance Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

About This Report

We are extremely delighted to present our first Integrated Report <IR>. This is one of our principal communication documents addressed to all our stakeholders. This Report contains information on our operational and financial performance, its influence on our strategic objectives, along with our ability to create sustainable value. We will add more of such elements over the years and keep up with the trust and transparency with all our stakeholders.

Our Approach to Reporting

As FY21 unfolded, Samasta Microfinance Limited ('the Company' or 'we') took a proactive decision to move towards Integrated Reporting (IR). As we unveil the report, we will be taking our stakeholders through our integrated value-creation process done by using six capitals broadly based on the principles of International Integrated Reporting Council ('IIRC'). These capitals encompass both financial and non-financial forms of capitals viz. Physical, Intellectual, Human, Social and Relationship and Natural.

Reporting Period, Scope and Boundary

The reporting period for this Integrated Report is from April 1, 2020 to March 31, 2021. It includes an overview of our operations, business segments and key focus strategies.

Reporting Standards and Frameworks

This Report is prepared in accordance with the International Integrated Reporting <IR> Framework. The Company intends to add more transparency and accountability through the disclosures and information provided in the Report. The financial information presented in this report includes the Director's Report, Management Discussion and Analysis (MD&A), Corporate Governance Report and the Business Responsibility Report.

Management Assurance

The Report's content has been reviewed by our Company's senior management, under supervision of the Chairman. The Board members of our Company have also provided required insight related to Governance and overall operating context.

Stronger Together

—→
The COVID-19 pandemic taught us some important lessons on how to evolve **Stronger Together** during change. It showed us how we can face the most challenging situations through unity and compassion.

The theme **Stronger Together** aptly captures our growth journey during the year. It vividly shows how we managed to mitigate the impacts of the pandemic and continued on our growth journey. The roots of our resilience lie deep in our core values and our focus on financial inclusion and women empowerment. As women are the very basis of the foundation of a healthy community, empowering them financially makes us feel stronger.

During the year, we came closer to our customers by giving them additional credit to help them sustain their businesses. This, in a way, impelled our expansion and we grew shoulder to shoulder with our customers. Our easy-to-use digitised processes, efficient business operations, and a motivated workforce, enabled us further to become one of the fastest growing microfinance companies in India. And, in doing so, we continued to bring more smiles on the faces of our customers and consistently created sustainable value for our stakeholders.



IIFL Finance Limited

Focus on retail: Standing tall on trust and transparency

Standing on the strength of over 26 years' expertise, IIFL Finance Limited (IIFL Finance) is one of India's largest and most trusted financial services provider. After the demerger of IIFL Securities Limited and IIFL Wealth Management Limited, IIFL Finance, along with its subsidiaries IIFL Home Finance and Samasta Microfinance, is focussed on consumer lending. Its diverse product spectrum comprises Gold Loans, Home Loans, Business Loans, including Loans against Property and MSME Financing and Microfinance, Construction and Real Estate and Capital Markets Finance. With a strong foundation, retail-focused strategy, and transparent and ethical business operations, the Company continues to take along all in its financial inclusion journey.



Vision

To be the most respected financial services company in India. Not necessarily the largest or most profitable.



Core Values

Our core values have served as a moral compass in all our operations as we have evolved.

At IIFL, we place FIT (Fairness, Integrity, and Transparency) at the centre of everything we do.



Fairness

Fairness in our transactions with all stakeholders, including employees, customers and vendors, bereft of fear or favour.



Integrity

Integrity and honesty of utmost nature, in letter, in spirit and in all our dealings with people, internal or external.



Transparency

Transparency in all our dealings with stakeholders, media, investors and the public at large.

Our constant endeavour is to create and deliver value to our stakeholders. At IIFL, we are firm in our commitment to these ideals, and we will let go of any growth opportunity that deem unfit.



₹ **446.9** billion

ASSETS UNDER MANAGEMENT

₹ **36.6** billion

TOTAL INCOME

₹ **7.6** billion

PROFIT AFTER TAX

2,563

BRANCHES

19,825

HAPPY EMPLOYEES

1.98%

GNPA*

14.8%

RETURN ON EQUITY

*GNPA: Gross Non-Performing Assets number excludes discontinued Healthcare Equipment Finance (HCF) business

Note: Numbers as on March 31, 2021

About Samasta Microfinance Limited

Focus on small-ticket retail: Standing tall on strength of togetherness

Incorporated in 2008, Samasta provides affordable financial loans to the underserved section of the society, especially women belonging to rural and semiurban areas of India. With expanding reach and access, Samasta today, is a recognised name in the microfinance segment. It offers micro loans to people who remain outside the periphery of the formal banking ecosystem. It helps its customers with income generating activities, education, and working capital requirements. The Company also offers its customers various non-financial services such as life and hospicash insurance, along with financial counselling. Samasta has deeply penetrated across the country with continuous geographical expansion and faster customer acquisition. With distinct business model, robust competencies and firm backing from IIFL Finance, Samasta has successfully made the lives of millions across the social spectrum STRONGER. Real Estate and Capital Markets Finance. With a strong foundation, retail-focused strategy, and transparent and ethical business operations, the Company continues to take along all in its financial inclusion journey.



Vision

To be the chosen financial products and services provider backed by technology and passionate human capital.



Mission

To bridge the gap between our customers' ambition and achievement by providing top-notch financial products and services



Values

- ↔ Integrity always
- ↔ Respect for individuals and communities
- ↔ Excellence in everything we do





₹ **47.9** billion

ASSETS UNDER MANAGEMENT

₹ **7.0** billion

TOTAL INCOME

₹ **0.7** billion

PROFIT AFTER TAX

₹ **37** billion

LOANS DISBURSED

11.8

RETURN ON EQUITY

618

BRANCHES

1.62+ million

HAPPY CUSTOMERS

6,794

HAPPY EMPLOYEES

Note: Numbers as on March 31, 2021

Our Strong Product Offerings



Samridhi (Income Generation Loan - IGL)

Designed to empower women by giving them access to capital to setup or grow micro enterprises. It caters to variety of needs such as initial capital requirements, increasing working capital, buying inventories among others.



Shiksha (Education Loan)

Provided to help customers meet the academic requirements of their children.



Surabhi (Dairy Cattle Loan)

Provided to women customers for dairy development activities, including purchase of new cattle. It also includes insurance coverage to mitigate any risk.



Sajal (Sanitation and Jal Loans for Rural India)

Provided affordable credit to customers for securing the basic necessities of life such as sanitation and hygiene. Loans are provided for setting up filtration units, tap water, house water connections, water storage facilities within the households, toilet construction/improvement. It is a small-ticket loan given to existing IGL customers, ranging between ₹4,000 and ₹30,000, without any collateral.



Suvidha (Product Loan)

Designed to improve customers' lifestyles by offering loans to purchase products such as cook stoves, water purifiers, solar lights, mobile phones, among others.



Samvardhana (Top-Up Loan)

Provided additional loan to customers with existing business loans. We provide top-up loans to our Income Generation Loan (IGL) customers, with good repayment history, to access more cash to boost their income generation activities.



Sampark (Retail Loans)

Designed to promote Micro, Small, and Medium Enterprises (MSME) by providing them hassle-free credit access. It is crafted especially for self-employed people in rural areas with limited access to formal credit.



Swabhimaan (Micro Enterprise Loans)

Designed to provide timely and affordable lending solutions to micro-enterprise loans without any collateral requirement to help them expand. The product is supported by net cash flow at a higher but affordable interest rate.

How Our Customers Found Strength in Togetherness

Hear it from our customers how Samasta played a live-changing role in empowering women and giving them the financial confidence to take decisions on behalf of their families



UMA BHARWA - Small Step Towards Big Dream

"I am truly grateful to Samasta for providing the opportunity to earn for my family"

Uma Bharwa, a resident of Depalpur, Madhya Pradesh, has five members in her family. Her husband has been working in a factory for the past 10 years, but his income was not enough to provide a decent livelihood and education to their children.

In 2017, Uma decided to start a small grocery shop but she lacked funds.

When Samasta's CRO approached and educated her about the group loan, she was delighted. She thought that this was the medium to fulfil her children's dreams. Soon an IGL loan worth ₹ 30,000 got sanctioned and in 2018 she started her own grocery shop.

After 13 installments, she got a top-up loan of ₹20,000 to grow her business. Recently, Uma got a renewal loan, which helped her in selling milk from her grocery shop.

Today, she handles the grocery as well as the dairy business from the same shop. She had a firm belief in Samasta's simplified processes, transparent charges, staff honesty and fast services.

From being a homemaker to a grocery shop owner, Samasta helped her explore the successful avenues in life.



KIRAN DEVI - Ushering In a Change

"There is no force more powerful than a woman who is determined to rise"

Kiran Devi, a resident of Chanpatia, Bihar, has been fighting financial setbacks for long. The income of her husband, a daily wage earner, wasn't sufficient to shoulder the financial responsibilities of the family.

Almost three years ago, Kiran decided to open a small kirana store to support her family. However, due to lack of funds, it was challenging for her to continue the daily operations, as the income was inadequate to meet the expenses.

She then came to know about Samasta from one of her neighbours and contacted us for a loan. Kiran is one of our initial customers who enrolled with us in 2019. With the help of our loan, she expanded her business and the shop infrastructure.

During the lockdown, when ration shops were declared essential outlets, the money invested with the help of Samasta, aided her to run her business in tough times too. She firmly believes that there is no force more powerful than a woman who is determined to rise. Today, she is following the same path so that her family's lifestyle climbs a notch higher.

A Note from the Managing Director



The year has tested the strength and spirit of each one of us. Amid the overwhelming negativity, I would ask all to remain positive, as times change like it always have and good times would follow suit.



Dear Shareholders,

2020 was about adjustability and how we reciprocate to change. The year taught us to be more considerate, benevolent and kind towards everything. Be it nature, fellow humans or animals, the year brought us closer to all amid distancing.

COVID-19 took many lives by storm across the globe. Economies suffered reduced production and consumption witnessed a contraction, never seen before in history. At Samasta Microfinance, we believed in supporting our people, our customers and helping them stay Stronger Together in such turbulent times. We extended funding support to our customers to help them support their businesses and come out of this challenging times successfully.

To protect lives after the pandemic outbreak, the Government imposed a lockdown in the first half of FY21, which restricted trade and travel, bringing down production and consumption. The Government

and Reserve Bank of India (RBI) took prompt action to safeguard the economy and provided a stimulus aggregating to ₹29.87 trillion. Reopening of the economy in the second half of FY21, along with the roll out of multiple vaccines, uplifted public sentiments. We further started seeing resumption in consumption, production and trade across sectors. The economy went on to register a growth of 0.4% in the December quarter and 1.6% in the March quarter of FY21.

The Medium and Small Enterprises (MSMEs) has been one of the leading growth drivers in the Indian economy. The Government promoted this segment through fresh stimulus packages. The microfinance industry has been instrumental in driving growth for the underserved and marginalised sections of the Indian society. The goal is to create financial inclusion and equality by providing loans to people who do not have access to traditional banking facilities. This has

propelled rural development, women empowerment, and wealth generation. According to the Micrometer report by Microfinance Institutions Network (MFIN), the microfinance industry recorded a y-o-y growth of 10% as on December 2020, with a total loan portfolio standing at ₹2.3 trillion.

At Samasta Microfinance, we have been tirelessly working towards providing formal financial support to the marginalised. We have been continually expanding our reach pan India and upgrading our infrastructure to support this vision. Empowering women and uplifting their lives have been one of our major focus areas. We provide affordable credit to women to help start their new businesses and also help in expanding them further.

I am pleased to declare that the Company delivered an outstanding performance during the FY21. Despite these challenging times, the overall AUM grew by 41% to ₹ 47.9 billion in FY21. Our total income stood at ₹ 7,021.3 million, a growth of 21% y-o-y. The growth during the year has been fostered by our mission to come in support of our customers in these desperate times. To make sure they ride out this storm safely, we extended additional loans to our existing customers according to their credit worthiness. This not only bolstered our relationship with our customers but has also strengthened our resolve towards women empowerment and financial inclusion. Further, our ability to understand our customers' needs, deliver customised products and our digitally backed infrastructure have placed us among the top microfinance institutions in India. We ended the

year with more than 1.62 million happy customers, serviced through an existing network of 618 branches.

Enhanced customer experience is at the core of Samasta. We continually focus on increasing our efficiency on the back of our technologically advanced platforms. We have significantly reduced the turn-around time taken for loan sanctioning, customer application, on-boarding and loan processing. Our pre-approved loan process and top-up loans to existing customers have enhanced customer retention. Through our integrations we have enabled cashless collection, geo-fencing, digital credit underwriting, and auto-generation of management reports for real-time and informed decision making.

Our people are our assets and are instrumental in driving the Company's growth. At Samasta, we focus on nurturing our employees by conducting sessions on skill development and knowledge enhancement. All our employees are guided towards a fast-track career advancement and rewarded on their performance.

The Indian economy is undergoing a V-shaped recovery, the macro estimates have recovered to their pre-pandemic levels. However, with the country hit by a second wave and its impact, the outlook remains positive but uncertain.

Going ahead, our focus will be on increasing financial reach to the deepest corners of the country, uplifting lives of the underserved population and most importantly marginalised women. We will continue to improve our digital

“ At Samasta Microfinance, we have been tirelessly working towards providing formal financial support to the marginalised. We have been continually expanding our reach pan India and upgrading our infrastructure to support this vision. ”

infrastructure with cutting edge technologies to enable seamless online loan processing and superior customer satisfaction. With our strong foundation and position in the industry, we are confident of seizing the upcoming opportunities in the microfinance space in India.

Conclusively, I would like to thank our Board of Directors, Senior Management, our customers and employees for their continued support in these difficult times. I would also like to acknowledge the support provided by the banks and financial institutions. Together we shall come out stronger.

Warm Regards,

Venkatesh N.

Managing Director

Our Strong Value Creation Process



INPUTS



Financial Capital

Our equity and debt funding from investors to cater to our customers' financial needs, support business operations and maximise shareholder value.



Physical Capital

Our branches, support centres, physical infrastructure used to connect with our customers and provide better services.



Intellectual Capital

Our technology-backed infrastructure coupled with market knowledge, extensive experience, and credit underwriting to process loans, manage risks and deliver effective customer service.



Human Capital

Our talented and skilled workforce vital to the process of developing and delivering our financial products and services.



Social and Relationship Capital

Our sustainable relationships with Government, regulators, customers, societies to sell our product and services.



Natural Capital

Our judicious consumption of the resources for the prosperity of business and steps to environmental conservation.

A STRONG BUSINESS MODEL

Our Business

As a prominent microfinance organisation in India, we provide affordable financial loans to the underserved section of the society, especially women from rural and semiurban areas of the country.

Our Focus

- ➡ Supporting financial inclusion and women empowerment
- ➡ Providing affordable microfinance loans
- ➡ Expanding geographical reach across India
- ➡ Enhancing our digital infrastructure
- ➡ Prudent credit underwriting
- ➡ Robust risk management framework and asset quality

VALUE CREATED FOR OUR STAKEHOLDERS

Our Offerings



Samriddhi - Income Generation Loan (IGL)



Shiksha - Education Loan



Surabhi - Dairy Cattle Loan



Samvardhana - Top-Up Loan



Suvidha - Product Loan



Sajal - Sanitation and Jal Loans for Rural India



Sampark - Retail Loans



Swabhimaan - Micro Enterprise Loans

Investors

Growing revenue and profitability and maximising returns on investment

Revenue: ₹ 7,021.30 million

PAT: ₹ 663.92 million

ROE: 11.80%

Customers

- ➔ Providing innovative and affordable loans
- ➔ Catering to the underserved sections of the society
- ➔ Offering digital platform for loan application process coupled with artificial intelligence-driven credit underwriting and loan disbursement

Employees

- ➔ Providing training and development opportunities for skill and knowledge enhancement
- ➔ Counselling and support for fast-track career progression
- ➔ Recognising and rewarding on performance basis

Communities

- ➔ Promoting financial inclusion by reaching out to those with informal credit document
- ➔ Uplifting and empowering women in our communities
- ➔ Providing healthcare facilities and educational infrastructure support to the communities we work around

Government and Regulatory Bodies

- ➔ Strong corporate governance framework
- ➔ Ethical and transparent business practices
- ➔ Relevant regulations and guidelines followed

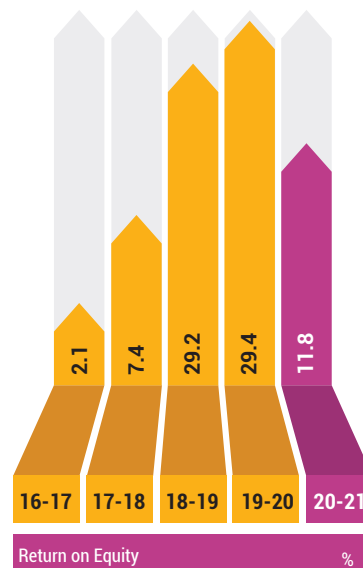
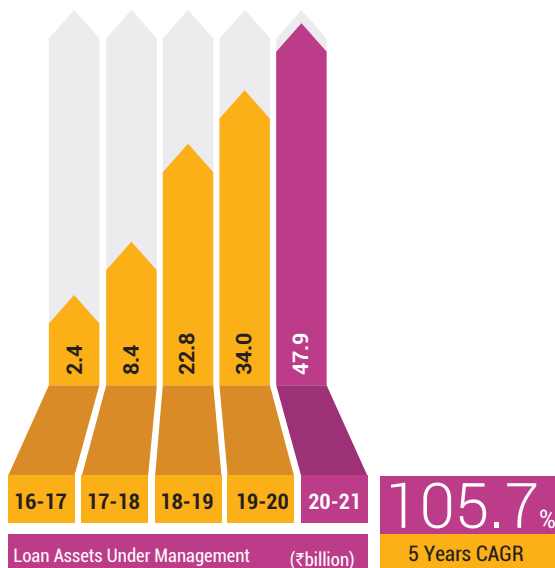
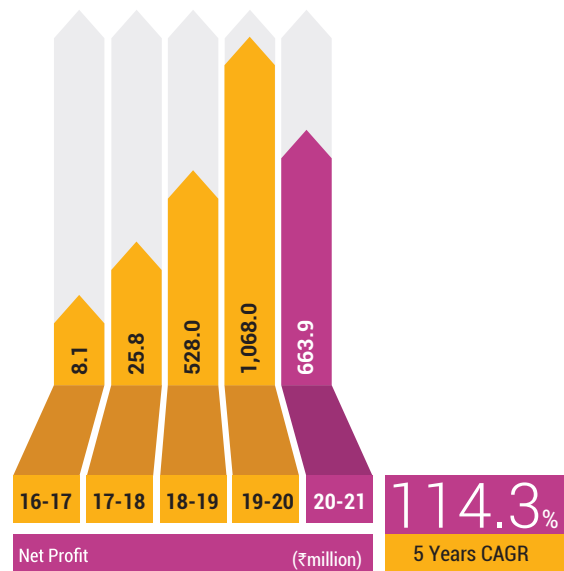
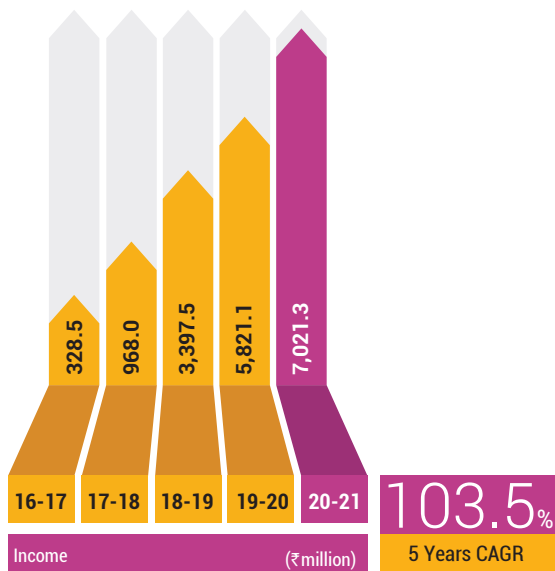
Environment

- ➔ Cashless disbursement
- ➔ Minimum paper consumption

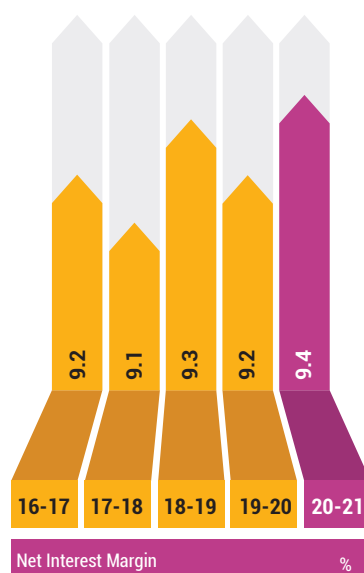
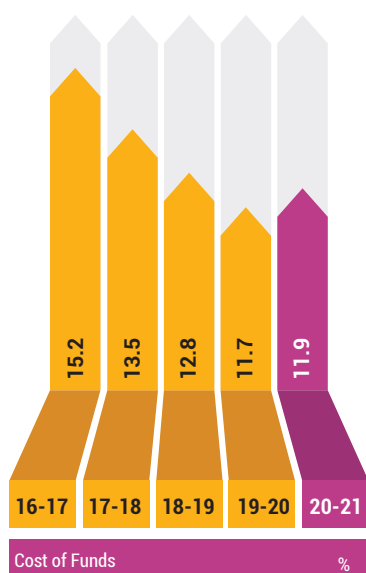
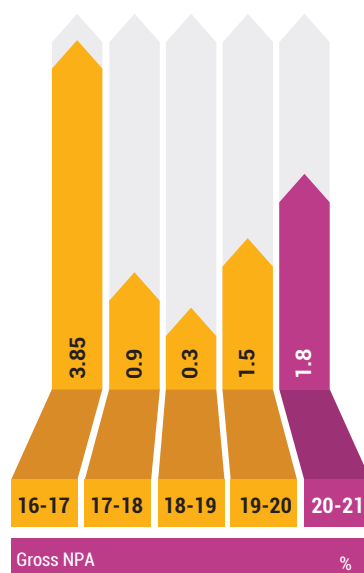
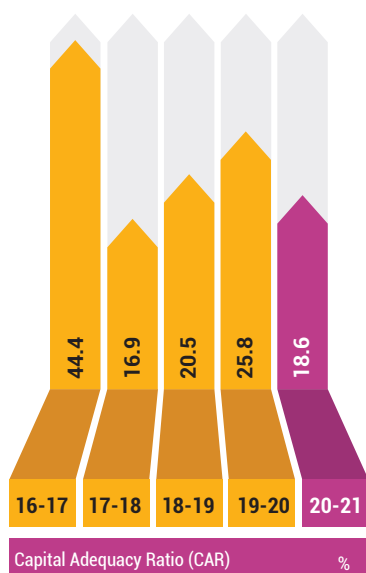
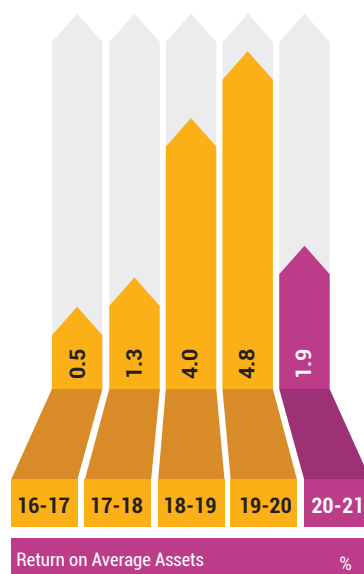
Together Our Numbers Add Up To Strong Growth

Our Financial Capital

Our financial capital comprises equity and debt raised from our investors. We at Samasta expand these funds and provide our consumers with a seamless borrowing experience to meet their financial needs.



*CAGR: Compounded Annual Growth Rate



Reaching Out For Togetherness

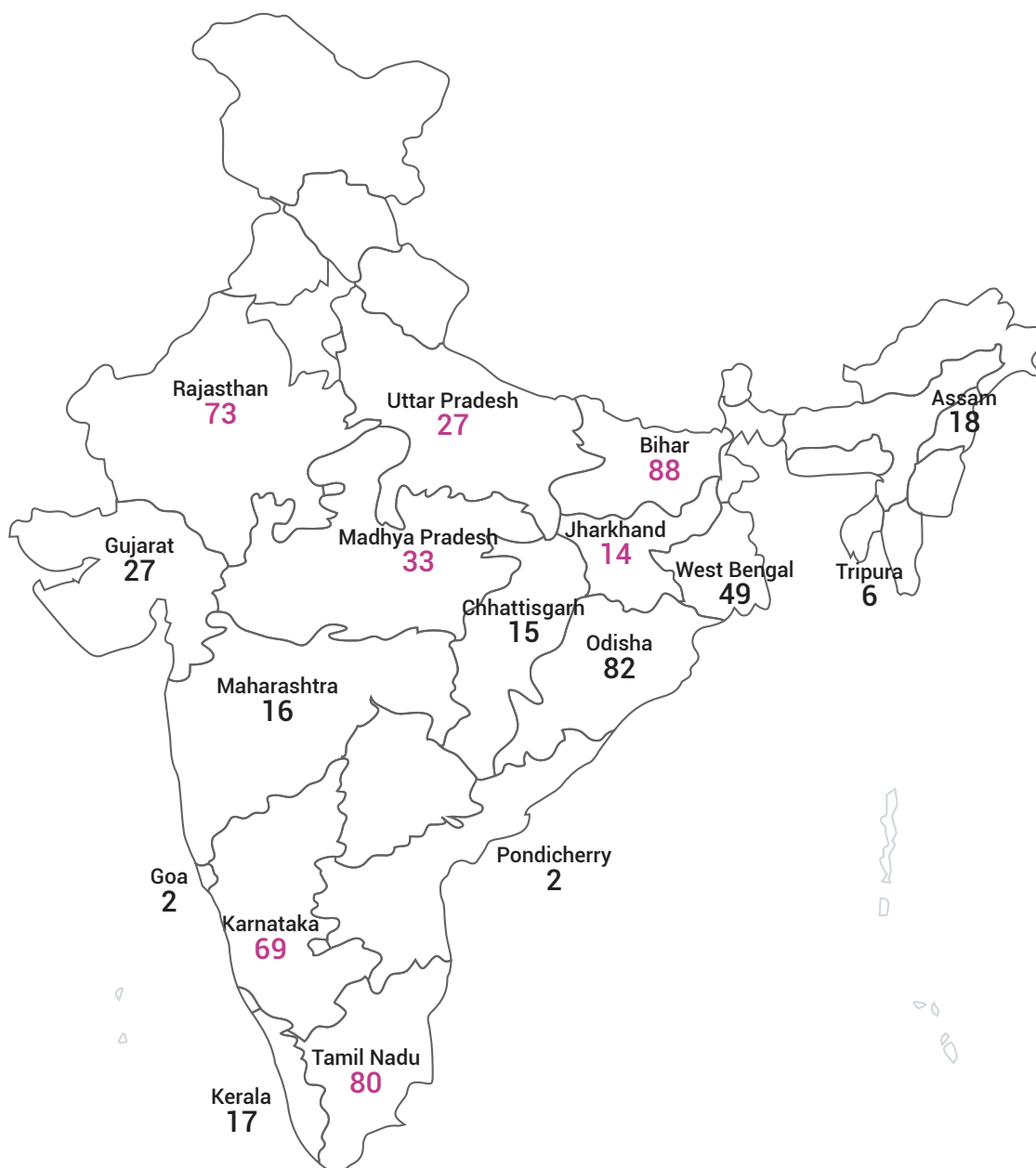


Our Physical Capital

Quality financing is inadequate in tier II, tier III cities and other remote areas across the country. Due to insufficient income documentation and credit profile, the low-middle income segment of the society has to face a lot of challenges when it comes to getting affordable credit for their business activities. At Samasta, we have taken a pledge to serve such people by reaching out to them during the pandemic.

Our physical locations and branches across the country help us in interacting with our customers and build a relationship with them through the lending process. It is our expansive presence that has resulted in sustainable relationship with our customers.





618

BRANCHES ACROSS THE COUNTRY

60

NEW BRANCHES ADDED DURING FY21

Note: The numbers are as on March 31, 2021

This map is a generalised illustration only for the ease of the reader to understand the locations and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Digitally Stronger. Technically Together



Our Intellectual Capital

Digitalisation has changed the way the world performs and delivers. There has been a lot of focus on incorporating digital solutions in everyday work. It has changed how we interact with our customers, employees, and all other stakeholders. The pandemic has further enhanced digitalisation across the value chain and this has led to achievements that were unheard of before.

In the financial services space, digitalisation has been instrumental in supporting financial inclusion in the country. It has helped in reaching those previously underserved. We believe in the impact that digital solutions can have on our industry.

At Samasta, our intellectual capital encompasses our technology-led digital systems that help us deliver our innovative products and services to the ever-changing finance needs of our customers. We have the best-in-class technology and robust disbursement processes, which ensure that people even in the remotest places in the country, can be covered through our loan offerings. Our strong digital infrastructure helped us to continue our business even during the pandemic. During the year we upgraded and enhanced our digital infrastructure to provide a seamless customer experience and emerge as a leading microfinance institution in the country.





Our Digital Prowess

- ↔ Easy on-boarding with decentralised customer enrolment and loan disbursement
- ↔ Pre-approved loan process and enhanced cashless collections
- ↔ Advanced analytics platform with automated reports to enable quicker management decisions
- ↔ Easy learning and development application to improve employees' skills and process knowledge
- ↔ Contact centre with enhanced features and quality checks for faster resolve of customer queries
- ↔ SMS delivery for loan booking, collection, barcode scanning and geo-fencing, to improve efficiency and reduce Turn-Around-Time (TAT)
- ↔ Distinct Customer Grievance Redressal policy, including escalation matrix and TAT

Enhancements During the Year

We took certain measures and tied up with Fintechs to improve efficiency in overall business, branch expansion and branch staff.

Going Cashlite

Samasta has made commendable progress in its Cashlite Journey this year. We have enabled Digital payments for our customers through UPI and Aadhaar Enabled Payment Services. Our branches have been made cashless through various initiatives such as business correspondent (BC) point deposits, cash management services, and more efficient formats of bank deposits. We have focussed on reducing the cash-carrying risk of our field officers making collections & deposits easier than ever before.

Route Optimisation

Artificial Intelligence (AI) & Machine Learning (ML) driven module on Spot ways that provides the most optimum travel route for our field officers which benefits them by saving travel time and in turn enables them to provide

better customer service. It is a good cost-saving initiative for the organisation, providing up to 35% reduction in Travel Allowance spends.

Geo Analytics

Geo Analytics is an AI-based technology that helps us locate the right area for business expansion based on data about worthy customer groups.

Sakhi

The first-ever customer application for our IGL segment providing all their loan-related information in terms of their outstanding balance and repayment details. Sakhi provides our customers a platform to pay their EMIs online through UPI payments. The application is intuitive and available in nine vernacular languages making it user-friendly. We eagerly look forward to staying in closer touch with our customers and providing higher levels of customer service through this application.

MAVRC

MAVRC is an internal application created for qualitative assessment of field force and their activities. At present, active for business monitoring, HR monitoring and audit monitoring, the application will soon be launched for credit monitoring. Through this application we can monitor the visits, activities, and quality of activities conducted for teams on the field.

Analytics Platform

Samasta has leveraged the power of analytics through the Xceed Analytics platform provided by Cynepia technologies. We crunch large volumes of customer, organisational and business data to derive meaningful output through dashboards, reports and workflows which guides managerial decisions and helps in providing the highest level of customer service. The ML models help us assess risks and take calculated steps ahead in terms of lending and collections.

Nurturing All. Making Them Stronger



Our Human Capital

It's the employees who drive Samasta. They are the building blocks, who are instrumental in achieving our goal of enhancing financial inclusion and empowering women. Right from customer onboarding to disbursement and further customer servicing, the commitment and zeal of our people is what drives our growth.



Employee Engagement

We are a performance-driven organisation and believe in inclusive growth of our employees. At Samasta, we organise various training and development sessions to nurture the knowledge and skill set of our employees. We have an automated HR process backed by advanced analytics that help in smooth employee onboarding and progression. In addition, we have a performance-linked rewards system and encourage our employees to take the next big leap.

In times of crisis, the Management team regularly connected with the employees to reinforce confidence, resolve their challenges and provide optimal guidance. During the year, we implemented various initiatives to enhance employee engagement and productivity levels. Some of them are:

Samasta Sangam

Samasta Sangam, our Annual Townhall, was held over an electronic platform across India to reinforce employee trust, confidence and morale.

Samasta Gaurav & Gratitude

This year we conducted Gaurav awards for all quarters online. The platform inspires people to create a high-performance culture. The Company's Internal Career Advancement Program also ensured rapid career advancement.

Online goal setting, tracking, quarterly performance reporting and evaluation

The Company ensured that the organisation was aligned. It also implemented a balanced scorecard strategy for achieving strategic objectives.

Cognitive skill assessments, Lean & Six Sigma (green belt), and Project Management programmes

These laid emphasis on continuous learning and leadership development. It gave line managers and leaders the tools they needed to effectively carry out strategic initiatives.

Online events

The Company created awareness on POSH, yoga, and healthy eating habits, personal safety, woman leadership, and women's rights. Initiative 'Rachana' was created specifically to raise awareness among women employees about their physical, mental, and social well-being at work.

Covid-19 Safety Measures

At Samasta, we take our employees and their safekeeping seriously. During the year, we ensured positive mind and health of our people by:

- ➔ Maintaining hygiene and regular sanitisation at workplace
- ➔ Organising sessions to spread awareness on the virus and its effects
- ➔ Providing masks and other safety gears to our employees
- ➔ Keeping our employees engaged during the pandemic through online learning on Moneyversity and Goal-LMS
- ➔ Collaborating with HealthifyMe and DocOnline for the health and well-being of our people
- ➔ Providing financial support to sustain their livelihoods during such challenging times
- ➔ Collaborating with insurance providers to cover our employees and their families for COVID-19 hospitalisation

Together Today for a Stronger Tomorrow

Our Social & Relationship Capital

As a corporate citizen, we can't envision a stronger tomorrow without the progress of our communities. As part of our Corporate Social Responsibility (CSR) we work towards community development in some of the country's most underserved segments and help them achieve socio-economic transformation and a secured future.



Educational Initiatives

Shiksha ki Udaan

A scholarship programme of Samasta to support girl students from financially weaker sections of the society. We provided financial assistance of ₹5,000 to 300 Class 11 and Class 12 girl students from Bihar, Odisha and West Bengal. We also provided support to Madras Art Craft Foundation to conduct the Dakshin Chitra event. It is an exciting cross-cultural living museum of art, architecture, lifestyles, crafts and performing arts of South India.

COVID-19 Relief Measures

The safety of frontline warriors is of prime importance in the current situation. At Samasta, we connected with state health officers to understand the requirement of safety gears and Personal Protective Equipment (PPE) kits in the most effected states. We conducted relief activities in Karnataka, Maharashtra, Rajasthan, Gujarat, Tamil Nadu, West Bengal, Bihar, Kerala and Odisha. We provided PPE kits to designated COVID-19 hospitals and police stations. We also provided grocery kits to 250 needy families at Aluva in Kerala.

2,500

PPE KITS PROVIDED

25

COVID-19 DESIGNATED HOSPITALS
COVERED IN 5 STATES

2,100

SAFETY KITS PROVIDED TO POLICE
PERSONNEL

Livestock Initiatives

Project Kamadhenu

Livestock provides livelihood to two-third of India's rural community. It also employs about 8.8% of our population. At Samasta, we launched Project Kamadhenu to promote artificial insemination in the rural areas of our country. We launched two livestock development centres (LDC) with support of Bharatiya Agro Industries Foundation (BAIF) NGO at Harohalli and Halagur blocks of Karnataka.

Promotion of Fodder Development and Preventive Healthcare Measures

Samasta launched the project to make improved fodder plots in irrigated areas and tree-based fodder species for dryland areas. The improved perennial fodder varieties will be promoted on 5 gunthas among farmers who have irrigation facilities all year round. The 5-guntha model will consist of BAIF Napier on 3 guntha and the remaining 2 guntha will have perennial/hedge Lucerne or on-the-edges fodder trees. The project targets to develop improved perennial fodder varieties with more than 2,000 farmers over three years.

Livestock Healthcare

To create awareness on preventive healthcare measures among the farmer community, we organised health camps, deworming and vaccinations camps and conducted training programmes. We organised three camps in Nadaboganahalli village of KR Pete, Nelamane

in Sreerangapatna block and Darasaguppe village in Karnataka with veterinary doctors and treated 643 cattle. The health camps helped farmers to understand the general health condition of livestock, management practises and the prevalent disease/problems in the area so that preventive measures could be taken up timely and systematically.

Flood Relief Support

Massive rainfall during the year caused floods in many states in India. Samasta conducted relief activities in Karnataka, Bihar and Tamil Nadu and provided groceries to 1,224 affected people. Tamil Nadu was hit by severe cyclonic storm 'Nivar'. It caused considerable damage to crops, fields and forced many people to relocate. During this crisis, Samasta provided immediate support to people affected by the cyclone in Tambaram area.

Health and Hygiene Initiatives

Project Vision Care

We launched Vision Care project in collaboration with Essilor Vision Foundation to screen people in Karnataka. We have also facilitated the screening camps in 10 villages with doctors from Dristi Eye care hospitals. The screened people have been provided free spectacles and given further medical advice on surgery and treatment.

Project Smile

Samasta launched Project Smile in collaboration with Chirantana Trust to identify cleft lip and cleft palate children and provide free corrective surgery. The project was conducted in 58 villages of Murshidabad block of West Bengal. With the help of anganwadi workers, Asha workers, panchayat, we identified 116 people with cleft lip and cleft palate. Among them, 48 children have been finalised for corrective surgery and 21 people have been provided with the corrective surgery.

40

VILLAGES COVERED

1,642

CATTLE TREATED

Board of Directors



Venkatesh N.
Managing Director

He is the Founder and MD of Samasta Microfinance Limited. He has over 21 years of experience in the financial services industry as an entrepreneur. Venkatesh was also the Founder of the erstwhile PNV Techno Acquisitions Private Limited that marketed financial products, and Affluence Edifice, that provided wealth management services for individuals. Venkatesh holds a Bachelor's degree in Computer Science and has completed the Harvard Business School-ACCION Program on Strategic Leadership in Microfinance.



Shivaprakash Deviah
Whole-Time Director & Chief Technology Officer

Shivaprakash co-founded Samasta in 2008. He leads Samasta's technology initiatives which includes the setting up of comprehensive IT infrastructure for lending activities and enhancing process efficiency through automation. His purview includes enabling a data-driven culture through the analytics platform and driving the implementation of strategic initiatives across the organisation. He also oversees Operations to ensure seamless execution of business strategies. Shivaprakash has over two decades of experience spanning the software and financial services industries. Before co-founding Samasta, he managed global technology projects for Wipro. He holds a Bachelor's degree in Computer Science & Engineering from PSG College of Technology and a Diploma in Microfinance from the Indian Institute of Banking & Finance.



Ramanathan Annamalai
Independent Director

He has extensive experience in development banking for agriculture and rural sectors. Ramanathan was Chief General Manager in the Micro Credit Innovations Department of NABARD. He managed the SHG Bank Linkage programme, the largest microfinance programme in the world. As In-Charge of the Financial Inclusion department, he has managed Financial Inclusion Fund and Financial Inclusion Technology Fund.



Vikraman A.
Independent Director

A former Chief General Manager of SIDBI Foundation for Micro Credit, Vikraman has extensive experience in the microfinance sector. In his 39 years of experience, he was with the Reserve Bank of India for five years, with IDBI for 16 years and with SIDBI for 17 years. He is also on the Board of other microfinance and financial corporations.



Badri Seshadri

Independent Director

An alumnus of IIT, Chennai, and with a PhD in Mechanical Engineering from Cornell University in the USA, Badri co-founded Cricinfo.com, a cricket information portal, which is now owned by ESPN. His latest venture is New Horizon Media, focusing on publishing in Indian languages.



Malini B. Eden

Independent Director

A Development Specialist and Strategy Consultant for over two decades, on the lines of Process based Management Principles, Malini has significant experience of working for the marginalised and drawing these into policy across several development themes. She has been a part of bilateral agencies and Government Boards at state, national and international bodies in areas of Economic Empowerment, Health, Project Management, Donor Relations and Stakeholders, Advocacy and Networking, among others. Malini played key roles in setting up initiatives like section 25 company, Software Company for assessing NGO sector and MFI, Co-Promoter of an NBFC, conceptualising the grassroots processes for policy decisions.



Monu Ratra

Director

He is a veteran in the mortgages industry with more than two decades of experience. Ratra has been associated with brands such as HDFC Ltd., ICICI Bank and Indiabulls Housing. Prior to his current role, he was associated with Indiabulls HFC as National Business Manager. Ratra has been a part of the pioneering teams leading various functions to provide excellence through process and quality initiatives, contributing to industry-leading growth. While with the last company, his efforts and vision led to building a growth sales structure, starting from scratch, in a start-up like environment. At IIFL Home Loans, Ratra brings strong focus on developing and delivering customer satisfaction with ease and low turnaround time. He is passionate about building stronger businesses, adapting and aligning company with new technology and digital era, and maintaining everlasting culture of customer centricity.

BOARD'S REPORT

To,

The Members,

Samasta Microfinance Limited

Bangalore

Your Directors take pleasure in presenting the 26th (Twenty Sixth) Annual Report together with the Audited Financial Statements and the Auditors' Report of the Company for the financial year ended March 31, 2021. The summarised results for the year ended March 31, 2021 are as under:

1. PERIOD OF REPORT:

This report is for the period from April 01, 2020 to March 31, 2021.

2. DISCLOSURE UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 (HEREINAFTER KNOWN AS THE "ACT")

The Annual Return referred to in sub-section (3) of section 92 can be accessed via Web link <https://samasta.co.in/investor-relations>

3. MEETINGS OF THE BOARD DURING THE FINANCIAL YEAR 2020-21:

The Board duly met for 7 (Seven) times during the financial year under review.

The meetings of Board of Directors and attendance of the Directors are as given below:

SL. No.	Date of Meeting	Venkatesh N.	Shivaprakash D.	Ramanathan A.	Badrinarayan S.	Vikraman A.	Malini B. Eden	Monu Ratra	Sumit Bali
1	11.05.2020	Y	Y	Y	Y	Y	Y	NA	Y
2	15.07.2020	Y	Y	Y	Y	Y	Y	Y	NA
3	14.08.2020	Y	Y	N	N	N	Y	N	NA
4	16.10.2020	Y	Y	Y	Y	Y	Y	Y	NA
5	14.12.2020	Y	Y	N	N	N	Y	N	NA
6	21.01.2021	Y	Y	Y	Y	Y	Y	Y	NA
7	17.03.2021	Y	Y	Y	Y	Y	Y	Y	NA

Y –Yes

N –No

NA –Not Applicable

Mr. Sumit Bali resigned from the Board with effect from June 23, 2020.

Mr. Monu Ratra was appointed as a Non-Executive Director on Board with effect from June 23, 2020

4. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Board, based on the representations received from the management, confirms that:

- In the preparation of the annual accounts, for year ended on 31.03.2021, the applicable accounting standards have been followed and that there are no material departures;
- The Board has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a going concerns basis.

BOARD'S REPORT (Contd.)

- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. FRAUD REPORTED BY AUDITORS

There have been no frauds reported during the financial year 2020-2021 by the Auditors.

6. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from the Independent Directors stating they meet the criteria as specified under Section 149 (6) of the Companies Act, 2013.

7. COMPANY'S POLICIES ON APPOINTMENT OF DIRECTORS, REMUNERATION AND OTHER MATTERS:

The Company takes a cautious approach in relation to appointment of Directors on the Board of the Company. It shall appoint such persons who have relevant expertise and vast experience in the field of microfinancing. The remuneration of Directors, Key Managerial Personnel and other senior management personnel shall be based on their contribution towards the overall development of the Company as well as their participation in the meetings of the Company. The terms and conditions for appointment of Independent Directors are uploaded on the website of the Company and may be accessed via web link <https://samasta.co.in/investor-relations> and the Nomination & Remuneration Policy of the Company can be accessed via web link - <https://samasta.co.in/investor-relations>

8. AUDIT & AUDITORS

Statutory Auditors

M/s V. Sankar Aiyar & Co., Chartered Accountants, [Firm Registration No. 109208w], having their office at 41, Circular Rd, 1st Floor, United India Colony, Kodambakkam, Chennai, Tamil Nadu -600 024 was appointed as the Statutory Auditors of the Company from the conclusion of 23rd Annual General Meeting till the Conclusion of 28th Annual General Meeting of the Company.

The Board has duly examined the Statutory Auditors' Report for the financial year 2020-21, which is self-explanatory. There are no qualifications, reservations or adverse remarks or disclaimer made by the auditor in their report for the year under review and requires no further comments thereon.

Secretarial Auditor:

The Company has re-appointed Mr. Lakshmeenarayan Bhat, Practicing Company Secretary as the Secretarial Auditor under Section 204 of the Companies Act, 2013 for the period under review.

Secretarial Auditors Report in form MR-3, submitted by secretarial auditors of the Company for Financial Year 2020-21 is enclosed with this report as Annexure IV. Further, there are no qualifications, reservations or adverse remarks or disclaimer made by the auditor in their report for the year under review and requires no further comments thereon.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company being a Non-Banking Financial Company is exempted from the purview of Section 186 of the Companies Act, 2013

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars relating to the contracts or arrangements with related parties have been placed in Form No. AOC-2 enclosed as Annexure I to this Report and suitable disclosures as required in compliance with accounting standards with related parties are disclosed in note 38 of the financial statements in the annual report.

11. TRANSFER TO RESERVES:

During the year, entire profit has been transferred to Reserves. 20% Profit transferred to special reserve

12. DIVIDEND:

The Board of Directors has declared an interim dividend of ₹ 0.50 per share (Fifty paise only) to the shareholders for the Financial Year 2020-21.

13. MATERIAL CHANGES DURING AND POST END OF THE FINANCIAL YEAR:

During the period under review, there are no material changes during the Financial Year.

BOARD'S REPORT (Contd.)

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO IN TERMS OF SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 AND RULE, 8 OF COMPANIES (ACCOUNTS) RULES, 2015:

a) Energy Consumption:

There are no matters to be reported under this head as the Company is not engaged in power-intensive activities and hence not applicable to this Company.

b) Technology Absorption:

There are no matters to be reported under this head as the Company is not entered into any technical collaboration agreements.

c) Foreign Exchange Outflow/Inflow:

The Company has no transactions in foreign currency during the Financial Year 2020-21.

15. RISK MANAGEMENT POLICY:

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously improved and adapted to the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Company has an elaborate process for risk management. This rests on the three pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance Processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both the Management and the Risk Management Committee of the Board. Some of the risks relate to competitive intensity and the changing legal and regulatory environment. The Risk Management Committee of the Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

Company identifies the following as key risks:

1. Political Risk
2. Concentration Risk
3. Operational Risk
4. Liquidity Risk
5. Information Security Risk

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Board of Directors duly constituted the Corporate Social Responsibility Committee as per section 135 of the Companies Act, 2013. The Company has duly adopted CSR policy which can be accessed via link - <https://samasta.co.in/investor-relations>

The Annual Report on CSR activities is annexed herewith and marked as Annexure II

17. STATEMENT SHOWING ANNUAL PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEE:

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. A structured exercise was carried out based on the criteria for evaluation forming part of the Directors Appointment, Remuneration & Evaluation Policy, including framework for performance evaluation of Directors, Board & Committees, familiarisation Program for Independent Directors Criteria for Evaluation and the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committee, attendance at meetings, Board culture, duties of directors, and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

BOARD'S REPORT (Contd.)

18. FINANCIAL HIGHLIGHTS:

A. Financial Highlights of M/s. Samasta Microfinance Limited

Particulars	(Amount in ₹)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Total Revenue	7,021,298,236	5,817,067,618
Total Expenses *	6,199,762,684	4,413,770,413
Earnings before tax	821,535,552	1,403,297,205
Earnings after tax	666,231,919	1,073,035,324

*An amount of 31,021,709 is an exceptional item shown in P&L Account, related to purchase of IIFL Portfolio for the year ended March 31, 2020

19. OPERATIONAL HIGHLIGHTS:

Particulars	(Amount in ₹)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Active borrowers (Own Portfolio)	1,626,705	1,542,573
Loan disbursement (₹ in lakh)	369,475.57	307,924.78
Loan portfolio (₹ in lakh)	479,557.25	339,984.89
Securitisation/ Assignment (₹ in lakh)	67,880	1,24,018
BC loan portfolio (₹ in lakh)	-	-
No of Branches	618	561
No. of centers	138,789	130,978
No. of employees	6,794	5,882
Repayment rate	88.29%	74.31%

The Company has increased its income from operations from ₹ 5,748,246,402 for the financial year ended March 31, 2020 to ₹ 6,988,787,834 for the period under review.

20. DETAILS OF BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND KEY MANAGERIAL PERSONNEL

A) Board of Directors:

The Board of Directors of the Company was duly constituted as per the requirement of the

Companies Act, 2013 throughout the year. However, following changes were made to the Board composition:

i) Appointment of Director:

Mr. Monu Ratra was appointed by the Board as a director in the capacity of Non-Executive Director w.e.f. June 23, 2020.

ii) Retiring by rotation:

In accordance with the provisions of the Companies Act, 2013, Mr. Venkatesh N (DIN: 01018821), retires at the ensuing AGM, and being eligible offers himself for re-appointment.

The brief resume/details relating to Director who is to be re-appointed is furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the re-appointment of the Director liable to retire by rotation at the ensuing AGM.

iii) Resignation of Director:

Mr. Sumit Bali resigned from the Board w.e.f. June 23, 2020

The current composition of the Board of Directors is as below:

Sl. No.	Name of the Director	Designation and Category
1	Mr. Venkatesh N.	Managing Director
2	Mr. Shivaprakash D.	Whole-Time Director
3	Mr. Monu Ratra	Non-Executive Director
4	Mr. Vikraman A.	Non-Executive, Independent Director
5	Mr. Badrinarayanan S.	Non-Executive, Independent Director
6	Mr. Ramanathan A.	Non-Executive, Independent Director
7	Ms. Malini B Eden	Non-Executive, Independent Director

BOARD'S REPORT (Contd.)

B) Committees of the Board:

i) Audit Committee:

The Audit Committee currently consists of the following members:

1. Mr. Vikraman Ampalakkat
2. Mr. Badrinarayanan Seshadri
3. Mr. Monu Ratra

During the year 2020-2021, Mr. Monu Ratra was appointed as a member of Audit Committee in place of Mr. Sumit Bali, who resigned from the Board w.e.f June 23, 2020

All the recommendations of the Committee have been adopted by the Board.

The meetings of the Audit Committee and attendance of its members are as given below:

Sl. No.	Date of Meeting	Name of Directors			
		Monu Ratra	Vikraman A.	Badrinarayanan S.	Sumit Bali
1	11.05.2020	NA	Yes	Yes	Yes
2	15.07.2020	Yes	Yes	Yes	NA
3	16.10.2020	Yes	Yes	Yes	NA
4	21.01.2021	Yes	Yes	Yes	NA

ii) Nomination & Remuneration Committee:

The Nomination & Remuneration Committee currently consists of the following members:

1. Mr. Ramanathan Annamalai
2. Mr. Badrinarayanan Seshadri
3. Mr. Vikraman Ampalakkat
4. Mr. Monu Ratra

Mr. Monu Ratra has been appointed as a member of the Committee in place of Mr. Sumit Bali, who resigned from Board w.e.f June 23, 2020.

All the recommendations of the Committee have been adopted by the Board.

The meetings of the Nomination and Remuneration Committee and attendance of its members are as given below:

Sl. No.	Date of Meeting	Name of Directors				
		Ramanathan A.	Badrinarayanan S.	Vikraman A.	Monu Ratra	Sumit Bali
1	11.05.2020	Yes	Yes	Yes	NA	Yes
2	14.08.2020	Yes	Yes	No	No	NA

iii) Risk Management Committee:

The Risk Management Committee currently consists of the following members:

1. Mr. Narayanaswamy Venkatesh
2. Mr. Shivaprakash Deviah
3. Mr. Ramanathan A.
4. Mr. Monu Ratra

All the recommendations of the Committee have been adopted by the Board.

BOARD'S REPORT (Contd.)

The meetings of the Risk Management Committee and attendance of its members are as given below:

Sl. No.	Date of Meeting	Name of Directors				
		Narayanaswamy Venkatesh	Shivaprakash Deviah	Ramanathan A.	Monu Ratra	Sumit Bali
1	11.05.2020	Yes	Yes	Yes	NA	Yes
2	15.07.2020	Yes	Yes	Yes	Yes	NA
3	16.10.2020	Yes	Yes	Yes	Yes	NA
4	21.01.2021	Yes	Yes	Yes	Yes	NA

Board of Directors vide resolution by circulation dated June 23, 2020 re-constituted the composition of the Committee to exclude Mr. Sumit Bali, member of the Committee, who has shown his willingness to step down from the committee and to include Mr. Monu Ratra as Member of the Committee.

iv) Information Technology Strategy Committee:

The Information Technology Strategy Committee currently consists of the following members:

- Mr. Shivaprakash Deviah
- Mr. Badrinarayanan Seshadri

Sl. No.	Date of Meeting	Name of Directors	
		Shivaprakash Deviah	Badrinarayanan Seshadri
1	15.07.2020	Yes	Yes
2	16.10.2020	Yes	Yes

v) Asset Liability Committee:

The Asset and Liability Committee currently consists of the following members:

- Mr. Narayanaswamy Venkatesh
- Mr. Sabari Krishna (Chief Risk Officer)
- Mr. Anantha Kumar T. (Chief Financial Officer)
- Mr. Naveen Kumar Malik (COO)

All the recommendations of the Committee have been adopted by the Board.

vi) Independent Directors Meeting:

In compliance with Schedule IV of the Companies Act 2013, Independent Directors have scheduled their separate meeting on March 17, 2021 without the presence of any non-independent directors.

C) Key Managerial Personnel:

The following changes were made in the Financial Year 2020-21:

- Mr. Shreyas Dwaraki had resigned from the position of Company Secretary w.e.f. August 14, 2020
- Mr. Pramod Kulkarni was appointed as the Company Secretary w.e.f. August 14, 2020

21. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

Nil.

22. DEPOSITS:

The Company has not accepted any deposits from public during the financial year under review.

23. DETAILS OF SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There was no significant & material order passed by Regulators/Courts/Tribunal during the period under review.

24. INTERNAL CONTROLS:

The Company has a well-established and adequate internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets. (c) Prevention and detection

BOARD'S REPORT (Contd.)

of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information. An independent internal audit system is in place to conduct audit of all the branches, regional offices, Zonal offices as well as head office.

Further, the Company had appointed M/s KPMG, Chartered Accountants as its Internal Auditors vide the Board Meeting dated May 11, 2020 which conducted audit on the internal controls of various functions of the Company including Operations, Finance, Compliance, Human Resource and Information Technology.

The Company has an Audit Committee, which regularly reviews and monitors systems, internal controls, risk management measures, accounting procedures, financial management and operations of the Company based on the observations made by the Internal Audit Head as well as KPMG.

25. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT:

Section 148(1) of the Companies Act, 2013 is not applicable to the Company hence there is no requirement to maintain Cost Records as specified by the Central Government hence such accounts and records are not made and maintained.

26. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has in place Anti-Sexual Harassment Policy named 'Policy Against Sexual Harassment.' in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

Your Directors further state that during the year under review, there was no complaint received.

27. CHANGES IN SHARE CAPITAL:

The Authorised Share Capital of the Company was increased from the existing ₹ 3,000,000,000 to ₹ 4,000,000,000 vide Extraordinary General Meeting dated December 14, 2020.

Current Structure of Authorised Share Capital of the Company is hereunder:

"The Authorised Share Capital of the Company is ₹ 4,000,000,000 (Rupees Four Hundred Crores Only) divided into,

- a. 398,000,000 (Thirty-Nine Crores Eighty Lakh Only) Equity shares of ₹ 10 (Rupees Ten only)

each aggregating to ₹ 3,980,000,000 (Rupees Three Hundred Ninety- Eight Crores Only), and;

- b. 2,000,000 (Twenty Lakh Only) Preference Shares of ₹ 10/- (Rupees Ten Only) aggregating to ₹ 20,000,000 (Rupees Two Crores Only) comprising of,

- 145,000 (One Lakh Forty-Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 1,450,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and;
- 1,855,000 (Eighteen Lakh Fifty-Five Thousand Only) Preference Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 18,550,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only)."
- The Paid-up Share Capital of the Company has increased from ₹ 2,642,451,400 to ₹ 3,208,133,360 on December 21, 2020 pursuant to allotment of 56,568,196 Equity Shares of ₹ 10/- each.

28. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company has established a Vigil Mechanism & has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns to the Chairman of the Audit Committee.

The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees and directors to approach the Audit Committee of the Company.

29. MANAGERIAL REMUNERATION:

There was no employee during the year-

- If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one Crore and two lakh rupees;
- If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs and fifty thousand rupees per month;
- If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company

BOARD'S REPORT (Contd.)

Disclosure under Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:
Mr. Venkatesh N., Managing Director: 74.48;
Mr. Shivaprakash D., Whole Time Director: 44.01;
- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
Managing Director - 66.67%
Whole Time Director - 33.38%
Chief Financial Officer - 10.5%
Company Secretary - N.A.
- iii) The percentage increase in the median remuneration of employees in the financial year:
Median increase in Rupees: -780
Median increase in percentage: -0.54
- iv) The number of permanent employees on the rolls of Company: 6,794
- v) 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 increase in the managerial remuneration; 7.67%
- vi) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes, we affirm that the remuneration was as per the remuneration policy of the Company.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report has been enclosed as Annexure III to this Report.

For and on behalf of Samasta Microfinance Limited

Sd/-
Venkatesh Narayanaswamy
Managing Director
DIN: 01018821

Date: April 23, 2021
Place: Bengaluru

31. DETAILS REGARDING ANY PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

No application was made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

32. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOANS FROM BANKS/FINANCIAL INSTITUTIONS:

Not Applicable

33. COMPLIANCE WITH THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

The Board hereby confirms the compliance of the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

34. ANNEXURE FORMING PART OF THIS REPORT OF DIRECTORS:

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- a. Statement on Related Party Transactions in Form No.AOC-2 - **Annexure I**
- b. CSR Report- **Annexure II**
- c. Management Discussion and Analysis Report- **Annexure III**
- d. Secretarial Audit Report- **Annexure IV**

35. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and acknowledge with gratitude the continued support and co-operation extended by the investors, clients, business associates and bankers and look forward for their continued support. Your Directors also place on record their appreciation for the services rendered by the employees at all levels.

ANNEXURE - I

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- Name of the related party and nature of relationship:
- Nature of contracts/ arrangements / transactions:
- Duration of the contracts/ arrangements/ transactions:
- Salient terms of the contracts or arrangements or transactions including the value, if any:
- Justification for entering into such contracts/ arrangements/ transactions:
- Date of approval by the Board:
- Amount paid as advance, if any:
- Date on which the special resolution was passed in general meeting as required under the first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name	Nature of Relationship	Nature of Transactions	Duration	Date of approval	Amount (in ₹)
IIFL Finance Limited	Holding Company	Inter Corporate Deposit received	1 Year	11.05.2020	9,480,000,000
		Inter Corporate Deposit Repaid	1 Year	11.05.2020	9,480,000,000
IIFL Finance Limited	Holding Company	Inter Corporate Deposit Given	1 Year	11.05.2020	3,450,000,000
		Inter Corporate Deposit repaid by IIFL Finance Limited	1 Year	11.05.2020	3,950,000,000
IIFL Facilities Services Limited	Others	Inter Corporate Deposit Given	1 Year	11.05.2020	1,000,000,000
		Inter Corporate Deposit repaid by IIFL Facilities Services Limited	1 Year	11.05.2020	1,000,000,000
IIFL Home Finance Limited	Group Company	Inter Corporate Deposit received	1 Year	11.05.2020	1,000,000,000
		Inter Corporate Deposit Repaid	1 Year	11.05.2020	1,000,000,000
IIFL Finance Limited	Holding Company	Interest Income	1 Year	11.05.2020	43,650,000
IIFL Finance Limited	Holding Company	Interest Expense	1 Year	11.05.2020	67,697,260
IIFL Finance Limited	Holding Company	Capital Contribution Received (Equity plus securities premium)	1 Year	11.05.2020	674,999,999
IIFL Finance Limited	Holding Company	Dividend Paid	1 Year	11.05.2020	118,841,511
IIFL Facilities Services Limited	Others	Interest Income	1 Year	11.05.2020	2,013,699
IIFL Home Finance Limited	Group Company	Dividend Paid	1 Year	11.05.2020	40,101,667

ANNEXURE - I (Contd.)

Name	Nature of Relationship	Nature of Transactions	Duration	Date of approval	Amount (in ₹)
IIFL Home Finance Limited	Group Company	Interest Expense	1 Year	11.05.2020	19,561,644
IIFL Home Finance Limited	Group Company	Capital contribution received (Equity plus securities premium)	1 Year	11.05.2020	225,000,000
IIFL Wealth Management Limited	Others	Arranger Fee	1 Year	11.05.2020	8,278,290

For and on behalf of Samasta Microfinance Limited

Sd/-
Venkatesh Narayanaswamy
 Managing Director
 DIN: 01018821

Date: April 23, 2021
 Place: Bengaluru

Sd/-
Shivaprakash Deviah
 Whole Time Director
 DIN: 02216802

ANNEXURE - II

TO DIRECTORS' REPORT

The Annual Report on Corporate Social Responsibility (CSR) Activities of Samasta Microfinance Limited for Financial Year commenced on or after April 1, 2020

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2015]

1. OUTLINE OF CSR POLICY

Samasta Microfinance as an organisation is very much committed towards the development of the Society and having an objective of improving the quality of life of the community. The key value of our CSR initiatives are to provide benefit to all the people irrespective of their background details. However, a special focus always be given to women, girl child, aged population and those coming from the marginalised communities. Samasta's CSR focus is to contribute to the sustainable development of the society & environment and to make our planet for the future generations.

Objective of our CSR initiatives are:

- Striving the economic development of the community intending to positively develop the society at large.
- Carrying out developmental initiatives which are purely sustainable in nature.
- To operate in a socially, environmentally and economically responsible manner.
- The approach of the CSR is revolving around principles- honesty, focus upon impact, strengthening the relationship between communities and companies, employee engagement, Innovation, Team building,

Transparency & accountability with a holistic approach for development.

- By applying these values to the CSR projects, Samasta Microfinance undertakes initiatives that creates sustainable growth and empowers underprivileged sections of society.

The focus areas prioritised by Samasta Microfinance in its CSR strategy are given below:

- Project Kamadhenu: Livestock Development Centers
- Disaster relief activities
- Shiksha Ki Udaan: Scholarship for Girl students.
- Project Smile: Identifying and Referring children with cleft lip and palate for corrective surgery.
- Fodder Development Project.
- Project Vision Care.
- COVID -19 Relief activities

Samasta has implemented its CSR initiatives through direct intervention and also collaborated with potential NGO partners. The CSR policy adopted by Samasta Microfinance Limited is available on the website of the Company.

<https://samasta.co.in/wp-content/uploads/2019/11/CSR-Policy.pdf>

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Venkatesh N.	Managing Director	2	2
2	Shivaprakash D	Whole Time Director	2	2
3	Malini B Eden	Independent Director	2	2
4	Ashwini Kumar	Chief People Officer	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

<https://samasta.co.in/wp-content/uploads/2019/11/CSR-Policy.pdf>

ANNEXURE - II

TO DIRECTORS' REPORT (Contd.)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	Nil	Nil	Nil
2			
3			
	Total		

6. Average net profit of the Company as per section 135(5).

Average net profit of the Company as per section 135(5) is ₹ **723,799,606**

7. (a) Two % of average net profit of the Company as per section 135(5): ₹ **14,475,992**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- Nil
 (c) Amount required to be set off for the financial year, if any- Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ **14,475,992**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
7,186,540	7,289,452	April 15, 2021	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementing Agency	
				State	District						Name	CSR Registration number
1.	Livestock Development Program	iv	Yes	Ramanagar and Mandya of Karnataka		5 years	1,727,961	1,029,513	698,448	No	BAIF Institute for Sustainable development	CSR000000259
2.	Shiksha Ki Udaan: Scholarship for girl students	ii	Yes	Bihar, West Bengal, Odisha		1	1,835,000	1,835,000	00	No	Buddy4study	CSR000000121
3.	Project Smile	i	Yes	West Bengal		2	200,000	200,000	00	No	Chirantan Trust	
4	Vision care	i	Yes	Karnataka		1	600,344	600,344	0	No	Essilor Vision Foundation	
5	Fodder Development	iv	Yes	Karnataka		2	1,924,175	631,125	1,293,050	No	BAIF Institute for Sustainable development	CSR000000259
6	Financial Literacy Program	i	Yes	Bihar		2	1,816,000	00	1,816,000	No	Learning Links Foundation	CSR000000640
7	Skills Development Program	ii	Yes	Karnataka, Maharashtra, Rajasthan, Bihar, Gujarat, Kerala, Tamil Nadu, West Bengal		2	3,481,954	0	3,481,954			
	Total						11,585,434	42,95,982	72,89,452			

ANNEXURE - II

TO DIRECTORS' REPORT (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	COVID relief activity	i	yes	Karnataka, Maharashtra, Rajasthan, Bihar, Gujarat, Kerala, Tamil Nadu, West Bengal		2,050,150	Yes		
2.	Flood Relief Activities	Xii	Yes	Tamil Nadu, Bihar		767,500	Yes		
3	Supported for Dakshin Chitra event	v	Yes	Tamil Nadu		25,000	No	Madras Art Craft Foundation	
4	Support for Govt school	ii	Yes	Rajasthan		47,908	Yes		
	Total					2,890,558			

(d) Amount spent in Administrative Overheads- Nil

(e) Amount spent on Impact Assessment, if applicable- NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- 71,86,540

(g) Excess amount for set off, if any- Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two % of average net profit of the Company as per section 135(5)	14,475,992
(ii)	Total amount spent for the Financial Year	7,186,540
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	18-19	Nil	Nil	Nil	Nil	Nil	Nil
2.	19-20	2,132,413	Nil	Nil	Nil	Nil	2,132,413
3.	Total	2,132,413	Nil	Nil	Nil	Nil	2,132,413

ANNEXURE - II

TO DIRECTORS' REPORT (Contd.)

(b) Details of CSR amount spent in the financial year for ongoing project as of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
1		Livestock Development	2018-19	5	3,853,904	1,029,513	1,836,189	Ongoing
2		Project Smile	2019-20	2	400,000	200,000	400,000	ongoing
3								
	Total				4,253,904	1,229,513	2,236,189	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

- Date of creation or acquisition of the capital asset(s). - Nil
- Amount of CSR spent for creation or acquisition of capital asset- Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc NA
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the Company has failed to spend two % of the average net profit as per section 135(5).

We had planned CSR projects in the 20-21 as per the budget, but due to Covid -19 crisis we couldn't take up few projects hence there is unspent. The unspent amount will be spent in this financial year based on our planned project.

Sd/-

Venkatesh N
Managing Director

Sd/-

(Chairman CSR Committee).

12. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

Through this report, Samasta Microfinance Limited seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalised segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the Company has also established a monitoring mechanism to track the progress of its CSR projects.

For and on behalf of Samasta Microfinance Limited

Sd/-

Venkatesh Narayanaswamy
Managing Director
DIN: 01018821

Sd/-

Shivaprakash Deviah
Whole Time Director
DIN: 02216802

Date: April 23, 2021
Place: Bengaluru

CSR PROJECTS UNDERTAKEN DURING THE YEAR

1. PROJECT KAMADHENU: LIVESTOCK DEVELOPMENT CENTERS:

Livestock rearing is a major source of rural household income and has been practiced as an allied vocation in concurrence to agriculture. Livestock plays an important role in Indian economy. About 20.5 mn people depend upon livestock for their livelihood. Livestock contributed 16% to the income of small farm households as against an average of 14% for all rural households. Livestock provides livelihood to two-third of rural community. It also provides employment to about 8.8 % of the population in India.

Artificial insemination technology is playing an important role to improve livestock rearing and farm management in our country. This technology has not been used widely in our country and most of the cases the farmers are not getting timely breeding services for their cattle. As a result, farmers are facing the burden of rearing dry animals, irregular lactation periods, low milk productions and ultimately farmers are forced to sell their animals at a minimum rate to vendors. To bridge this gap Samasta has launched 2 Livestock development centers (LDC) with support of BAIF NGO in Harohalli and Halagur block of Karnataka. These 2 centers are rendering services to 40 villages and covered 1642 cattle during this FY.

2. PROJECT ON PROMOTION OF FODDER DEVELOPMENT AND PREVENTIVE HEALTH CARE MEASURES :

Animal husbandry is an integral component of Indian agriculture supporting livelihood for more than two-thirds of the rural population. Unavailability of quality fodder during drought period affects livestock ultimately health, yield, and the livelihood of farmers. Samasta has launched this project to establish improved fodder plots in the irrigated area and tree-based fodder species for the dryland area.

Under this project the improved perennial fodder varieties will be promoted on 5 gunthas with those farmers having irrigation facilities throughout the year. The 5 guntha model will consists of BAIF Naper on 3 guntha and on remaining 2 guntha will have perennial/hedge Lucerne or on the edges fodder trees. This project is targeting to develop improved perennial fodder varieties with more than 2000 farmers over the period of 3 years.

The baseline survey has been done in the project locations to understand fodders used for the cattle. Our field team started meeting the farmers in the

selected villages and providing the awareness on the project activities. Till now 252 interested farmers have selected and providing inputs on fodder development process and the fodder cultivation will be done immediately after monsoon begins in this year.

Preventive Health Care Measures:

This project is introduced and create awareness on preventive health care measures among the farmer community by organizing the health camps, deworming and vaccinations camps and conducting training programs. Under this project. We have done 3 camps Nadaboganahalli village of KR Pete, Nelamane of Sreerangapatna block and Darasaguppe villages in Karnataka by involving the Professional Veterinary Doctor who has treated 643 animals so far. The health camps helped farmers to gain an understanding of the general livestock health status, management practices, and prevalent diseases/problems in the area so that preventive measures could be taken up timely and systematically.

3. "SHIKSHA KI UDAAN" - SCHOLARSHIP PROGRAM FOR GIRL CHILD:

Every year in India mn of talented, meritorious & needy students belonging to underprivileged segment of the society are unable to reach their full potential due to lack of affordable financing, which further leads to voluntary dropouts. Financial affordability contributes to more than 57% of the total dropouts in the country. The ratio of girl children school drop outs is high compared to boys. Mn of girl children are not going higher educations because of socio- economic factors.

Shiksha Ki Udaan" - Scholarship program for girls is an initiative of Samasta to support the meritorious girl students coming from financially weaker sections of the society. Under this program, 300 girl students from Bihar, Odisha & West Bengal who were presently studying in Class 11 & Class 12 were provided with financial assistance of ₹ 5,000/- to help them continue their studies.

4. PROJECT VISION CARE:

1 billion people around the world have a preventable vision impairment or one that has yet to be addressed. Reduced or absence of eyesight can have major and long-lasting effects on all aspects of life, including daily personal activities, interacting with the community, school and work opportunities and the ability to access public services. Reduced eyesight can be caused by

CSR PROJECTS UNDERTAKEN DURING THE YEAR (Contd.)

several factors, including diseases like diabetes and trachoma, trauma to the eyes, or conditions such as refractive error, cataracts, age-related macular degeneration or glaucoma.

India has the largest population of blind people in the world. Untreated cataract remains the leading cause of blindness (66.2%) in India followed by uncorrected refractive error (21%) as per the latest study conducted between 2015 and 2018 by AIIMS. The survey noted that most of the blindness (92.9%) and visual impairment (96.2%) were due to avoidable causes. A simple pair of spectacles can eliminate the uncorrected refractive error and eliminate being one of the causes of blindness.

Vision Care project was launched in collaboration with Essilor Vision Foundation to screen 2000 people in Karnataka. The mobile eye screening camps are conducted at village level. Doctors from Dristi Eye care hospitals have facilitated the screening camps. Till now 960 people have screened from 10 villages, among them 493 people have been provided with free spectacles and 207 people have advised for further surgery and treatment.

5. SMILE PROJECT:

Cleft Lip and Cleft Palate are common congenital malformations (birth defects), also known as oral clefts or orofacial clefts. Birth defects are health conditions that are present at birth and they change the shape or function of one or more body parts. During the development of lip and palate in early pregnancy period, incomplete fusion of upper lip and palate leads to the formation of cleft lip and palate in a child.

Samasta has launched the Project Smile in collaboration with Chirantana Trust to identify cleft lip and cleft palate children and refer them to hospitals for free corrective surgery. The Project Smile activities have been carried out in 58 villages of Murashidabad block of West Bengal. During the field visit, our team contact the key stakeholders in the community such as AWC workers, Asha workers, Panchayath, etc and provide them information on this project. With the support from these key stakeholders the project team has identified 116 people with cleft lip and cleft palate. Among them 48 children have been finalised for corrective surgery and already 21 people have been provided with the corrective surgery. Also we do post-surgery follow up with patients for the period of 2 months.

6. FLOOD RELIEF ACTIVITIES:

We have witnessed massive rain fall in the year 2020 in most of the states of the India. As result mn of people were affected and more than 1000 people have lost their life in these flood situations. Bihar, Tamil Nadu, Assam and Kerala were the most effected states. Despite of lot of efforts from the government and non-governmental organisations, many people didn't get access to basic facilities like food, clothes and shelter. Samasta being a responsible corporate undertook relief activities in Karnataka, Bihar and Tamil Nadu and provided groceries support to 1224 community people.

A severe cyclonic storm" Nivar" had hit Tamil Nadu in November 2020. This cyclone caused considerable damage to crops and fields and many people were forced to relocate. During this crisis, Samasta provided immediate support to 234 people affected by Nivar cyclone in Tambaram area.

7. COVID 19 RELIEF ACTIVITIES:

The outbreak of COVID 19 pandemic disastrous socio-economic and political crises in the country. The COVID-19 pandemic has completely changed our lives. These are truly unprecedented times that have affected the nation's healthcare systems, leaving mn at the risk of exposure and adding livelihood challenges for many people. When the whole world is experiencing such a unpredictable situations, there are certain groups of people who are working to reestablish hope in the community such as Medical staff, Police and other support staff. These people are working tirelessly day and night to protect us from this dangerous virus. Most of them are leaving away from their families and risking their life in the fight against Corona war. The safety of these front line warriors is prime important to the nation. In this regard Samasta connected with state health officers and understand the need for safety gears and PPE kits in the most effected states. On this bases Samasta decided to provide PPE kits to designated COVID 19 hospitals and police stations. The hospitals and Police stations were selected for relief activities on the bases of high number of COVID cases reported.

Relief Activities conducted in the state of Karnataka, Maharashtra, Rajasthan, Gujarat, Tamil Nadu, West Bengal, Bihar Kerala and Odisha. Provided 2500 PPE kits to 25 Designated COVID 19 hospitals from 5 states. Safety kits were provided to 2100 polices personnel. Groceries kits provided to **250** needy families in Aluva location of Kerala.

CSR PROJECTS UNDERTAKEN DURING THE YEAR (Contd.)

8. FURNITURE TO GOVERNMENT SCHOOL IN RAJASTHAN:

On request from one of the Government schools in Chomu village at Rajasthan to support for study tables and furniture, Samasta reviewed the school's requirement and has provided 10 set of students benches and 21 units of kids tables to the school. On February 25, 2021, our employees from Admin,

HR and Business teams have visited the schools and handed over the materials to school Headmistress and members of school's Management committee.

9. Supported Madras Art Craft Foundation to conduct the Dakshin Chitra event. It is an exciting cross cultural living museum of art, architecture, lifestyles, crafts and performing arts of South India.

ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

NBFCs have played a major role in complementing banks and other financial institutions, and help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments. Strong linkages at the grass root level makes them a critical cog in catering to the unbanked masses in rural and semi-urban reaches, enabling the Government and Regulators to further the mission of financial inclusion. The sheer size of the market in terms of financially excluded households presents large opportunities for a business model that offers sustainable credit to the unbanked and under-banked at affordable rates and a repayment cycle spread over a longer duration. The dynamics of the NBFC sector is reflective of its evolving role in niche areas of specialised services.

The MFI industry has almost gone past the effects of the demonetisation now and is optimistic to recover from the setback.

Samasta Microfinance Limited and its operations:

Business Growth: During the last Financial Year the Covid-19 Pandemic broke out which stood like an obstacle in our progressive calendar. This pandemic urged us to stay away from adding new clients and new portfolio generation. During Q2 we started the addition of new clients slowly which in return built a new enthusiasm in our team. We rediscovered our way towards the progressive way by pushing back the impact of the pandemic for the service of the underprivileged. Despite all these challenges we saw growth of overall assets under management by 41% and the GL book saw an increase of 11%. In terms of providing financial support to our customers, we served them the way we used to do.

Branch Expansion: Having the foresight to grow the loan book as well as to cater to the people in various other states, 57 branches were added to our network. Currently, the Company has branches across 17 states including Karnataka, Tamil Nadu, Kerala, Goa, Maharashtra, Odisha, Bihar, Rajasthan, Gujarat, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Jharkhand, Assam, West Bengal, Pondicherry & Tripura. The branch counts as of March 31, 2021 was 618 as compared to 561 as of March 31, 2020

Loan Segment:

1. Income Generation Loan (IGL)
2. Top Up Loan
3. Product Loan
4. Emergency Loan
5. Education Loan
6. Surabhi Loan
7. Sampark Loan

8. Swabhiman Loan
9. Super Surabhi Loan

As per the above 9 segments, our loan amount varies from ₹ 5,000/- to ₹ 15,00,000/- with various loan tenure which also varies from 6 months to 7 years.

Customer Segment: Our main target customers are the economically backward women of the weaker sections of society with a view to generate employment and empower them. We have created Agri-grid for customers to standardise their agricultural income as many of our customers are from Agri & allied services.

Risk Management

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously improved and adapted to the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Company has an elaborate process for risk management. This rests on the three pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance Processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both the Management and the Risk Management Committee of the Board. Some of the risks relate to competitive intensity and the changing legal and regulatory environment. The Risk Management Committee of the Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

Company identifies the following as key risks vis a vis risk mitigation plans:

- Political Risk
- Concentration Risk
- Operational Risk
- Liquidity Risk
- Information Security Risk

Political Risk

The Company recognises political risk as one of the major risks facing the industry and believes that political risk can be mitigated through responsible lending and fair pricing by way of.

ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Concentration Risk

The Company aims to avoid unbalanced concentration in both its loan portfolio and borrowings. To mitigate the concentration risk, the Company has well defined Geographic and Borrower dependence norms.

Operational Risk

The core business of the Company is to provide collateral-free loans in rural areas, and consequently, requires enhanced operational risk management. To mitigate the operational risk, the Company adopted Integrated cash management system – The Company has embarked its journey to adopt cashless collections process. Currently, the same is under pilot run in select states. Once the same is successful, the platform will be rolled out to other branches on pan India basis. This initiative will help the Company to mitigate risks related to cash misappropriation and robbery. Further, the collection process will be very effective on account of adopting this initiative.

Liquidity Risk

The Company places significant importance on liquidity management and has a bias for liquidity mainly to address operational requirements and corporate commitments. Along with funding strategy and asset liability management, the Company is in the process of defining liquidity metrics to ensure sufficient liquidity in line with business requirements and aid risk mitigation.

Information Security Risk:

Information Security Management System (ISMS) is an integrated collection of methods, rules, and regulations within a Company for continuous control and improvement of information security. The primary goal of an ISMS is to identify risks related to the information it processes and manage those risks in a targeted manner.

Samasta had established an ISMS with numerous benefits:

- Compliance with regulatory and contractual requirements
- Proof of information security for third parties
- Identification, evaluation, and handling of existing risks
- Improved cost-effectiveness through planning of risk-based measures.

Risk-based approach and recognised standards:

Existing risks are identified, evaluated, and handled in the context of their relation to the selected values. Risk management creates a valid and, above all, transparent and reproducible foundation for drawing up and implementing suitable measures to People, Process and Technology. In addition, within the four parameters of targeted risk acceptance, risk avoidance, risk transfer or risk reduce. As

part of our risk management process, the actions are taken are derived from Best practices and we have implemented ISO/ IEC 27002:2013 standards and are certified for ISO 27001:2013 Information Security Management Standards. These standards supplement risk management processes and serve as a solid foundation for achieving desired level of information security for Samasta. Samasta believes on the integrated approach is the key to success for an ISMS since it focuses on protecting essential information across every link in the value chain of business and key risks are addressed by means of following:

- Corporate organisation
- Personnel security
- Physical security

Product and Process Design – The Company adopts a standardised approach to product design and operational procedures at the branches and centers to enable predictability of transactions as a risk mitigation

Audit and Internal Controls

Internal audit in SMFL is an independent, objective assurance and consulting activity which has been designed to add value and improve our organisation operations. It helps organisation accomplish its objectives by bringing a systematic, disciplined and risk based approach to evaluate and contribute to the improvement of the organisation's governance, risk management and control process.

Head of Internal audit reports functionally to the audit committee board and administratively to the Managing Director.

As on 31st March 21, the total team strength consists of 115 members. The field auditors have been deployed in each state where SMFL operates. The team members will report to the respective regional team leader who will further report to the zonal manager for administrative activities. All the assurance and consulting activities including deployment of staff are planned and monitored by the HO team.

To be effective, the internal audit department have qualified, skilled and experienced staff who work in accordance with the code of ethics and are in the process of implementing the standards prescribed by the Institute of Internal Auditors International Professional Practices framework (IPPF).

Regular Risk based internal audits and thematic audits are conducted across the branches pan India based on the portfolio, disbursement, PAR, collection efficiency, attrition and frequency. Quarterly audits are conducted across the functional units in the respective region.

All the activities are automated. Findings are captured in the field through tab and reports are circulated through the audit portal. The summary of the reports is shared with the senior

ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

management on weekly /monthly basis for their review and further course of action. Quarterly reports are presented to the audit committee with the recommendations and management action plan.

To improve Internal audit efficiency and effectiveness, the following are the initiatives taken up during the year;

- As a consulting activity, Supported FCU team for screening the loan portfolio of the branch staff involved in misappropriation
- As a consulting activity, supported business team by motivating customers for collection during lockdown by tele calling and during interaction with customers in center meeting visits
- Data analytics on documentation and KYC to check any anomalies / fraudulent activities
- Quarterly survey conducted among the team members and other stakeholders to understand their concerns and to obtain feedback on the internal audit quality and for improvement
- Monthly online professional development trainings and assessments provided to team members to upgrade their skills
- Team member's enrollment for IIBF Certificate in Microfinance and AML-KYC examinations
- Team supervisors undergoing training on IPPF implementation guidelines

Operational Performance:

Particulars	No. of loans	Amount of loan disbursed (in ₹)
Own Book	10,89,889	36,947,556,806
Business Correspondent	-	-
Total	1,089,889	36,947,556,806

Financial Performance:

Particulars (₹)	FY 20-21	FY 19-20
Net Interest Income	4,319,619,226	3,976,509,164
Other Income	32,510,402	68,821,216
Total Income	4,352,129,628	4,045,330,380
Operating Expenses	2,248,979,855	2,015,812,234
Operating Profit	2,103,149,773	2,029,518,146
Provisions	1,281,614,222	595,199,232
Profit before Exceptional Items & Tax	821,535,552	1,434,318,914
Exceptional Items	-	31,021,709
Profit Before Tax	821,535,552	1,403,297,205
Taxes	15,53,03,632	330,261,881
Profit After Tax	666,231,919	1,073,035,324

Information Technology

At Samasta, IT is a critical driver of growth and an enabler of business success and innovation. Our IT solutions focus on improving productivity and on honing our competitive advantage with the ultimate goal of providing unparalleled customer experience.

We are working on innovative solutions driven by technology, such as complete automation of the loan processing workflow to reduce human errors that can occur with manual sanction decisions. We have connected our microfinance solutions with RBL Bank's payment system to enable seamless fund transfers to ensure that loans are disbursed to customers accurately and in a timely manner. The benefits of these improvements have been a significant reduction in TAT and an increase in sales.

Mobile-based apps for enrollment and collections have already been introduced in the devices used by the field teams for ease of doing business. An intuitive user interface enables field officers to collate information quickly and accurately.

Technology is also being used to develop a comprehensive, long-term solution to improve customer service. We will be implementing a Customer Relationship Management (CRM) module to enhance customer service and experience. The CRM module will also be leveraged as a customer retention tool through cross-sell and other activities targeting existing customers.

Human Resources

The whole world entered into an unprecedented phase when COVID-19 hit us in the beginning of 2020-21. All industries across the globe were affected badly. The two events of continuous lockdown and announcement of moratorium by RBI over term loans has impacted operations and collections respectively in the microfinance industry. This led to loss of income among borrowers as their income generation activities were disrupted due to lockdown. Hence our borrowers took time to start their business, further extending time for repayments. This also increased anxiety and uncertainties among our employees related to their job and their own livelihood.

Samasta believes in giving the best employee experience as they are the greatest assets for us. Employees serve our customers, and they represent us in all forums. Thus it becomes all the more important to have high employee engagement through various measures to improve efficiency in customer service and ensure customer delight.

ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

● Employee Communication:

To combat the crisis which engulfed the world over and mitigate the risks of increased uncertainty and anxiety among employees, our Management team quickly discussed and allocated each of our Chief Executives with a particular zone. These executives connected with the branches and its employees on daily basis to ensure they re-instilled confidence among the employees, listened to their challenges and gave them optimal guidance to keep the customers engaged during these tough times.

To reinforce the trust among employees, Samasta Sangam, our Annual Townhall was organised through electronic platform across Pan India locations. We conducted about 83 sessions across Pan India.

During the International Women's Day, under our "Rachana" initiative, our women leaders conducted virtual session specifically for women reinforcing work-life balance, women empowerment, women's safety and rights, career guidance, health, fitness and nutrition

● Employee Retention:

Longevity of the employee in a service driven and people intensive organisation like ours is inevitable and integral part to provide a great customer experience. In these testing times, we provided employees psychological safety by keeping up our promises on timely salary, incentives and bonus payouts. Wherein most organisations across industry held on to salary increments and resorted to job and salary cuts, we honored increments in salary and allowances for employees even in the crisis scenario. We also compensated employees who put in extra hours towards improved customer service and to meet the organisation objectives.

Our attrition has reduced by 25% annualised in Mar '21 compared to FY 2019-20

● Employee Development:

The crisis pushed the MFI industry towards the adaptation of technology and digitisation for most of its business activities. Most of our customers are women belonging to rural areas and a large number of them are not educated. During this crisis, we took on a responsibility to educate employees and customers about revised policies, changes in our collection methods, new processes and technology. For this we had to enhance our employee knowledge on customer handling.

New e-learning modules were quickly developed to enable "feet on the street" and provide them experiential learning on "customer centricity", to interact with the customers and resolve their concerns in an amicable way. Employees were trained on RBI guidelines, about moratorium so that there are no errors in customer communication and they may avoid any mis-selling. We digitised our modules to reinforce learning and mitigated the risk of job redundancies. This helped employees to acquire futuristic skills, helped employees to upskill and stay relevant in Samasta. Employees were assigned mandatory e-learning modules related to business processes on a weekly basis followed by regular assessments on online learning management system. Entire training team tracked and supported the learners to complete the modules on time successfully. This served as a great engagement tool, increasing employee productivity.

Aggregate Number of Training Hours:	173,354
Average Hours of Training per employee:	27.32

● Innovative HR Technology Intervention:

Organisations that are spread across a country as large as India, workforce management is certainly a huge challenge. Our presence in 16 states and 1 Union Territory would have proved a hindrance if we had not invested in innovative HR technology intervention to manage this huge employee base. During lockdown employees were forced to be at home and continue working from home, wherein attendance tracking along with proper shift allocation and managing work timings became quite challenging. Post lockdown 3.0, microfinance industry was categorised under Essential Services and our employees started moving from their base locations. Then it became even more challenging to provide flexibility due to movement of employees to apply for WFH (Work From Home) or any leave, outdoor and regularise their attendance and biometric or manual attendance was neither practical nor relevant.

However, slippages with regard to any of the above would entail errors in salary processing, major audit and compliance issues, thus reducing the trust of the Top Management in the HR and our systems. So we implemented Geo-fencing feature in the mobile application with the help of ZingHR to arrest all the said challenges and integrated attendance, leave, etc for seamless payroll management. This improved the

ANNEXURE - III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

overall employee experience and eliminate human interventions, thus eliminating all possible errors. The time to run the payroll reduced drastically.

We have automated 90% of our HR processes to improve employee experience and bring in process efficiency, which contributes to Samasta in long run.

Outlook and challenges

Now that the effects of demonetisation have subsided, the industry growth potential is expected to come to its normal. There are a few geographies which are less penetrated and can be utilised for business expansion. However, few of the local / ring leaders

in the communities cause a threat by influencing the customers not to repay the loans or by spreading rumors of waiver of loans.

Conclusion

With the expansion of the branch network already taken place and equity infused by IIFL, the credit rating of the Company has improved and banks are willing to lend loans at lower interest rates. The platform has been laid for entering into other states for disbursement of more micro loans and reaching the needy customers across the country and we are confident of reaching new heights while satisfying our customers.

For and on behalf of Samasta Microfinance Limited

Sd/-

Venkatesh Narayanaswamy

Managing Director

DIN: 01018821

Date: April 23, 2021

Place: Bengaluru

Sd/-

Shivaprakash Deviah

Whole Time Director

DIN: 02216802

ANNEXURE IV

Form No. MR-3

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,

Samasta Microfinance Limited

110/3, Lalbagh Main Road, Krishnappa Layout
Bengaluru- 560027

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Samasta Microfinance Limited** (herein after called the '**Company**'). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and representation made by the Company, its officers, agents 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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

1. The Companies Act, 2013(the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- The Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015;
- The Prevention of Money Laundering Act, 2002 and Rules framed there under

5. Directions, Guidelines and Notifications issued by the Reserve Bank of India from time to time with respect to the 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs)

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b) The Listing Agreements entered in to by the Company with Bombay Stock Exchange(s) & National Stock Exchange w.r.t. Debt listing

I further report that 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:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and 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.

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

- (i) Acts as prescribed under Direct Tax and Indirect Tax;
- (ii) Acts prescribed under prevention and control of pollution;
- (iii) Acts prescribed under environmental protection;
- (iv) Land Revenue laws of respective States;
- (v) Labour Welfare Act of respective States; and
- (vi) Local laws as applicable to various offices of the Company.

ANNEXURE IV (Contd.)

Further, Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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 ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has undertaken following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. Rights issue made during the year:

Sl. No.	Issue Size	Date of Allotment	Nature of Security
1.	56,568,196	21 st December 2020	Equity Shares

Private Placement of Rated, Listed, Senior, Secured, market linked NCDs made during the year

Sl. No.	Issue Size	Date of Allotment
1.	3,500	05 th June 2020
2.	2,500	18 th June 2020
3.	1,150	26 th June 2020
4.	2,500	10 th July 2020
5.	1,000	11 th August 2020
6.	300	2 nd March 2021
7.	1,000	18 th March 2021
8.	590	30 th March 2021

2. The Authorized Share Capital of the Company was increased from ₹ 300,00,00,000 (Rupees Three Hundred Crores Only) divided into 29,80,00,000 (Twenty-Nine Crore Eighty Lakh) Equity shares of ₹ 10 (Rupees Ten only) each aggregating to ₹ 298,00,00,000 (Rupees

Two Hundred Ninety- Eight Crore Only), and 20,00,000 (Twenty Lakh) Preference Shares of ₹ 10/- (Rupees Ten Only) aggregating to ₹ 2,00,00,000 (Rupees Two Crore Only) comprising of 1,45,000 (One Lakh Forty-Five Thousand) Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty-Five Thousand) Preference Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 1,85,50,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only) to ₹ 4,00,00,00,000 (Rupees Four Hundred Crore only) 39,80,00,000 (Thirty Nine Crore Eighty Lakhs) Equity Shares of ₹ 10 (Rupees Ten Only) each and 20,00,000 (Twenty Lakh Preference Shares of ₹ 10 (Rupees Ten Only) divided in to 1,45,000 (One Lakh Forty Five Thousand) Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10/- (Rupees Ten only) each aggregating ₹ 14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty-Five Thousand) Preference Shares of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 1,85,50,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only) vide Extra-Ordinary General Meeting held on 14th December 2020

3. The subscribed and paid-up capital of the Company has increased from 264,245,140 to 320,813,336 by way of rights issue of 56,568,196 Equity shares issued to IIFL Finance Ltd & IIFL Home Finance Ltd during the reporting period.

For **Lakshmeenarayan & Co.**

Practicing Company Secretaries

Lakshmeenarayan Bhat

Proprietor

FCS No: 10615

CP No. 15003

Date: 23rd April 2021

UDIN: F010615C000445126

Place: Bengaluru

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 IV (Contd.)

ANNEXURE A'

To,

The Members,

Samasta Microfinance Limited

110/3, Lalbagh Main Road, Krishnappa Layout

Bengaluru- 560027

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 efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have prepared the Secretarial Audit Report based on the Audited Financials with respect to certain financial Transactions, Loans, and advances etc.

For **Lakshmeenarayan & Co.**

Practicing Company Secretaries

Lakshmeenarayan Bhat

Proprietor

FCS No: 10615

CP No. 15003

Date: 23rd April 2021

Place: Bengaluru

INDEPENDENT AUDITOR'S REPORT

To the Members of Samasta Micro Finance Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Samasta Micro Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, profit, other total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) 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.

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:

Key Audit Matter	Principal Audit Procedures
Expected Credit Loss: Due to a pandemic arising out of the COVID 19 (Second Wave) and due to its impact on the operations of the borrowers, Company has evaluated the impact that may be caused on the ability of the borrower to repay the loan advanced. Pursuant to this, its effect in determination of Expected Credit Loss (ECL) is evaluated. Under Ind AS 109 – Financial Instrument, the Company has to assess whether credit risk has increased significantly since initial recognition and on the basis of forward-looking economic information, without undue cost or effort. Towards this, the Company needs to judge on the basis of forward-looking information and past due status. Therefore, the assessment of increase in credit risk and recognition of ECL for the same is significant to our audit.	Our audit procedures include among other examinations, review of Management estimation of significant increase in credit risk that arise pursuant to COVID-19 (Second Wave), its impact on the inflow of the borrower and determination of ECL provision, thereon. The Company made an assessment on the categories of loans given and its geographical locations and determined that increase in the Probability of Default (PD) is required. In the judgement of the Management, considering the collections done under this ex-ordinary situations, the PD in some of stages has been enhanced. Accordingly, we found that the assessment process was done and adequate provision for loss is made in the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's 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 financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, 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.

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

The Board of Directors are 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 judgement and maintain professional scepticism 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 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 system with reference to financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 of the financial statements
 - (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 for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT (Contd.)

- i. The Company does not have any pending litigations which would impact its financial position in its financial statements the financial statements;
 - ii. The Company did not have any long-term contracts including 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.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act; 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 **V. SANKAR AIYAR & CO.**
Chartered Accountants
ICAI Regn. No.109208W
UDIN 21023116AAAAGZ3794

S. VENKATARAMAN
Partner
M. No.023116

Place: Chennai
Date: April 23, 2021

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT - 31 MARCH 2021 (REFERRED TO IN OUR REPORT OF EVEN DATE)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physically verifying all fixed assets at its offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Based on the information and explanation given to us and on verification of the records of the Company, the Company has physically verified the fixed assets as per their program during the year. No material discrepancies as compared to book records 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, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company is not carrying on any trading or manufacturing activities and hence does not have inventories. Therefore, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted an unsecured loan to a Company covered under Section 189 of the Companies Act 2013. The terms and conditions of the such loan are not prejudicial to the interest of the Company. There is a schedule for repayment of principal and payment of interest and the same has been repaid within the due date.

Further, the Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or Other parties covered in the register maintained under Section 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- (vi) According to the information and explanations given

to us, in respect of the class of industry the company falls under, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.

- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance Income Tax, Goods and Services Tax, and Cess were in arrears as at March 31, 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 and the records of the Company, there are no dues of Income-Tax, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax and Cess which have not been deposited on account of any dispute.
- (viii) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Financial Institutions, Banks and monies raised by issue of debentures. The Company has not raised any loan from Government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans availed, and funds raised out of privately placed debt instruments, i.e., non-convertible debentures, were applied by the Company for the purposes for which they were obtained. We are informed that the Company has not raised monies by way of initial public offer or further public offer of share capital during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the Management and the representations obtained from the management, we report that no material fraud by the Company and on the company by its officers or employees, except for 95 cases of frauds in the nature of 'fraudulent encashment / manipulation of books of accounts' amounting to ` 41,96,495/-, on the Company have been noticed or reported during the year. Out of the above, `24,55,356/- is recovered during the FY 20-21.

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT - 31 MARCH 2021 (Contd.)

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has made preferential allotment of equity shares and the requirements of Section 42 of the Act have been complied with. Further, the amounts raised have been used for the purpose for which the funds were raised. The company has not made any private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **V. SANKAR AIYAR & CO.**

Chartered Accountants
ICAI Regn. No.109208W
UDIN 21023116AAAAGZ3794

S. VENKATARAMAN

Partner
M. No.023116

Place: Chennai

Date: April 23, 2021

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT - 31 MARCH 2021

(REFERRED TO IN OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of

Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Samasta Micro Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor's Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT - 31 MARCH 2021 (Contd.)

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by

the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. SANKAR AIYAR & CO.**

Chartered Accountants
ICAI Regn. No.109208W
UDIN 21023116AAAAGZ3794

S. VENKATARAMAN

Partner
M. No.023116

Place: Chennai
Date: April 23, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

(Amount in ₹)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	4	1,787,010,465	2,009,095,484
(b) Bank Balance other than (a) above	4	1,544,411,947	799,608,628
(c) Derivative financial instruments	5	86,985,006	21,278,204
(d) Receivables			
(i) Trade Receivables	6	30,599,607	18,539,576
(ii) Other Receivables			
(e) Loans	7	39,630,260,944	22,873,882,352
(f) Investments	8	500,000	500,000
(g) Other Financial assets	9	507,789,958	648,483,534
2 Non-Financial Assets			
(a) Other non-financial assets	10	11,840,015	10,466,860
(b) Current tax assets (Net)		16,126,237	41,893,595
(c) Deferred tax Assets (Net)	11	346,118,403	64,777,568
(d) Investment Property	12	531,516	558,196
(e) Property, Plant and Equipment	13	62,647,738	80,784,708
(f) Right to Use	13	56,288,979	46,345,783
(g) Capital work-in-progress	14	-	-
(h) Other Intangible assets	15	1,037,287	3,185,494
Total Assets		44,082,148,102	26,619,399,982
LIABILITIES AND EQUITY			
Liabilities			
1 Financial Liabilities			
(a) Derivative financial instruments	5	86,985,006	21,278,204
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	86,014,864	35,307,296
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities	17	8,829,274,954	5,191,540,390
(d) Borrowings (Other than Debt Securities)	18	25,541,118,371	13,995,894,223
(e) Subordinated Liabilities	19	1,278,562,710	1,161,401,978
(f) Lease Liability	20	61,765,249	46,730,787
(g) Other financial liabilities	21	1,599,559,729	1,014,289,192
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)		11,581,955	-
(b) Provisions	22	54,336,393	37,061,793
(c) Other non-financial liabilities	23	37,879,578	24,342,225
3 Equity			
(a) Equity Share capital	24	3,208,133,360	2,642,451,400
(b) Other Equity	25	3,286,935,933	2,449,102,494
Total Liabilities and Equity		44,082,148,102	26,619,399,982

As per our attached report of even date

For **V Sankar Aiyar & Co**

Chartered Accountants
Firm No. 109208W

S Venkataraman

Partner
M. No. 023116

Place: Chennai
Date: April 24, 2021

For and on behalf of the Board of Directors
of **Samasta Microfinance Limited**

N. Venkatesh

Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

Place: Bangalore
Date: April 23, 2021

D. Shivaprakash

Whole-Time Director
DIN : 02216802

Pramod Kulkarni
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations			
Interest Income	26	6,885,923,563	5,101,873,458
Fees and commission Income	27	102,864,271	192,356,728
Net gain on derecognition of financial instruments under amortised cost category	28	-	454,016,216
Total Revenue from operations		6,988,787,834	5,748,246,402
Other Income	29	32,510,402	68,821,216
Total Income		7,021,298,236	5,817,067,618
Finance Costs	30	2,545,640,521	1,771,737,238
Net loss on derecognition of financial instruments under amortised cost category	31	552,227,995	129,086,077
Impairment on financial instruments	32	852,914,313	466,113,155
Employee Benefits Expenses	33	1,575,354,868	1,357,220,037
Depreciation, amortisation and impairment		63,223,192	73,482,548
Others expenses	34	610,401,795	585,109,650
Total Expenses		6,199,762,684	4,382,748,705
Profit before exceptional items and tax		821,535,552	1,434,318,913
Exceptional items		-	31,021,709
Profit before tax		821,535,552	1,403,297,204
Tax expense:			
Current Tax		434,998,351	336,154,695
Tax related to Earlier Years		869,253	1,116,300
Deferred Tax		(280,563,971)	(13,868,165)
Total Tax Expense		155,303,633	323,402,830
Profit Before impact of rate Change on Opening Deferred Tax		666,231,919	1,079,894,374
Impact of Change in the tax rate on Opening deferred tax		-	6,859,050
Profit for the period		666,231,919	1,073,035,324
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		(3,086,716)	(6,695,982)
(a) Remeasurement of defined benefit liabilities/(assets)			
(ii) Income tax relating to items that will not be reclassified to profit or loss		776,865	1,685,245
Subtotal (A)		(2,309,851)	(5,010,737)
(B) (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Subtotal (B)		-	-
Other Comprehensive Income		(2,309,851)	(5,010,737)
Total Comprehensive Income for the period (Comprising Profit and other Comprehensive Income for the period)		663,922,068	1,068,024,587
Earnings per equity share			
Basic (₹)		2.38	5.47
Diluted (₹)		2.38	5.47

As per our attached report of even date

For **V Sankar Aiyar & Co**

Chartered Accountants
Firm No. 109208W

S Venkataraman
Partner
M. No. 023116

Place: Chennai
Date: April 24, 2021

For and on behalf of the Board of Directors
of **Samasta Microfinance Limited**

N. Venkatesh
Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

Place: Bangalore
Date: April 23, 2021

D. Shivaprakash
Whole-Time Director
DIN : 02216802

Pramod Kulkarni
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

S R . No.	Particulars	(Amount in ₹)	
		Year Ended March 31, 2021	Year Ended March 31, 2020
1	Cash flows from operating activities		
	Net profit before taxation, and extraordinary item	821,535,552	1,403,297,204
	Adjustments for		
	Depreciation	63,223,192	73,482,548
	Net (gain) / loss on derecognition of financial instruments under amortised cost category	124,251,401	(451,587,630)
	Interest income	(82,318,551)	(62,144,496)
	Short Term Capital Gain	(30,596,802)	(67,422,754)
	Gratuity and Leave Salary	14,964,749	13,818,165
	Dividend income	-	(150,553)
	Provisions for Standard and Non Performing Assets	852,914,313	466,113,155
	Bad Debts Written Off	427,976,594	129,086,078
	Operating profit before working capital changes	2,191,950,449	1,504,491,718
	Increase in Trade Receivables	(12,060,031)	17,654,350
	(Increase) / Decrease in loans	(18,037,269,499)	(5,571,097,457)
	(Increase) / Decrease in Other Assets	230,347	(26,186,627)
	(Increase) / Decrease in Loans & Advances	3,564,676	(26,565,698)
	Increase / (Decrease) in Long term Liabilities	1,025,989,577	1,103,144,922
	Increase / (Decrease) in Other liabilities	(14,193,261)	(22,839,940)
	Increase / (Decrease) in trade payables	50,707,568	(75,980,861)
	Changes in Working Capital	(16,983,030,623)	(4,601,871,311)
	Cash generated from operations	(14,791,080,173)	(3,097,379,593)
	Income taxes paid	(410,869,253)	(321,659,136)
	Net cash from operating activities	(15,201,949,426)	(3,419,038,729)
2	Cash flows from investing activities		
	Purchase of fixed assets	(33,237,960)	(51,471,776)
	Proceeds from sale of equipment	153,974	7,716,481
	Purchase of Investments	(27,843,248,279)	(32,951,173,688)
	(Increase)/Decrease in fixed deposit (lien marked)	1,333,465,339	(1,649,621,821)
	(Increase)/Decrease in Other Deposit	(744,803,319)	(396,228,362)
	Sale of Investments	27,873,845,082	33,029,318,077
	Interest received	94,287,788	48,808,154
	Dividends received	-	150,553
	Net cash from investing activities	680,462,625	(1,962,502,382)
3	Cash flows from financing activities		
	Proceeds from issuance of share capital	899,999,998	1,499,999,976
	Proceeds from long-term borrowings	39,012,404,750	15,472,716,194
	Repayment of long-term borrowings	(24,339,578,004)	(11,639,083,748)
	Dividends paid	(160,406,667)	(142,253,170)
	Net cash used in financing activities	15,412,420,077	5,191,379,252
4	Net increase in cash and cash equivalents	890,933,276	(190,161,859)
5	Cash and cash equivalents at beginning of period	241,451,291	431,613,149
6	Cash and cash equivalents at end of period	1,132,384,567	241,451,291

As per our attached report of even date

For **V Sankar Aiyar & Co**

Chartered Accountants
Firm No. 109208W

S Venkataraman

Partner
M. No. 023116

Place: Chennai
Date: April 24, 2021

For and on behalf of the Board of Directors
of **Samasta Microfinance Limited**

N. Venkatesh

Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

Place: Bangalore
Date: April 23, 2021

D. Shivaprakash

Whole-Time Director
DIN : 02216802

Pramod Kulkarni
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1. CORPORATE INFORMATION:

Samasta Microfinance Limited has its registered office at Bangalore, India and was Incorporated under the Provisions of Companies Act, 1956. The Company has obtained certificate of registration from RBI dated September 05, 2013. The Company is categorised as systematically important non banking Finance (non - deposit accepting or holding) Company-Micro Finance Institution (NBFC MFI) under the provisions of RBI Act 1934. The Company is engaged in providing micro finance services to women who are enrolled as members and organised as Joint Liability Group ('JLG'), Small business loans and loans against property. The Company is a subsidiary of India Infoline Finance Limited.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Basis of Preparation of financial statements:

The financial statements, together with the comparative period date as at and for the year ended March 31, 2020, comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended, and other relevant provisions of the Act.

The Company has followed statutory requirements, circulars and guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC), time to time.

b) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) are measured at fair value as stated in notes;
- 2) defined benefit plans – plan assets measured at fair value.

c) Use of estimates and Critical Estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

- i) Determining inputs into the ECL measurement model - (Refer Note g)
- ii) Estimation of defined benefit obligation - (Refer Note r (II))

The areas involving critical judgements are:

- i) Classification of financial assets : Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payment of principal and interest (SPPI) on the principal amount outstanding.
- ii) Derecognition of financial assets and securitisation.
- iii) Categorisation of loan portfolios

d) Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

e) Non Financial Assets:

Measurement

i) Property, Plant and Equipment

PPE (Property Plant and Equipment) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy, less GST to the extent credit of tax is availed. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

ii) Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets

with finite useful life are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

iii) Investment Property

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Following initial recognition, after initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 40's requirements for cost model.

Depreciation/ Amortisation

Depreciation on each item of PPE and Investment Property is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life and is recognised in the Statement of Profit and Loss.

Individual assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase.

No depreciation is charged from the month in which assets are sold. Depreciation/ Amortisation on PPE, Investment Property and Intangible Assets added or disposed off during the year is calculated on pro- rata basis with reference to the date of addition or deletion.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Buildings *	20
Furniture and fixtures *	5
Office equipment *	5
Electrical Equipment *	5
Vehicles *	5
Computers *	3
Software *	3

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Derecognition

The carrying amount of an item of PPE, Investment Property and Intangible Asset is derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

f) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognised in the Statement of Profit and

Loss and included in depreciation and amortisation expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

g) 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.

i) Financial Assets

Business Model Assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

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

For the purpose 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 SPPI, 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.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Initial recognition and measurement:

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

that are attributable to the acquisition of the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortised cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, investments and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

the financial asset. In that case, the Company also recognises an associated liability. The financial 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, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financial instruments that are not measured at FVTPL :

- i) Loans
- ii) Trade Receivables

Loans

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments whose credit risk has not increased significantly since initial recognition, for which a 12-month ECL is computed.

Life-time ECL is based on the result from all possible default events over the expected life of the financial instrument.

12-month ECL is based on the result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company categorises loan assets into stages based on the Days Past Due status:

Stage	Past Due	ECL	Regulatory Standards
Stage 1	30 days past due	12 Month ECL	Equivalent to standard assets as per RBI
Stage 2	31-90 Days Past Due	Life time ECL	Equivalent to NPA assets as per RBI
Stage 3	More than 90 Days Past Due	Life time ECL	

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows :

Financial assets that are not credit-impaired at the reporting date: As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive); Financial assets that are credit-impaired at the reporting date: As the difference between the gross carrying amount and the present value of estimated future cash flows.

Trade Receivables

For trade receivables, the Company applies the simplified approach which requires life-time ECL to be recognised from initial recognition of the receivables.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Write off

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. 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 subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to recovery activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Financial Liabilities

Initial recognition and measurement:

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorised as follows (i) recognised at amortised costs (ii) recognised at fair value through profit and loss (FVTPL) (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

is separated and recorded at fair value and the remaining component is categorised as on amortised costs.

Subsequent measurement:

- (i) All financial liabilities of the Company categorised as at amortised cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the Company categorised at fair value are subsequently measured at fair value through profit and loss statement.
- (iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

Derecognition: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

h) Derivative Financial Instruments

Derivatives Financial Contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

i) Offsetting Financial Instruments

Financial assets and 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.

j) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that

categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

k) Functional Currency

i) Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian rupees (₹) and all values are rounded off to nearest Rupees except where otherwise indicated.

ii) Transactions and balances

- a. Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- b. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

l) Securitisation transaction

In accordance with Ind AS 109, in case of securitisation where the risks and rewards are not transferred completely, the assets are not derecognised and the liability to Special Purpose Vehicle ("SPV") is shown under borrowings. The gain arising on securitisation is amortised over the life of the securities issued by SPV. Loss, if any, is recognised upfront in the Statement of Profit and Loss for all types of Securitisation Transactions.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

m) Assignment transaction

In accordance with Ind AS 109, in case of assignment with complete transfer of risks and rewards without any retention of residual interest, gain arising on the assignment is recorded upfront in the Statement of Profit and Loss and the loan is derecognised from the Statement of Assets and Liabilities immediately on sale of the loan. However, in cases where the risks and rewards are not transferred completely, then the gain arising on the assignment is amortised over the remaining life of the loan. Loss, if any, is recognised upfront in the Statement of Profit and Loss for all types of Assignment Transactions.

n) Revenue Recognition

i) Income from financing activity:

Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.

For financial assets that are not Purchases Originally Credit Impaired "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

ii) Other revenue from operation:

Fee and commission income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligation is performed. There is no significant financing component in the consideration.

iii) Other Income:

Dividend income is recognised when the right to receive income is established.

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

o) Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for

each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

p) Provisions and Contingencies

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

r) Employee Benefits

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans (such as Provident Fund) under which the Company pays fixed contributions into benefit schemes and will have no legal

or constructive obligation to pay further contributions. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

II. Defined benefit plans:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The present value of the obligations under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method and

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

is recognised in a similar manner as in the case of defined benefit plans. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

s) Segment Reporting

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. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'. The Company operates in a single business segment i.e. lending to members, having similar risk and returns for the purpose of IND AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

t) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a

lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

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 underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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 Company's incremental borrowing rate. 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 the 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 the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 4. CASH AND CASH EQUIVALENTS

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
Cash on hand	17,511,463	5,524,019
Balance with Banks	1,435,464,342	336,071,465
-In current accounts		
In Deposit Accounts (Less than three months)	334,034,661	1,667,500,000
Cash and Cash Equivalents	1,787,010,465	2,009,095,484

Out of the Fixed Deposits shown above:

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Lien Marked	105,710,791	1,628,611,000
Margin for Credit Enhancement	-	38,889,000
Other deposits	228,323,870	-
Total	334,034,661	1,667,500,000

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Other Bank Balances		
In Deposit Account (Maturity more than 3 months to 12 months)	603,636,953	394,895,469
In Deposit account (Maturity more than 12 months)	940,774,994	404,713,159
Total	1,544,411,947	799,608,628

Out of the Fixed Deposits shown above:

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Lien Marked	1,344,053,883	799,608,628
Other deposits	200,358,064	-
Total	1,544,411,947	799,608,628

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (As per Ind AS 7 Cash flow statement)		
Cash on hand	17,511,463	5,524,019
Balance with Banks	1,435,464,342	336,071,465
-In current accounts		
	1,452,975,805	341,595,484
Less: Cash Credit/Overdraft facilities (Refer Note no 18)	320,591,239	100,144,194
Cash and cash equivalents (As per Ind AS-7 Cash flow statement) (A)	1,132,384,566	241,451,290

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 5. DERIVATE FINANCIAL INSTRUMENTS

(Amount in ₹)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Nominal Amount	Fair Value - Assets	Fair Value - Liabilities	Nominal Amount	Fair Value - Assets	Fair Value - Liabilities
Interest Rate Derivatives						
Options Purchased *	55,620,000	86,985,006	86,985,006	55,620,000	21,278,204	21,278,204
Total	55,620,000	86,985,006	86,985,006	55,620,000	21,278,204	21,278,204

*Options invested are tied up to Secured Non Convertible Debentures of ₹ 12,30,248/- P.Y. (₹ 12,30,248/-) and Secured Non Convertible Debentures of ₹ 2,00,47,955/- P.Y. (₹ 2,00,47,955 /-) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

NOTE 6. RECEIVABLES

(Amount in ₹)

Receivables	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Receivables considered good - Unsecured	30,599,607	18,539,576
Total - Gross	30,599,607	18,539,576
Less: Impairment loss allowance	-	-
Total - Net	30,599,607	18,539,576

The Company follows simplified method of estimation of expected credit loss and hence information required under Part (C) (i) is not furnished.

NOTE 7. LOANS

(Amount in ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amortised cost	Total	Amortised cost	Total
Loans				
(A)				
Term Loans	41,167,769,466	41,167,769,466	23,006,062,665	23,006,062,665
Inter Corporate Deposit to Holding Company	-	-	500,000,000	500,000,000
Unamortised Processing Fee	(331,802,607)	(331,802,607)	(185,086,005)	(185,086,005)
Accrued Interest but not due	348,733,521	348,733,521	254,281,107	254,281,107
Total (A) -Gross	41,184,700,380	41,184,700,380	23,575,257,766	23,575,257,766
Less: Impairment loss allowance (including ECL on Stage 3 of ₹ 74,78,19,368/- P.Y. (₹ 34,31,20,550/-)	(1,554,439,437)	(1,554,439,437)	(701,375,414)	(701,375,414)
Total (A) - Net	39,630,260,944	39,630,260,944	22,873,882,352	22,873,882,352
(B)				
(i) Secured by tangible assets	580,311,238	580,311,238	214,866,321	214,866,321
(ii) Unsecured	40,604,389,142	40,604,389,142	23,360,391,445	23,360,391,445
Total (B)-Gross	41,184,700,380	41,184,700,380	23,575,257,766	23,575,257,766
Less: Impairment loss allowance (including ECL on Stage 3 of ₹ 74,78,19,368/- P.Y. (₹ 34,31,20,550/-)	(1,554,439,437)	(1,554,439,437)	(701,375,414)	(701,375,414)
Total (B)-Net	39,630,260,944	39,630,260,944	22,873,882,352	22,873,882,352

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amortised cost	Total	Amortised cost	Total
(C)				
(I) Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others				
Joint Liability Group	37,653,506,353	37,653,506,353	22,565,559,672	22,565,559,672
Small Business Loans	2,950,882,789	2,950,882,789	294,831,773	294,831,773
Loan Against Property	580,311,238	580,311,238	214,866,321	214,866,321
Inter Corporate Deposit to Holding Company	-	-	500,000,000	500,000,000
Less: Impairment loss allowance (including ECL on Stage 3 of ₹ 74,78,19,368/- P.Y. (₹ 34,31,20,550/-)	(1,554,439,437)	(1,554,439,437)	(701,375,414)	(701,375,414)
Total(C) (I)-Net	39,630,260,944	39,630,260,944	22,873,882,352	22,873,882,352
(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)- Net	-	-	-	-
Total C(I) and C(II)	39,630,260,944	39,630,260,944	22,873,882,352	22,873,882,352

NOTE 8. INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2021			As at March 31, 2020		
	At Fair Value through profit or loss	Others*	Total	At Fair Value through profit or loss	Others*	Total
(A)						
Equity instruments	-	-	-	-	-	-
Alpha Microfinance Consultants Private Limited (50,000 Equity Shares of ₹ 10 each)	-	500,000	500,000	-	500,000	500,000
Total – Gross (A)	-	500,000	500,000	-	500,000	500,000
i) Investments outside India	-	-	-	-	-	-
ii) Investments in India	-	500,000	500,000	-	500,000	500,000
Total (B)	-	500,000	500,000	-	500,000	500,000
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-
Total- Net (D) = A-C	-	500,000	500,000	-	500,000	500,000

* The Company has carried investment in equity shares at cost.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 9. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued interest on Fixed Deposits	23,461,796	35,431,033
Staff Loans	939,651	273,515
Security Deposits	49,276,326	39,200,492
Interest Strip Asset on Assignment	434,112,185	558,363,585
Other receivables		
Insurance Claim Receivable	52,468,312	67,832,929
Less: Impairment loss allowance towards Insurance Claim Receivable	(52,468,312)	(52,618,021)
Total	507,789,958	648,483,534

NOTE 10. OTHER NON FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	11,126,742	8,885,019
Vendor Advances	713,273	1,581,841
Total	11,840,015	10,466,860

NOTE 11. DEFERRED TAXES

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(Amount in ₹)

Particulars	Opening balance	Recognised in profit or loss	Effect of the Tax Rate	Deferred Tax Taken to Balance Sheet	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:						
Provisions, allowances for doubtful receivables	169,754,792	208,708,706	-	-	-	378,463,498
Compensated absences and retirement benefits	9,327,713	3,570,807	-	-	776,865	13,675,384
Unamortised Processing Fees Income	46,911,955	36,925,634	-	-		83,837,589
Lease Liability	11,761,204	(10,382,937)	-		-	1,378,268
Total deferred tax assets	237,755,664	238,822,210	-	-	776,865	477,354,739
Deferred tax liabilities:						
Property, plant and equipment	(1,203,689)	16,396,321	-	-	-	15,192,632
Prepaid expenses Claimed	(15,294,160)	(13,043,877)	-	-	-	(28,338,037)
Unamortised Processing Fees Expense	(15,897,647)	7,203,883	-	-	-	(8,693,764)
Interest Strip Assets	(140,528,947)	31,271,592	-	-	-	(109,257,355)
Income on Security Deposit	(53,655)	(86,158)	-	-	-	(139,813)
Total deferred tax liabilities	(172,978,097)	41,741,761	-	-	-	(131,236,337)
Deferred tax assets	64,777,566	280,563,971	-	-	776,865	346,118,403

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(Amount in ₹)

Particulars	Opening balance	Recognised in profit or loss	Effect of the Tax Rate	Deferred Tax Taken to Balance Sheet	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:						
Provisions, allowances for doubtful receivables*	63,167,604	92,471,606	8,572,746	5,542,836	-	169,754,792
Over Due Interest	2,721,143	(3,090,441)	369,298	-	-	(0)
Compensated absences and retirement benefits	5,309,418	1,612,486	720,564	-	1,685,245	9,327,713
Unamortised Processing Fees Income	40,450,298	971,974	5,489,683	-	-	46,911,955
Unrealised profit on investments	-	-	-	-	-	-
Lease Liability	-	11,761,204	-	-	-	11,761,204
Total deferred tax assets	111,648,463	103,726,828	15,152,292	5,542,836	1,685,245	237,755,664
Deferred tax liabilities:						
Property, plant and equipment	4,500,662	(6,315,155)	610,804	-	-	(1,203,689)
Prepaid expenses Claimed	-	(10,428,857)	(4,865,302)	-	-	(15,294,160)
Unamortised Processing Fees Expense	(34,515,598)	18,436,908	181,043	-	-	(15,897,647)
Interest Strip Assets	(31,093,158)	(105,216,003)	(4,219,786)	-	-	(140,528,947)
Income on Security Deposit	-	(53,655)	-	-	-	(53,655)
Total deferred tax liabilities	(61,108,094)	(103,576,762)	(8,293,241)	-	-	(172,978,097)
Deferred tax assets	50,540,369	150,066	6,859,050	5,542,836	1,685,245	64,777,568

NOTE 12. INVESTMENT PROPERTY

(Amount in ₹)

Particulars	Land	Building	Total
Cost or Valuation as at April 1, 2020	114,905	492,545	607,450
Additions	-	-	-
Deductions /Adjustments during the year	-	-	-
As at March 31, 2021	114,905	492,545	607,450
Depreciation			
As at April 1, 2020	-	49,255	49,255
Depreciation For the year	-	26,680	26,680
Deductions/Adjustments during the year	-	-	-
Up to March 31, 2021	-	75,934	75,934
Net Block as at March 31, 2021	114,905	416,611	531,516

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

Particulars	Land	Building	Total
Cost or Valuation as at April 1, 2019	114,905	492,545	607,450
Additions	-	-	-
Deductions /Adjustments during the year	-	-	-
As at March 31, 2020	114,905	492,545	607,450
Depreciation			
As at April 1, 2019	-	22,575	22,575
Depreciation For the year	-	26,680	26,680
Up to March 31, 2020	-	49,255	49,255
Net Block as at March 31, 2020	114,905	443,291	558,196

- There are no direct expenses incurred towards above investment property.
- The investment property is given as security against non - convertible debentures issued to NBFC.
- There are no contractual obligation existed as on 31st March 2021 in connection to purchase, construct or develop investment property.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 13. PROPERTY PLANT AND EQUIPMENT

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Right to Use*	Total
(Amount in ₹)								
Cost as at April 1, 2020	55,034,657	25,704,868	9,454,236	2,919,548	122,013,703	5,626,884	52,255,329	273,009,225
Additions	4,724,375	4,010,536	1,834,890	28,945	22,639,214	-	19,770,544	53,008,504
Deductions/Adjustments	(392,443)	(58,371)	(340,559)	-	(322,774)	-	-	(1,114,146)
As at March 31, 2021	59,366,589	29,657,032	10,948,567	2,948,493	144,330,143	5,626,884	72,025,873	324,903,582
Depreciation								
As at April 1, 2020	44,158,842	13,350,316	5,947,471	592,340	71,287,940	4,632,279	5,909,546	145,878,734
Depreciation for the year	8,278,548	5,066,931	1,410,120	568,235	35,224,298	672,827	9,827,348	61,048,306
Deductions/Adjustments	(394,188)	(67,411)	(324,747)	-	(173,830)	-	-	(960,175)
Up to March 31, 2021	52,043,203	18,349,836	7,032,844	1,160,575	106,338,407	5,305,106	15,736,894	205,966,864
Net Block as at March 31, 2021	7,323,386	11,307,197	3,915,723	1,787,918	37,991,736	321,778	56,288,979	118,936,718

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Right to Use*	Total
(Amount in ₹)								
Cost as at April 1, 2019	34,851,106	18,125,011	7,005,988	408,174	96,197,399	4,060,293	-	160,647,972
Additions	17,558,960	6,428,119	2,638,879	2,511,374	21,899,523	-	52,255,329	103,292,184
Reclassification	2,624,590	1,191,915	212,017	-	5,790,419	1,566,591	-	11,385,531
Deductions/Adjustments	1	(40,177)	(402,648)	-	(1,873,638)	-	-	(2,316,462)
As at March 31, 2020	55,034,657	25,704,868	9,454,236	2,919,548	122,013,703	5,626,884	52,255,329	273,009,225
Depreciation								
As at April 1, 2019	21,753,795	8,297,754	1,861,640	69,373	31,207,428	2,219,649	-	65,409,639
Depreciation for the year	13,167,524	13,587,723	2,133,769	458,000	35,167,676	813,939	5,909,546	71,238,177
Reclassification	9,208,912	(8,496,120)	2,293,440	64,967	6,715,640	1,598,691	-	11,385,530
Deductions/Adjustments	28,611	(39,041)	(341,378)	-	(1,802,804)	-	-	(2,154,612)
Up to March 31, 2020	44,158,842	13,350,316	5,947,471	592,340	71,287,940	4,632,279	5,909,546	145,878,734
Net Block as at March 31, 2020	10,875,814	12,354,551	3,506,765	2,327,208	50,725,763	994,606	46,345,783	127,130,491

* Right to use represent Lease asset

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 14. CAPITAL WORK IN PROGRESS

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	7,553,750
Addition during the year	-	-
Capitalised during the year	-	(7,553,750)
Closing Balance	-	-

NOTE 15. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(Amount in ₹)	
Particulars	Software
Cost as at April 1, 2020	7,622,317
Additions	-
Deductions /Adjustments during the year	-
As at March 31, 2021	7,622,317
Depreciation	
As at April 1, 2020	4,436,823
Depreciation For the year	2,148,207
Reclassification	-
Deductions/Adjustments during the year	-
Up to March 31, 2021	6,585,030
Net Block as at March 31, 2021	1,037,287

(Amount in ₹)	
Particulars	Software
Cost as at April 1, 2019	7,220,379
Additions	434,038
Deductions /Adjustments during the year	(32,100)
As at March 31, 2020	7,622,317
Depreciation	
As at April 1, 2019	2,251,233
Depreciation For the year	2,217,691
Reclassification	-
Deductions/Adjustments during the year	(32,100)
Up to March 31, 2020	4,436,823
Net Block as at March 31, 2020	3,185,494

NOTE 16. TRADE PAYABLE

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
(1) Trade Payable		
-(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 16.1) *	-	-
-(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	86,014,864	35,307,296
Total	86,014,864	35,307,296

* Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There are no interest due or outstanding on the same.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

16.1 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

NOTE 17. DEBT SECURITIES

Particulars	(Amount in ₹)			
	As at March 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
Secured Non Convertible Debentures	7,940,000,000	7,940,000,000	4,583,333,331	4,583,333,331
Less : Derivative Financial Liability	(12,495,000)	(12,495,000)	(12,495,000)	(12,495,000)
Less : Unamortised Debenture Issue Expenses	(58,016,078)	(58,016,078)	(49,584,161)	(49,584,161)
Interest Accrued on Debt Securities	959,786,032	959,786,032	670,286,220	670,286,220
Total	8,829,274,954	8,829,274,954	5,191,540,390	5,191,540,390
Debt Securities in India	8,829,274,954	8,829,274,954	5,191,540,390	5,191,540,390
Debt Securities outside India	-	-	-	-
Total	8,829,274,954	8,829,274,954	5,191,540,390	5,191,540,390

- (a) These Non convertible debentures are secured by way of first pari-passu charge on investment property, book debts, loans and advances including receivables other than those specifically charged.
- (b) Non Convertible Debentures – Secured includes redeemable Non convertible debenture amounting to ₹ 14,00,00,000/- P.Y. (₹ 14,00,00,000/-) which carries call option effective from July 13, 2018.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

17.1 Debt securities

Particulars	March 31, 2021	March 31, 2020	Date of borrowing	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
INE413U07020 - NCD	50,000,000	50,000,000	June 30, 2016	June 29, 2022	June 29, 2022	Rate of Interest - 15.25% , principal repayable on maturity.	Hypothecation of book debts	
INE413U07087 - NCD	140,000,000	140,000,000	July 13, 2018	March 14, 2022	March 14, 2022	Rate of Interest - 8.73% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07079 - NCD	1,110,000,000	1,110,000,000	July 13, 2018	October 19, 2021	October 19, 2021	Rate of Interest - 9.96% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07079 - NCD	1,000,000,000	1,000,000,000	June 19, 2018	October 19, 2021	October 19, 2021	Rate of Interest - 9.75% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07079 - NCD	500,000,000	500,000,000	July 3, 2018	October 19, 2021	October 19, 2021	Rate of Interest - 9.87% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07079 - NCD	250,000,000	250,000,000	July 10, 2018	October 19, 2021	October 19, 2021	Rate of Interest - 9.93% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07053 - NCD	-	33,333,330	September 28, 2017	December 28, 2017	September 28, 2020	Rate of Interest - 11.08% p.a. calculated on a XIRR basis, principal repayable in 12 Quarterly instalments of ₹ 1,66,66,667/-	Hypothecation of book debts	
INE413U07061 - NCD	-	1,500,000,000	May 24, 2018	May 22, 2020	May 22, 2020	Rate of Interest - 10.80% p.a. , principal repayable on maturity.	Hypothecation of book debts ,Immovable property	
INE413U07103 - Bank of India - NCD	250,000,000	-	June 18, 2020	June 05, 2023	June 05, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07103 - Bank of Maharashtra - NCD	150,000,000	-	June 05, 2020	June 05, 2023	June 05, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07137 - Bank of Maharashtra - NCD	500,000,000	-	August 11, 2020	February 11, 2022	February 11, 2022	Rate of Interest - 10.00% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07103 - Canara Bank - NCD	200,000,000	-	June 05, 2020	June 05, 2023	June 05, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07178 - NCD	590,000,000	-	March 30, 2021	April 30, 2024	April 30, 2024	Rate of Interest - 9% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07129 - Indian Bank - NCD	250,000,000	-	July 10, 2020	July 10, 2023	July 10, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07160 - NorthernArc - NCD	1,000,000,000	-	March 18, 2021	March 18, 2023	March 18, 2023	Rate of Interest - 10.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	March 31, 2021	March 31, 2020	Date of borrowing	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
INE413U07137 - Punjab National Bank - NCD	250,000,000	-	August 11, 2020	February 11, 2022	February 11, 2022	Rate of Interest - 10.0% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07111 - State Bank of India - NCD	1,000,000,000	-	June 26, 2020	April 21, 2023	April 21, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07145 - UNIFI-AIF - NCD	150,000,000	-	March 02, 2021	June 02, 2022	June 02, 2022	Rate of Interest - 10.20% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07152 - UNIFI-AIF - NCD	150,000,000	-	March 02, 2021	January 02, 2023	January 02, 2023	Rate of Interest - 10.20% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07111 - Union Bank of India - NCD	150,000,000	-	June 26, 2020	April 21, 2023	April 21, 2023	Rate of Interest - 11.50% p.a. principal repayable on maturity.	Hypothecation of book debts.	
INE413U07137 - Union Bank of India - NCD	250,000,000	-	August 11, 2020	February 11, 2022	February 11, 2022	Rate of Interest - 10.0% p.a. principal repayable on maturity.	Hypothecation of book debts.	
Total	7,940,000,000	4,583,333,330						

NOTE 18. BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
(a) Term loans				
- (i) from banks	17,716,197,898	17,716,197,898	10,506,128,703	10,506,128,703
- (ii) from other parties	7,458,410,812	7,458,410,812	3,216,691,853	3,216,691,853
Unamortised Processing Fee	(82,383,093)	(82,383,093)	(63,127,953)	(63,127,953)
Interest Accrued on Borrowings	128,301,514	128,301,514	100,429,349	100,429,349
	25,220,527,132	25,220,527,132	13,760,121,952	13,760,121,952
(b) Other loans (specify nature)				
Cash Credit / Overdraft Facilities	320,591,239	320,591,239	100,144,194	100,144,194
Securitisation	-	-	135,628,077	135,628,077
Total	25,541,118,371	25,541,118,371	13,995,894,223	13,995,894,223
Borrowings in India	25,541,118,371	25,541,118,371	13,995,894,223	13,995,894,223
Borrowings outside India	-	-	-	-
Total	25,541,118,371	25,541,118,371	13,995,894,223	13,995,894,223

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

18.1 Loan from Banks

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
Axis Bank Limited	-	214,285,716	November 29, 2018	May 29, 2019	January 31, 2020	Rate of Interest 3M MCLR+2.05%+loan repayable in 7 Quarterly instalments of ₹ 7,14,28,571/-	Hypothecation of book debts and cash collateral	
Axis Bank Limited	125,000,000	218,750,000	October 24, 2019	January 24, 2020	October 24, 2021	Rate of Interest 3M MCLR+2.55%+loan repayable in 8 Quarterly instalments of ₹ 3,12,50,000/-	Hypothecation of book debts and cash collateral	
Axis Bank Limited	125,000,000	250,000,000	March 11, 2020	June 11, 2020	March 11, 2022	Rate of Interest 3M MCLR+2.65% loan repayable in 8 Quarterly instalments of ₹ 3,12,50,000/-	Hypothecation of book debts and cash collateral	
Axis Bank Limited	125,000,000	-	March 11, 2021	June 09, 2021	March 09, 2023	Rate of Interest 3M MCLR+2.95% loan repayable in 22 monthly instalments of ₹ 56,81,818/-	Hypothecation of book debts and cash collateral	
Axis Bank Limited	375,000,000	-	March 11, 2021	June 09, 2021	March 09, 2023	Rate of Interest 3M MCLR+2.95% loan repayable in 22 monthly instalments of ₹ 1,70,45,454/-	Hypothecation of book debts and cash collateral	
Bandhan Bank Limited	571,428,571	1,000,000,000	February 28, 2020	August 28, 2020	February 28, 2022	Rate of Interest 11.30%+loan repayable in 7 Quarterly instalments of ₹ 14,28,57,143/-	Hypothecation of book debts	
Bandhan Bank Limited	1,000,000,000	-	March 26, 2021	October 01, 2021	March 25, 2023	Rate of Interest 11%, loan repayable in 7 Quarterly instalments of ₹ 14,28,57,143/-	Hypothecation of book debts	
Bandhan Bank Limited	-	714,285,714	March 20, 2019	October 01, 2019	March 18, 2021	Rate of Interest 11.40%, loan repayable in 7 Quarterly instalments of ₹ 14,28,57,143/-	Hypothecation of book debts and cash collateral	
Bank of Baroda	-	166,000,000	March 30, 2018	July 30, 2018	December 30, 2020	Rate of Interest 1.45 above 1Y MCLR+0.75% loan repayable in 30 monthly instalments for BOB of ₹ 1,67,00,000/- & last instalment of ₹ 1,57,00,000/-	Hypothecation of book debts and cash collateral	
Bank of Maharashtra	-	1,072,000	March 18, 2016	July 31, 2016	March 31, 2020	Rate of Interest - Base rate + 4.50% loan repayable in 44 monthly instalments of ₹ 11,12,000/- & last instalment of ₹ 10,72,000/-	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.	
Bank of Maharashtra	26,428,412	49,217,000	March 28, 2018	April 30, 2018	March 31, 2022	Rate of Interest 1Y MCLR+0.25%+0.95% loan repayable in 47 monthly instalments of ₹ 20,84,000/- & last instalment of ₹ 20,52,000/-	Hypothecation of book debts and cash collateral	
Capital Small Finance Bank Limited	150,000,000	-	March 31, 2021	May 01, 2021	March 21, 2024	Rate of Interest 11%, loan repayable in 35 monthly instalments of ₹ 48,85,983/- & last instalment of ₹ 49,41,161/-	Hypothecation of book debts.	
Catholic Syrian Bank Limited	499,996,949	-	January 29, 2021	July 29, 2021	January 29, 2024	Rate of Interest 1Y MCLR, loan repayable in 11 quarterly instalments of ₹ 4,54,54,550/-	Hypothecation of book debts.	
Dena Bank	-	4,643,758	April 18, 2017	October 31, 2017	June 30, 2020	Rate of Interest 1Y MCLR+2.30% loan repayable in 33 monthly instalments of ₹ 15,15,152/-	Hypothecation of book debts and cash collateral	

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
Dhanlakshmi Bank Limited	215,625,000	300,000,000	March 21, 2020	June 21, 2020	February 21, 2023	Rate of Interest 1Y MCLR+1.30%, loan repayable in 32 monthly instalments of ₹ 93,75,000/-	Hypothecation of book debts and cash collateral	
Dhanlakshmi Bank Limited	250,000,000	-	March 12, 2021	July 12, 2021	March 12, 2024	Rate of Interest 1Y MCLR+1.30%, loan repayable in 32 monthly instalments of ₹ 75,75,758/- and last instalment of ₹ 75,75,744/-	Hypothecation of book debts and cash collateral	
HDFC Bank Limited	-	31,250,000	October 25, 2018	January 25, 2019	April 25, 2020	Rate of Interest 9.70%, loan repayable in 16 monthly instalments of ₹ 3,12,50,000/-	Hypothecation of book debts.	
HDFC Bank Limited	-	218,470	July 01, 2017	July 07, 2017	January 07, 2021	Rate of Interest - 9.65% loan repayable in 43 equal monthly instalments of ₹ 22,825/-		
HDFC Bank Limited	-	44,174	June 07, 2017	July 07, 2017	June 07, 2020	Rate of Interest - 8.70% loan repayable in 36 equal monthly instalments of ₹ 14,940/-		
The Hongkong and Shanghai Banking Corporation Limited	600,000,000	-	March 19, 2021	July 19, 2021	March 19, 2023	Rate of Interest 1Y MCLR+2.60%, loan repayable in 21 monthly instalments of ₹ 2,85,71,428/-	Hypothecation of book debts.	
ICI Bank Limited	500,000,000	1,000,000,000	February 29, 2020	May 10, 2020	March 10, 2022	Rate of Interest 1 Year MCLR+2.55%+loan repayable in 22 Monthly instalments of ₹ 4,54,54,545/-	Hypothecation of book debts and cash collateral	
ICI Bank Limited	115,909,091	-	August 31, 2020	November 10, 2020	August 10, 2022	Rate of Interest 1 Year MCLR+2.55%+loan repayable in 22 Monthly instalments of ₹ 68,18,181/-	Hypothecation of book debts and cash collateral	
ICI Bank Limited	86,363,636	-	October 29, 2020	January 10, 2021	October 10, 2022	Rate of Interest 1 Year MCLR+2.55%+loan repayable in 22 Monthly instalments of ₹ 45,45,454/-	Hypothecation of book debts and cash collateral	
ICI Bank Limited	290,000,000	-	March 31, 2021	May 10, 2021	September 10, 2022	Rate of Interest 1 Year MCLR+2.45%+loan repayable in 17 Monthly instalments of ₹ 1,70,58,823/-	Hypothecation of book debts and cash collateral	
IDFC First Bank Limited	157,676,055	687,500,000	February 26, 2019	March 31, 2019	February 28, 2021	Rate of Interest 11.50%, loan repayable in 24 monthly instalments of ₹ 6,25,00,000/-	Hypothecation of book debts.	
IDFC First Bank Limited	1,087,499,998	-	September 28, 2020	October 31, 2020	September 28, 2022	Rate of Interest 11% loan repayable in 24 monthly instalments of ₹ 6,04,16,667/-	Hypothecation of book debts.	
IDFC First Bank Limited	1,000,000,000	-	March 18, 2021	April 30, 2021	March 18, 2023	Rate of Interest 10.25% loan repayable in 24 monthly instalments of ₹ 4,16,66,667/-	Hypothecation of book debts.	
Indian Bank	83,233,196	166,666,666	October 26, 2018	April 01, 2019	December 31, 2021	Rate of Interest 1 Year MCLR+1.90%+loan repayable in 12 Quarterly instalments of ₹ 2,08,33,333/-	Hypothecation of book debts and cash collateral	
Indian Bank	83,233,196	166,666,666	December 28, 2018	April 01, 2019	February 28, 2021	Rate of Interest 1 Year MCLR+1.90%+loan repayable in 12 Quarterly instalments of ₹ 2,08,33,333/-	Hypothecation of book debts and cash collateral	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
Indian Bank	333,270,743	500,000,000	December 18, 2019	June 18, 2020	March 18, 2023	Rate of Interest 1Year MCLR+2.65%+loan repayable in 12 quarterly instalments of ₹ 4,16,66,667/-	Hypothecation of book debits and cash collateral	
Indian Bank	374,966,334	500,000,000	March 19, 2020	June 18, 2020	March 18, 2023	Rate of Interest 1Year MCLR+2.65%+loan repayable in 12 quarterly instalments of ₹ 4,16,66,667/-	Hypothecation of book debits and cash collateral	
Indian Bank	416,666,667	-	June 4, 2020	January 04, 2021	September 04, 2023	Rate of Interest 1Year MCLR+2.75%+loan repayable in 12 quarterly instalments of ₹ 4,16,66,667/-	Hypothecation of book debits and cash collateral	
Jana Small Finance Bank Limited	500,000,000	-	March 15, 2021	May 03, 2021	April 03, 2023	Rate of Interest 11% loan repayable in 23 equal monthly instalments of ₹ 2,33,03,920/- and last instalment of ₹ 2,33,87,657/-	Hypothecation of book debits	
Lakshmi Vilas Bank Limited	8,335,840	20,833,331	February 28, 2018	July 31, 2018	April 30, 2021	Rate of Interest - 1Year MCLR + 0.15%, loan repayable in 12 quarterly instalments of ₹ 41,66,667/-	Hypothecation of book debits and cash collateral	
Lakshmi Vilas Bank Limited	41,679,207	124,870,886	March 21, 2018	September 30, 2018	June 30, 2021	Rate of Interest - 1Year MCLR + 0.15%, loan repayable in 12 quarterly instalments of ₹ 2,08,33,333/-	Hypothecation of book debits	
Oriental Bank of Commerce (Punjab National Bank)	83,208,494	196,969,207	May 24, 2019	August 29, 2019	April 29, 2022	Rate of Interest 1Year MCLR+1.75%+loan repayable in 33 Monthly instalments of ₹ 75,75,758/-	Hypothecation of book debits and cash collateral	
Oriental Bank of Commerce (Punjab National Bank)	212,113,567	350,000,000	December 31, 2019	March 31, 2020	December 31, 2022	Rate of Interest 1Year MCLR+2.20%+loan repayable in 33 Monthly instalments of ₹ 1,06,06,061/-	Hypothecation of book debits and cash collateral	
Punjab and Sindh Bank	1,120,000,000	-	March 31, 2021	May 03, 2021	May 03, 2021	Rate of interest - 3.41 % . Bullet Repayment	Cash Collateral	
Ratankar Bank Limited	-	100,000,000	September 27, 2018	December 27, 2018	September 27, 2020	Rate of Interest - 6Months MCLR+0.05%, loan repayable in 8 Quarterly instalments of ₹ 5,00,00,000/-	Hypothecation of book debits	
Ratankar Bank Limited	-	35,000,000	February 07, 2019	February 28, 2019	February 28, 2021	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of ₹ 87,50,000/-	Hypothecation of book debits	
Ratankar Bank Limited	-	13,125,000	October 08, 2018	March 04, 2019	December 04, 2020	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of ₹ 43,75,000/-	Hypothecation of book debits	
Ratankar Bank Limited	-	15,000,000	December 04, 2018	January 08, 2019	October 08, 2020	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of ₹ 50,00,000/-	Hypothecation of book debits	
Ratankar Bank Limited	-	27,500,000	February 07, 2019	May 04, 2019	February 04, 2021	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of ₹ 68,75,000/-	Hypothecation of book debits	

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	(Amount in ₹)	
							Security Offered	
Ratankar Bank Limited	700,000,000	-	March 30, 2021	July 30, 2021	March 30, 2023	Rate of Interest - 1 Year MCLR + 1.35%, loan repayable in 21 monthly instalments' 3,33,33,333/-	Hypothecation of book debts and cash collateral	
Shinhan Bank	-	16,666,667	May 17, 2018	June 30, 2018	May 29, 2020	Rate of Interest - 6Months MCLR+1.20% loan repayable in 24 monthly instalment of ₹ 83,33,333/-	Hypothecation of book debts and cash collateral	
South Indian Bank Limited	39,996,000	60,000,000	March 23, 2020	April 23, 2020	April 23, 2023	Rate of Interest - 12Months MCLR i.e. 8.90% +2.30%, loan repayable in 35 monthly instalment of ₹ 16,67,000/- and last instalment of ₹ 16,55,000/-	Hypothecation of book debts and cash collateral	
South Indian Bank Limited	25,985,165	40,000,000	March 23, 2020	April 23, 2020	April 23, 2023	Rate of Interest - 12Months MCLR i.e. 8.90% +2.30%, loan repayable in 35 monthly instalment of ₹ 11,11,111/- and last instalment of ₹ 11,15,000/-	Hypothecation of book debts and cash collateral	
Standard Chartered Bank Limited	-	62,500,000	May 16, 2019	May 15, 2020	May 15, 2020	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	-	62,500,000	October 17, 2019	October 16, 2020	October 16, 2020	Rate of Interest- 1Y MCLR, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	-	100,000,000	October 17, 2019	October 16, 2020	October 16, 2020	Rate of Interest- 1Y MCLR, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	-	112,500,000	January 28, 2020	January 27, 2021	January 27, 2021	Rate of Interest 1Y MCLR+0.95%,principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	-	500,000,000	January 28, 2020	April 27, 2020	January 27, 2021	Rate of Interest 1Y MCLR+0.95%,loan repayable in 4 quarterly instalments of ₹ 12,50,00,000/-	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	-	112,500,000	February 17, 2020	February 16, 2021	February 16, 2021	Rate of Interest 1Y MCLR+0.90%,principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	125,000,000	-	January 28, 2020	April 28, 2021	April 28, 2021	Rate of Interest 1Y MCLR+0.90%,principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	250,000,000	-	November 20, 2020	November 19, 2021	November 19, 2021	Rate of Interest 1Y MCLR+0.90%,principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
Standard Chartered Bank Limited	225,000,000	-	December 08, 2020	December 07, 2021	December 07, 2021	Rate of Interest 1Y MCLR+0.90%, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	237,500,000	-	February 08, 2021	February 07, 2022	February 07, 2022	Rate of Interest 1Y MCLR+0.90%, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
Standard Chartered Bank Limited	112,500,000	-	March 04, 2021	March 03, 2022	March 03, 2022	Rate of Interest 1Y MCLR+0.90%, principal is bullet repayment	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.	
State Bank (Mauritius) Limited	80,000,000	160,000,000	January 14, 2020	April 13, 2020	April 13, 2022	Rate of Interest - 12 Months MCLR (i.e. 11.25%), loan repayable in 8 Quarterly instalments of ₹ 2,00,00,000/-	Hypothecation of book debts.	
State Bank (Mauritius) Limited	-	24,999,994	August 05, 2017	February 16, 2018	November 16, 2020	Rate of Interest 1Y MCLR+2.00%, loan repayable in 12 quarterly instalments of ₹ 83,33,334/-	Hypothecation of book debts and cash collateral.	
State Bank (Mauritius) Limited	170,625,000	-	November 03, 2020	February 03, 2021	November 03, 2022	Rate of Interest 1Y MCLR, loan repayable in 8 quarterly instalments of ₹ 2,43,75,000/-	Hypothecation of book debts.	
State Bank Of India	319,991,557	500,000,000	March 05, 2020	May 20, 2020	March 05, 2023	Rate of Interest 1Year MCLR+2.10%+loan repayable in 32 Monthly instalments of ₹ 1,50,00,000/- and Last instalment of ₹ 2,00,00,000 /-	Hypothecation of book debts and cash collateral.	
State Bank Of India	319,991,557	500,000,000	March 13, 2020	May 20, 2020	March 05, 2023	Rate of Interest 1Year MCLR+2.10%+loan repayable in 32 Monthly instalments of ₹ 1,50,00,000/- and Last instalment of ₹ 2,00,00,000 /-	Hypothecation of book debts and cash collateral.	
State Bank of India	-	48,046,189	July 27, 2017	February 28, 2018	July 31, 2020	Rate of Interest - 3.3% above MCLR, loan repayable in 30 monthly instalments of ₹ 1,00,00,000 /-	Hypothecation of book debts and cash collateral.	
State Bank of India	27,792,732	255,269,037	September 09, 2018	November 30, 2018	July 31, 2021	Rate of Interest - 1Y MCLR+1.60%, loan repayable in 32 monthly instalments of ₹ 1,50,00,000& last instalment of ₹ 2,00,00,000 /-	Hypothecation of book debts.	
State Bank Of India	1,500,000,000	-	October 28, 2020	April 27, 2021	September 27, 2023	Rate of Interest 6 Months MCLR+2.05%+loan repayable in 30 Monthly instalments of ₹ 5,00,00,000 /-	Hypothecation of book debts and cash collateral.	
State Bank Of India	1,500,000,000	-	December 21, 2020	April 27, 2021	September 27, 2023	Rate of Interest 6 Months MCLR+2.05%+loan repayable in 30 Monthly instalments of ₹ 5,00,00,000 /-	Hypothecation of book debts and cash collateral.	

NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
UCO Bank	394,829	13,140,440	March 02, 2017	May 26, 2017	May 25, 2021	Rate of Interest MCLR+3.15%, loan repayable in 45 monthly instalments	Hypothecation of book debts and cash collateral.	
Union Bank	145,780,770	235,058,548	September 30, 2019	January 31, 2020	January 31, 2023	Rate of Interest - 1Y MCLR+1.90%+0.25% (T.P) loan repayable in 36 Monthly instalments of ₹ 69,44,444 /-	Hypothecation of book debts and cash collateral.	
Union Bank	35,356,524	109,090,910	November 16, 2018	February 28, 2019	December 31, 2019	Rate of Interest 1Year MCLR+1.40%, loan repayable in 11 quarterly instalments of ₹ 1,81,81,818 /-	Hypothecation of book debts.	
Union Bank	200,000,000	-	February 26, 2021	May 26, 2021	January 26, 2024	Rate of Interest 1Year MCLR+1.85%, loan repayable in 33 monthly instalments of ₹ 60,60,606 /-	Hypothecation of book debts and cash collateral.	
Woori Bank	100,000,000	300,000,000	July 19, 2019	October 19, 2019	July 19, 2021	Rate of Interest 1Year MCLR+2.35%, loan repayable in 8 quarterly instalments of ₹ 5,00,00,000 /-	Hypothecation of book debts and cash collateral.	
Woori Bank	16,666,666	83,333,330	June 19, 2018	September 30, 2018	June 30, 2021	Rate of Interest 1Year MCLR+0.90%, loan repayable in 12 Quarterly instalments of ₹ 1,66,66,667 /-	Hypothecation of book debts and cash collateral.	
Woori Bank	342,857,143	-	September 29, 2020	September 30, 2018	September 29, 2022	Rate of Interest 1Year MCLR+1.65%, loan repayable in 7 Quarterly instalments of ₹ 5,71,42,857 /-	Hypothecation of book debts and cash collateral.	
YES Bank Limited	50,000,000	200,000,000	March 29, 2019	April 29, 2019	March 29, 2021	Rate of Interest 1Y MCLR+1.3%, loan repayable in 24 monthly instalments of ₹ 1,66,66,667/-	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.	
YES Bank Limited	34,375,000	96,250,000	May 21, 2019	June 21, 2019	May 21, 2021	Rate of Interest 1Y MCLR+1.3%, loan repayable in 24 monthly instalments of ₹ 68,75,000/-	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.	
YES Bank Limited	23,750,000	59,375,000	June 28, 2019	July 28, 2019	June 28, 2021	Rate of Interest 1Y MCLR+1.3%, loan repayable in 24 monthly instalments of ₹ 39,58,333/-	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.	
YES Bank Limited	575,000,000	-	February 01, 2021	March 01, 2021	February 01, 2023	Rate of Interest 1Y MCLR+1.9%, loan repayable in 24 monthly instalments of Rs 2,50,00,000/-	Hypothecation of book debts and cash collateral.	
Total	17,716,197,898	10,506,128,703						

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

18.2 Loan from NBFC

Particulars	March 31, 2021	March 31, 2020	Start date	Repayment date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
Aditya Birla Finance Limited	100,000,000	-	March 31, 2021	May 01, 2021	October 01, 2021	Rate of Interest - LTRR(-6.85%), loan repayable in 18 Monthly instalments of ₹ 55,55,555.56	Hypothecation of book debts.	
Bajaj Finance Limited	93,749,494	218,749,999	December 30, 2019	December 30, 2019	December 30, 2021	Rate of Interest - HDFC 1Year MCLR+2.50%, loan repayable in 24 equal monthly instalments of ₹ 1,04,16,666.67	Hypothecation of book debts and cash collateral.	
Bajaj Finance Limited	-	85,714,285	August 9, 2018	March 30, 2018	June 30, 2020	HDFC's 6M MCLR+ 1.45%, loan repayable in 7 quarterly instalments of ₹ 4,28,57,143	Hypothecation of book debts.	
Hero Fin Corp Limited	40,834,611	172,469,369	April 16, 2019	March 03, 2019	May 03, 2021	Rate of Interest - Herofin corp PLR(-0.85%)spread loan repayable in 21 equated monthly instalment of ₹ 1,32,75,146	Hypothecation of book debts	
Hero Fin Corp Limited	130,619,869	200,000,000	February 13, 2020	July 03, 2020	March 03, 2022	Rate of Interest - Herofin corp PLR(-1.40%)spread loan repayable in 21 equated monthly instalment of ₹ 1,05,68,961	Hypothecation of book debts	
Hero Fin Corp Limited	-	5,146,730	March 22, 2018	August 03, 2018	March 27, 2020	Rate of Interest - 9.5%, loan repayable in 21 equal monthly instalments of ₹ 51,87,483	Hypothecation of book debts	
Fedbank Financial Services Limited	-	15,151,501	July 28, 2017	December 01, 2017	August 01, 2020	Rate of Interest - 12.20% loan repayable in 33 monthly instalments of ₹ 3030303.	Hypothecation of book debts and cash collateral.	
Maanaveeya Development & Finance Private Limited	500,000,000	-	March 26, 2021	June 26, 2021	March 26, 2024	Rate of Interest - 11%, loan repayable in 12 Quarterly instalments of ₹ 4,16,66,666.67	Hypothecation of book debts	
Nabkisan Finance Limited	140,000,000	200,000,000	September 19, 2019	February 01, 2020	August 01, 2022	Rate of Interest - 12.00%, loan repayable in 11 Quarterly instalments of ₹ 2,00,00,000	Hypothecation of book debts	
Nabkisan Finance Limited	200,000,000	-	March 01, 2021	June 01, 2021	March 01, 2024	Rate of Interest - 10.40%, loan repayable in 12 Quarterly instalments of ₹ 1,66,66,666.67	Hypothecation of book debts	
Nabsamrudhi Finance Limited	74,984,589	175,000,000	October 31, 2019	January 31, 2020	October 31, 2022	Rate of Interest - 11.25%, loan repayable in 8 Quarterly instalments of ₹ 2,50,00,000	Hypothecation of book debts	
Nabsamrudhi Finance Limited	146,470,797	-	February 09, 2021	March 31, 2021	February 29, 2024	Rate of Interest - 10.65%, loan repayable in 36 Monthly instalments of ₹ 55,55,555.56	Hypothecation of book debts	
NABARD	1,050,000,000	1,350,000,000	October 31, 2019	January 31, 2020	January 31, 2025	Rate of Interest - 11.50%, loan repayable in 10 Half instalments of ₹ 15,00,00,000	Hypothecation of book debts	

**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

Particulars	March 31, 2021	March 31, 2020	Start date	Repayment date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
NABARD	975,000,000	-	June 08, 2020	April 30, 2021	April 30, 2022	Rate of Interest - 7% upto 30-04-2021 % 10.85% post that, loan repayable in 4 Half yearly instalments of ₹ 32,50,00,000	Hypothecation of book debts and cash collateral.	
NABARD	1,000,000,000	-	February 18, 2021	January 31, 2022	August 31, 2022	Rate of Interest - 7% upto 30-04-2021 % 8.10% post that, loan repayable in 1st instalments of ₹ 70,00,00,000 and 2nd instalment of ₹ 30,00,00,000.	Hypothecation of book debts and cash collateral.	
NABARD	1,500,000,000	-	February 18, 2021	June 30, 2021	March 31, 2026	Rate of Interest - 8.70%, loan repayable in 11 quarterly instalments of ₹ 10,50,00,000 and 8 quarterly instalments of ₹ 3,00,00,000	Hypothecation of book debts	
Hinduja Leyland Finance Limited	43,101,016	75,642,557	May 31, 2019	June 30, 2019	May 28, 2022	Rate of Interest - 11.30% HBLR+0.45%, loan repayable in 36 equal monthly instalments of ₹ 33,09,503	Hypothecation of book debts and letter of comfort from Indian Infoline Finance Limited	
Hinduja Leyland Finance Limited	99,067,096	218,597,680	December 22, 2018	January 27, 2019	December 27, 2021	HBLR +0.2%, loan repayable in 36 equal monthly instalments of ₹ 1,15,41,602	Hypothecation of book debts and letter of comfort from Indian Infoline Finance Limited	
SIDBI	333,333,340	500,000,000	December 10, 2019	December 10, 2019	November 10, 2022	Rate of Interest 12.00%+loan repayable in 30 Monthly instalments of ₹ 1,66,66,666	Hypothecation of book debts and cash collateral	
SIDBI	156,250,000	-	July 17, 2020	September 10, 2020	April 10, 2021	Rate of Interest RBI Repo rate+ 2.38%, loan repayable in 8 Monthly instalments of ₹ 15,62,50,000	Hypothecation of book debts and cash collateral	
SIDBI	125,000,000	-	September 25, 2020	November 10, 2020	April 10, 2021	Rate of Interest RBI Repo rate+ 2.38%+loan repayable in 6 Monthly instalments of ₹ 12,50,00,000	Hypothecation of book debts and cash collateral	
SIDBI	750,000,000	-	March 31, 2021	October 10, 2021	March 10, 2024	Rate of Interest 10.50%+loan repayable in 30 Monthly instalments of ₹ 2,50,00,000	Hypothecation of book debts and cash collateral	
Kotak Mahindra Prime Limited		219,732	July 01, 2017	July 05, 2017	February 05, 2021	Rate of Interest - 9.5%, loan repayable in 44 equal monthly instalments 20,910	Hypothecation of Car	
Total	7,458,410,812	3,216,691,853						

18.3 Details of Securitisation

Particulars	March 31, 2021	March 31, 2020	Loan taken	Repayment start date	Maturity date	Terms of repayment	(Amount in ₹)
RBL Securitisation	-	135,628,077	February 28, 2019	March 26, 2019	8/26/2020	Rate of Interest 9.75%, Expected Door to Door maturity of 18 months	
Total	-	135,628,077					

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 19. SUBORDINATED DEBT:

(Amount in ₹)

Particulars	As at March 31, 2021		As at March 31, 2020	
	At Amortised Cost	Total	At Amortised Cost	Total
Others				
Unsecured Non convertible debentures	1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Less : Derivative Financial Liability	(43,160,885)	(43,160,885)	(43,160,885)	(43,160,885)
Less : Debenture Issue Expenses	(10,762,318)	(10,762,318)	(14,285,521)	(14,285,521)
Interest Accrued on Subordinated Liabilities	282,485,913	282,485,913	168,848,384	168,848,384
Total	1,278,562,710	1,278,562,710	1,161,401,978	1,161,401,978
Subordinated Liabilities in India	1,278,562,710	1,278,562,710	1,161,401,978	1,161,401,978
Subordinated Liabilities outside India	-	-	-	-
Total	1,278,562,710	1,278,562,710	1,161,401,978	1,161,401,978

Unsecured and Non convertible Debentures- Debentures Includes debentures amounting to ₹ 11,00,00,000 /- P.Y. (₹ 11,00,00,000 /-) in respect which the Company is having a call option at the end of the 5th year from July 20, 2018, the date of allotment and every year there after.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

19.1 Loan from Other Parties - Unsecured NCD

Particulars	March 31, 2021	March 31, 2020	Borrowing Date	Maturity date	Terms of repayment	Security Offered	(Amount in ₹)
INE413U08010 - NCD	50,000,000	50,000,000	June 29, 2016	June 30, 2022	Rate of Interest - 16.90% , principal repayable on maturity.	Nil	Nil
INE413U08036 - NCD*	218,500,000	218,500,000	July 20, 2018	April 19, 2024	Rate of Interest - 10.24% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil	Nil
INE413U08036 - NCD*	671,500,000	671,500,000	July 20, 2018	April 19, 2024	Rate of Interest - 10.15% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil	Nil
INE413U08028 - NCD*	110,000,000	110,000,000	july 20, 2018	April 19, 2024	Rate of Interest - 9.05% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil	Nil
Total	1,050,000,000	1,050,000,000					

* Represents Market Linked Debenture invested by various Parties

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 20. LEASE LIABILITY

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Lease Liability	61,765,249	46,730,787
Total	61,765,249	46,730,787

NOTE 21. OTHER FINANCIAL LIABILITIES

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due	-	265,652
Employee payables	54,044,436	41,723,535
Payable to assignee	1,496,705,940	969,702,320
Money held under trust	2,178,944	2,547,685
Payable / Refundable to Borrowers	19,005,517	-
Security Deposits	-	50,000
Other Payables		
Insurance payable	27,624,892	-
Total	1,599,559,729	1,014,289,192

NOTE 22. PROVISIONS:

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Leave encashment	23,835,376	20,926,273
Gratuity	30,501,017	16,135,520
Total	54,336,393	37,061,793

NOTE 23. OTHER NON FINANCIAL LIABILITIES:

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	37,879,578	24,342,225
Total	37,879,578	24,342,225

NOTE 24. EQUITY SHARE CAPITAL

Equity Share Capital:

- (a) The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:

Particulars	(Amount in ₹)		(Amount in ₹)	
	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Authorised Share Capital				
(a) Equity Shares of ₹ 10 each	398,000,000	3,980,000,000	298,000,000	2,980,000,000
(b) Preference Shares of ₹ 10 each	2,000,000	20,000,000	2,000,000	20,000,000
(Out of 20,00,000 shares 1,45,000 are Redeemable Non Convertible Preference Shares of ₹ 10 each)				
Issued, Subscribed and Paid Up:				
Equity Shares of ₹ 10 each fully paid	320,813,336	3,208,133,360	264,245,140	2,642,451,400

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(b) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
At the beginning of the year	264,245,140	2,642,451,400	178,039,113	1,780,391,130
Add: Issued during the year	56,568,196	565,681,960	86,206,027	862,060,270
Outstanding at the end of the year	320,813,336	3,208,133,360	264,245,140	2,642,451,400

(c) Terms/rights attached to equity shares:

The Company has only one class of equity shares having at face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of Equity Shareholders holding more than 5% shares and details of shares held by the Holding Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid				
IIFL Finance Limited	237,683,022	74.09%	261,318,160	98.89%
IIFL Home Finance Limited	80,203,334	25.00%	-	0.00%

(e) During the period of 5 years immediately preceding the Balance Sheet date, the Company had allotted equity shares by converting its Optionally Convertible Preference Shares at a Face Value of ₹ 10 and at a premium of ₹ 1.43 on January 20, 2017.

(f) The Company's capital management is intended to create value for shareholders. The assessment of Capital level and requirements are assessed having regard to long-and short term strategies of the Company and regulatory capital requirements of its businesses and constituent entities.

STATEMENT OF CHANGES IN EQUITY

AS AT MARCH 31, 2021

(Amount in ₹)			
Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
As at March 31, 2021	2,642,451,400	565,681,960	3,208,133,360
As at March 31, 2020	1,780,391,130	862,060,270	2,642,451,400

NOTE 25. OTHER EQUITY

(Amount in ₹)						
Particulars	Attributable to the Owners					Total
	Securities Premium	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Capital Reserve	Retained Earnings	Re-measurement of Actuarial Gains and Losses	
Balance at the beginning of the April 01, 2020	982,490,906	333,957,977	2,501,556	1,139,711,009	(9,558,954)	2,449,102,494
Total Comprehensive Income for the year	-	-	-	666,231,919	(2,309,851)	663,922,068
Additions	334,318,038	133,247,000	-	(133,247,000)	-	334,318,038
Sub Total	1,316,808,944	467,204,977	2,501,556	1,672,695,928	(11,868,805)	3,447,342,600
Interim Dividend	-	-	-	(160,406,667)	-	(160,406,667)
Balance at the end of the March 31, 2021	1,316,808,944	467,204,977	2,501,556	1,512,289,261	(11,868,805)	3,286,935,933

(Amount in ₹)						
Particulars	Attributable to the Owners					Total
	Securities Premium	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934	Capital Reserve	Retained Earnings	Re-measurement of Actuarial Gains and Losses	
Balance at the beginning of the April 01, 2019	344,551,200	119,349,977	2,501,556	423,536,854	(4,548,217)	885,391,370
Total Comprehensive Income for the year	-	-	-	1,073,035,324	(5,010,737)	1,068,024,587
Additions	637,939,706	214,608,000	-	(214,608,000)	-	637,939,706
Sub Total	982,490,906	333,957,977	2,501,556	1,281,964,178	(9,558,954)	2,591,355,663
Interim Dividend	-	-	-	(117,998,277)	-	-
Dividend Distribution Tax	-	-	-	(24,254,893)	-	-
Balance at the end of the March 31, 2020	982,490,906	333,957,977	2,501,556	1,139,711,009	(9,558,954)	2,449,102,494

Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, ₹ 13,32,47,000 /- (P.Y. ₹ 21,46,08,000) being 20% of the profit after taxes for the year has been transferred from the Statement of Profit and Loss to Special Reserve.

As per our attached report of even date

For **V Sankar Aiyar & Co**

Chartered Accountants
Firm No. 109208W

S Venkataraman

Partner
M. No. 023116

Place: Chennai
Date: April 24, 2021

For and on behalf of the Board of Directors
of **Samasta Microfinance Limited**

N. Venkatesh

Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

Place: Bangalore
Date: April 23, 2021

D. Shivaprakash

Whole-Time Director
DIN : 02216802

Pramod Kulkarni
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 26. INTEREST INCOME

(Amount in ₹)

Particulars	Year Ended March 31, 2021			Year Ended March 31, 2020		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	-	6,803,605,012	-	-	5,039,728,961	-
Interest on deposits with Banks	-	82,318,551	-	-	62,144,496	-
Total	-	6,885,923,563	-	-	5,101,873,458	-

NOTE 27. FEE AND COMMISSION INCOME

Disaggregation of fee and commission income

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Income from Referral Fee	56,679,333	57,088,326
Income from Business Correspondents	-	104,793,300
Commission Income	43,138,910	28,860,758
Documentation Charges	3,046,028	1,614,344
Total	102,864,271	192,356,728

NOTE 28. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Strip Income	-	451,587,630
Bad debts recovered	-	2,428,586
Total	-	454,016,216

NOTE 29. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Income tax refund	1,217,574	106,590
Profit on sale of investments	30,596,802	67,422,754
Dividend Income	-	150,553
Miscellaneous Income	696,026	1,141,319
Total	32,510,402	68,821,216

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 30. FINANCE COST

Particulars	(Amount in ₹)			
	Year Ended March 31, 2021		Year Ended March 31, 2020	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Debt Securities	2,911,177	611,052,369.11	1,763,334	474,324,534
Interest on subordinated liabilities	6,915,090	122,189,167	4,164,886	173,270,927
Interest on Borrowings	-	1,572,961,381	-	1,020,062,032
Discount on Commercial Paper	-	41,388,750	-	3,313,290
Interest Expense on Other borrowings	-	87,276,439	-	1,498,860
Amortisation of Processing Fees	-	61,951,972	-	51,527,588
Interest on Lease Liability	-	6,160,885	-	4,969,688
Other Borrowing Cost *	-	32,833,291	-	36,842,099
Total	9,826,267	2,535,814,254	5,928,220	1,765,809,018

* Includes Documentation Charges & Amortisation of Debenture Issue Expenses

NOTE 31. NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

Particulars	(Amount in ₹)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Amortisation of Interest only strip	124,251,401	-
Bad Debts Written off	427,976,594	129,086,078
Total	552,227,995	129,086,078

NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS:-

Particulars	(Amount in ₹)			
	Year Ended March 31, 2021		Year Ended March 31, 2020	
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost
Loans - Expected Credit Loss	-	852,914,313	-	466,113,155
Total	-	852,914,313	-	466,113,155

NOTE 33. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries and bonus	1,385,820,443	1,197,241,739
Contribution to provident and other funds	120,575,192	104,411,628
Leave Encashment	22,429,864	18,954,512
Gratuity	14,996,527	7,089,444
Staff Welfare Expenses	31,532,841	29,522,714
Total	1,575,354,867	1,357,220,037

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 34. OTHER EXPENSES

(Amount in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rent Expenses	94,287,858	84,334,812
Rates and Taxes	5,000,768	12,391,044
Exchange and statutory Charges	3,369,000	2,692,444
Marketing Expense	199,519	123,122
Bank Charges	74,731,307	31,634,849
Repairs and maintenance	8,600,528	8,797,159
Electricity	11,164,120	8,968,090
Communication Costs	26,974,156	22,549,130
Printing and stationery	18,062,963	16,905,221
Postage and courier	7,617,754	11,819,543
Advertisement and publicity	226,173	487,571
Payment to Auditors		
(i) As Auditors	800,000	600,000
(ii) For taxation matters	100,000	100,000
(iii) For Certification Works	100,000	50,000
(iv) Out of pocket expenses	151,164	849,386
Legal and Professional charges	71,929,530	63,663,092
Software Charges/ Technology Cost	87,775,026	73,713,512
Travelling and conveyance	148,349,679	190,192,101
Miscellaneous Expenses *	50,962,249	55,238,574
Total	610,401,795	585,109,650

*Under this head, there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 Lakhs, whichever is higher.

33.1 Gratuity Abridged Disclosure Statement as per Indian Accounting Standard 19 (Ind AS 19) For The Period April 01, 2020 - March 31, 2021

Details of defined benefit plan of gratuity are given below:

(Amount in ₹)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Changes in the Present Value of Obligation (PVO)		
PVO as at the beginning of the period	26,692,489	13,372,680
Interest Cost	1,454,741	903,993
Current service cost	12,499,395	6,897,872
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Liability Transferred In/ Acquisitions	-	5,146
Benefits paid	(647,079)	(688,167)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial loss/(gain) on obligation -Due to Change in Demographic Assumptions	(4,050,563)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3,420,437	3,342,036
Actuarial (Gains)/Losses on Obligations - Due to Experience	2,390,799	2,858,929
PVO as at the end of the year	41,760,219	26,692,489

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

ii) Changes in the Fair Value of Plan Assets

Particulars	(Amount in ₹)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets as at the beginning of the period	10,556,969	7,250,050
Interest Income	575,355	490,103
Contributions by the Employer	2,100,000	4,000,000
Benefits paid from the Fund	(647,079)	(688,167)
Return on Plan Assets, Excluding Interest Income	(1,326,043)	(495,017)
Fair value of plan assets as at the end of the period	11,259,202	10,556,969
iii) Amount recognised in the Balance Sheet and Related Analysis		
Present Value of Benefit Obligation at the end of the Period	(41,760,219)	(26,692,489)
Fair Value of Plan Assets at the end of the Period	11,259,202	10,556,969
Funded Status - Deficit	(30,501,017)	(16,135,520)
Net Liability recognised in the balance sheet	(30,501,017)	(16,135,520)
iv) Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	26,692,489	13,372,680
Fair Value of Plan Assets at the Beginning of the Period	(10,556,969)	(7,250,050)
Net Liability at the Beginning	16,135,520	6,122,630
Interest Cost	1,454,741	903,993
Interest Income	(575,355)	(490,103)
Net Interest Cost for the Period	879,386	413,890
v) Expenses recognised in the Statement of Profit or Loss for Current Period		
Current service cost	12,499,395	6,897,872
Net Interest Cost	879,386	413,890
Past Service Cost	-	-
Expected Contributions by the Employees	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognised in the statement of profit and loss	13,378,781	7,311,762
v) Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	1,760,673	6,200,965
Return on Plan Assets, Excluding Interest Income	1,326,043	495,017
Change in Asset Ceiling	-	-
Net Expense For the Period Recognised in OCI	3,086,716	6,695,982
vi) Principal Actuarial Assumptions (Expressed as weighted averages)		
Discount Rate	5.18%	5.45%
Salary escalation rate	8.50%	8.50%
Attrition rate	For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a	24.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Expected rate of return on Plan Assets	5.18%	5.45%

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Sensitivity Analysis

Particulars	(Amount in ₹)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected Benefit Obligation on Current Assumptions	41,760,219	26,692,489
Delta Effect of +1% Change in Rate of Discounting	(3,993,606)	(1,285,275)
Delta Effect of -1% Change in Rate of Discounting	4,744,404	1,407,528
Delta Effect of +1% Change in Rate of Salary Increase	4,540,822	1,353,107
Delta Effect of -1% Change in Rate of Salary Increase	(3,914,268)	(1,261,813)
Delta Effect of +1% Change in Rate of Employee Turnover	(1,736,939)	(763,325)
Delta Effect of -1% Change in Rate of Employee Turnover	1,946,541	799,960

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

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Gratuity is payable as per Company's scheme as detailed in the report.

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the Company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

Defined Benefit Plan

The Company's contribution to defined contribution plan via provident fund of ₹ 12,05,75,192 (PY. ₹ 10,44,11,628) has been recognised in the Statement of Profit and Loss.

33.2 Leave Encashment

Particulars	(Amount in ₹)	
	2020-21	2019-20
Projected Benefit obligation	23,835,376	20,926,273
Expense recognised in the Statement of P&L	22,429,864	18,954,512
Discount rate	5.18%	5.45%
Salary Escalation rate	8.50%	9%
Attrition rate	For service 4 years and below: 35% p.a For service 5 years and above: 10% p.a	24%
Mortality rate During the Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

33.3 Defined Contribution Plans:

The Company has recognised the following amounts as an expense and included in the Employee Benefit Expenses.

	(Amount in ₹)	
Particulars	2020-21	2019-20
Contribution to Provident fund	92,177,267	73,346,745
Contribution to ESIC	28,200,280	31,035,399
Contribution to Labour Welfare Fund	197,645	29,484
Total	120,575,192	104,411,628

NOTE 35. INCOME TAXES

Amounts recognised in profit or loss

	(Amount in ₹)	
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current tax expense		
Current year	434,998,350	335,038,395
Changes in estimates related to prior years	869,253	1,116,300
Deferred tax expense		
Origination and reversal of temporary differences	(280,563,971)	(7,009,115)

Amounts recognised in OCI

	(Amount in ₹)					
Particulars	Year Ended March 31, 2021			Year Ended March 31, 2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(3,086,716)	776,865	(2,309,851)	(6,695,982)	1,685,245	(5,010,737)

Reconciliation of Effective Tax Rate:

	(Amount in ₹)					
Particulars	Year Ended March 31, 2021 (Rate)	Year Ended March 31, 2021 (Amount)	Year Ended March 31, 2021	Year Ended March 31, 2020 (Rate)	Year Ended March 31, 2020 (Amount)	Year Ended March 31, 2020
Profit before tax			821,535,552			1,434,318,913
Tax using the Bank's domestic tax rate	25.17%		206,764,068	25.17%		360,989,384
Tax effect of:						
Non-deductible		10,557,643	2,657,148		8,236,214	2,072,890
Tax-exempt income		-	-		(150,553)	(37,891)
Changes in the Estimates Taxes to previous year		-	869,253		-	1,116,300
Interest for deferment of advance tax			3,064,474			
Deductible Income		(243,826,257)	(61,366,192)		(182,225,522)	(45,862,519)
Changes in the Deferred Tax Assets/ Liabilities		13,171,021	3,314,883		47,614,894	11,983,717
Total income tax expense			155,303,633			330,261,880

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 36. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

(Amount in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contingent Liabilities and Commitments(to the extent not provided for)		
Claims against the Company not acknowledged as debt	-	-
Guarantee excluding finance guarantee	-	-
Other money for which a Company is contingently liable	-	-
Total	-	-
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Other Commitments	-	-
Total	-	-

NOTE 37. EARNINGS PER SHARE:

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

(Amount in ₹)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
Face value of equity shares in ₹ fully paid up		3,208,133,360	2,642,451,400
BASIC			
Profit after tax as per Statement of Profit and Loss (Total operations)	A	666,231,919	1,073,035,324
Profit after tax (after minority) as per Statement of Profit and Loss from Continuing Operations	B	666,231,919	1,073,035,324
Weighted Average Number of Equity Shares Outstanding	C	279,898,257	195,996,776
Basic EPS (In ₹) (i) Total operations	A/C	2.38	5.47
(ii) Continuing operations	B/C	2.38	5.47
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		279,898,257	195,996,776
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		-	-
Weighted Average Number of Equity shares for computation of diluted EPS	D	279,898,257	195,996,776
Diluted EPS (In ₹) (i) Total operations	A/D	2.38	5.47
(ii) Continuing operations	B/D	2.38	5.47

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 38. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD – 24 "RELATED PARTY DISCLOSURE" FOR THE YEAR ENDED MARCH 31, 2021

(a) Name of the related parties with whom transactions have been entered during the year and description of relationship:

Nature of Relationship	As at March 31, 2021
Holding Company	IIFL Finance Limited*
Group Company	IIFL Home Finance Limited
Others	IIFL Management Services Limited
	IIFL Investment Adviser And Trustee Services Limited
	IIFL Facilities Services Limited
	IIFL Wealth Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Finance Limited
Key Management Personnel	Mr. N. Venkatesh Managing Director
	Mr. D. Shivaprakash Whole-time Director
	Mr. Sumit Bali Non Executive Director upto June 23, 2020
	Mr. Monu Ratra Non Executive Director wef June 23, 2020
	Mr. A. Vikraman Independent Director
	Mr. A. Ramanathan Independent Director
	Ms. Malini B Eden, Women Director
	Mr. Badrinarayan Seshadri Independent Director
	Mr. Anantha Kumar T Chief Financial Officer
	Mr. Shreyas D Company Seceretary upto August 14, 2020
	Mr. Pramod Kulkarni Company Seceretary wef August 14, 2020

(b) Disclosure of Transactions and Outstanding Balances with Related Parties

	(Amount in ₹)	
Nature of Transaction	2020-21	2019-20
Service Fee on Business Correspondence- Income		
IIFL Finance Limited	-	104,793,300
Interest Expense		
IIFL Finance Limited	67,697,260	36,240,011
IIFL Home Finance Limited	19,561,644	-
Interest Income		
IIFL Finance Limited	43,650,000	8,416,351
IIFL Facilities Services Limited	2,013,699	-
Dividend Paid		
IIFL Finance Limited	118,841,511	116,534,834
IIFL Home Finance Limited	40,101,667	-
Arranger Fee Expenses		
IIFL Wealth Management Limited	8,278,290	-
Loans Purchased		
IIFL Finance Limited	-	1,723,500,000
Loans and Advances Received		
Inter Corporate Deposit Received from IIFL Finance Limited	9,480,000,000	610,000,000
Inter Corporate Deposit Repaid to IIFL Finance Limited	9,480,000,000	610,000,000
Inter Corporate Deposit Received from IIFL Home Finance Limited	1,000,000,000	-
Inter Corporate Deposit Repaid to IIFL Home Finance Limited	1,000,000,000	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

	(Amount in ₹)	
Nature of Transaction	2020-21	2019-20
Loans and Advances Given		
Inter Corporate Deposit Given to IIFL Finance Limited	3,450,000,000	1,650,000,000
Inter Corporate Deposit Repaid by IIFL Finance Limited	3,950,000,000	1,150,000,000
Inter Corporate Deposit Given to IIFL Facilities Services Limited	1,000,000,000	-
Inter Corporate Deposit Repaid by IIFL Facilities Services Limited	1,000,000,000	-
Share Capital and Securities Premium		
Equity Share Capital Received		
IIFL Finance Limited	424,261,470	862,060,270
IIFL Home Finance Limited	141,420,490	-
Securities Premium		
IIFL Finance Limited	250,738,529	637,939,706
IIFL Home Finance Limited	83,579,510	-
Others(Assignment Payment)		
IIFL Finance Limited	-	3,385,100
Remuneration to Key Managerial Personnel		
Sitting Fees paid	543,546	477,773
Short term Employee benefit	20,035,987	17,381,239
Outstanding Balance as on March 31, 2021		
Inter Corporate Deposit - Holding Company	-	500,000,000
Sundry Payable - (after TDS deduction)		-
IIFL Wealth Management Limited	9,147,510	-
IIFL Finance Limited	-	265,651
Sundry Receivable -Holding Company (after TDS deduction)	-	1,124,384

NOTE 39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

	(Amount in ₹)		
Particulars	March 31, 2021	Current	Non Current
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	1,787,010,465	1,787,010,465	-
(b) Bank Balance other than (a) above	1,544,411,947	603,636,953	940,774,994
(c) Derivative financial instruments	86,985,006	-	86,985,006
(d) Receivables			
Trade Receivables	30,599,607	30,599,607	-
(e) Loans	39,630,260,944	23,505,365,178	16,124,895,766
(f) Investments	500,000	-	500,000
(g) Other Financial assets*	507,789,958	423,400,176	84,389,782
2 Non-financial Assets			
(a) Other non-financial assets	11,840,015	11,629,668	210,347
(b) Current tax assets (Net)	16,126,237	16,126,237	-
(c) Deferred tax Assets (Net)	346,118,403	-	346,118,403
(d) Investment Property	531,516	-	531,516
(e) Property, Plant and Equipment	62,647,738	-	62,647,738
(f) Right to Use	56,288,979	-	56,288,979
(g) Capital work-in-progress	-	-	-
(h) Other Intangible assets	1,037,287	-	1,037,287
Total Assets	44,082,148,103	26,377,768,285	17,704,379,818

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Particulars	March 31, 2021	Current	(Amount in ₹)
			Non Current
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	86,985,006	-	86,985,006
(b) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	86,014,864	86,014,864	-
(c) Debt Securities	8,829,274,954	5,416,814,266	3,412,460,688
(d) Borrowings (Other than Debt Securities)	25,541,118,371	14,083,374,325	11,457,744,046
(e) Subordinated Liabilities	1,278,562,710	-	1,278,562,710
(f) Lease Liability	61,765,249	9,343,814	52,421,436
(g) Other financial liabilities	1,599,559,729	1,599,559,729	-
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)	11,581,955	11,581,955	
(b) Provisions	54,336,393	35,838,801	18,497,592
(c) Other non-financial liabilities	37,879,578	37,879,578	-
3 Equity			
(a) Equity Share capital	3,208,133,360	-	3,208,133,360
(b) Other Equity	3,286,935,933	-	3,286,935,933
Total Liabilities and Equity	44,082,148,103	21,280,407,332	22,801,740,771

Maturity Analysis of assets and liabilities as at March 31, 2020

Particulars	March 31, 2020	Current	(Amount in ₹)
			Non Current
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	2,009,095,484	2,009,095,484	-
(b) (b) Bank Balance other than (a) above	799,608,628	394,895,469	404,713,159
(c) Derivative financial instruments	21,278,204		21,278,204
(d) Receivables			-
Trade Receivables	18,539,576	18,539,576	-
(e) Loans	22,873,882,352	13,603,820,349	9,270,062,003
(f) Investments	500,000	-	500,000
(g) Other Financial assets*	648,483,534	573,577,187	74,906,346
2 Non-financial Assets			
(a) Other non-financial assets	10,466,860	10,256,513	210,347
(b) Current tax assets (Net)	41,893,595	41,893,595	-
(c) Deferred tax Assets (Net)	64,777,568	-	64,777,568
(d) Investment Property	558,196	-	558,196
(e) Property, Plant and Equipment	80,784,708	-	80,784,708
(f) Right to Use	46,345,783	-	46,345,783
(g) Capital work-in-progress	-	-	-
(h) Other Intangible assets	3,185,494	-	3,185,494
Total Assets	26,619,399,978	16,652,078,173	9,967,321,806

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

Particulars	March 31, 2020	Current	Non Current
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	21,278,204	-	21,278,204
(b) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	35,307,296	35,307,296	-
(c) Debt Securities	5,191,540,390	1,645,223,620	3,546,316,770
(d) Borrowings (Other than Debt Securities)	13,995,894,223	7,766,568,560	6,229,325,663
(e) Subordinated Liabilities	1,161,401,978	-	1,161,401,978
(f) Lease Liability	46,730,787	2,870,646	43,860,141
(g) Other financial liabilities	1,014,289,192	1,011,765,707	2,523,485
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)	-		
(b) Provisions	37,061,793	21,473,304	15,588,489
(c) Other non-financial liabilities	24,342,225	24,342,225	-
3 Equity			
(a) Equity Share capital	2,642,451,400	-	2,642,451,400
(b) Other Equity	2,449,102,494	-	2,449,102,494
Total Liabilities and Equity	26,619,399,980	10,507,551,358	16,111,848,623

NOTE 40. FINANCIAL RISK MANAGEMENT

a) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

Trade Receivables and Other financial assets

Credit risk with respect to trade receivables and other financial assets are extremely low. Trade receivables are primarily from other services provided, historically Company has not suffered any defaults. Based on the credit assessment the historical trend of low default is expected to continue. No provision for expected credit loss has been Trade Receivables and Other financial assets.

Loans

The following table sets out information about credit quality of loan assets measured at amortised cost based on Number of Days past due information. The amount represents gross carrying amount.

(Amount in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross Carrying value of loan Assets		
Stage-1 (Less than 30 Days)*	38,850,596,071	22,931,382,448
Stage-2 (30-90 Days)	1,569,354,027	231,559,667
Stage-3 (More than 90 Days)	747,819,368	343,120,550
Total Gross Carrying value on Reporting Date	41,167,769,466	23,506,062,665

* Includes Nil (P.Y. ₹ 50,00,00,000/-) of Inter Corporate Deposit given to Holding Company

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Credit Quality

Financial services business has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under Expected Credit Loss (ECL) Model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

- i) Stage 1: 30 Days Past Due
- ii) 31-90 Days Past Due
- iii) More than 90 Days Past Due

Exposure at default (EAD) is the maximum exposure as on the date of provision which includes both principal outstanding and interest. Interest is the total of interest outstanding and interest accrued but not due.

Loss given default (LGD) estimates the normalised loss which Company incurs post customer default. It is computed through recovery observed in delinquent accounts over a period of time. It is always expressed as % of outstanding amount and not in count. LGD is common for all three stages and is based on loss in past portfolio.

Effective Interest rate (EIR) is the rate that discounts estimated future cash flows through the expected life of financial instrument.

Estimation Technique

Probability of default (PD) is the likelihood that customer will default on loan in time horizon. It is computed on count basis. The reason is customer defaulting on loan is captured by its count and there is no relationship with his outstanding dues. Calculated PD is on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

Impairment loss

The expected credit loss allowance provision is determined as follows:

(Amount in ₹)				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Balance as at 31-03-2021	38,850,596,071	1,569,354,027	747,819,368	41,167,769,466
Expected Credit Loss	740,660,848	65,959,220	747,819,369	1,554,439,437
Expected Credit Loss Rate	1.91%	4.20%	100.00%	3.78%
Net of Impairment Provision	38,109,935,222	1,503,394,807	(1)	39,613,330,028

(Amount in ₹)				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Balance as at 31-03-2020*	22,931,382,448	231,559,667	343,120,550	23,506,062,665
Expected Credit Loss	350,358,358	7,896,505	343,120,550	701,375,414
Expected Credit Loss Rate	1.53%	3.41%	100.00%	2.98%
Net of Impairment Provision	22,581,024,089	223,663,161	-	22,804,687,251

*Includes Nil (P.Y. ₹ 50,00,00,000/-) of Inter Corporate Deposit given to Holding Company

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Others
Opening ECL April 01, 2020	346,590,505	3,767,853	7,813,957	82,548	343,120,550	-	697,525,012	3,850,402
Incremental loans disbursed in 2020-21	616,703,682	4,258,738	62,712,484	3,042,567	733,983,528	-	1,413,399,694	7,301,306
Loans closed/written off during the year	(163,922,106)	(1,484,512)	(2,590,740)	(11,198)	(326,079,204)	-	(492,592,050)	(1,495,710)
Stage same in both years- change in provisioning	(38,653,722)	(878,449)	(48,285)	3,638	(968,776)	-	(39,670,782)	(874,811)
Movement of stages due to asset reclassification	(25,418,303)	(302,837)	(4,981,573)	(64,179)	(2,236,730)	-	(32,636,607)	(367,016)
Closing ECL March 31, 2021	735,300,055	5,360,793	62,905,844	3,053,377	747,819,368	-	1,546,025,267	8,414,170

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Others
Opening ECL April 01, 2019	162,704,739	224,447	276,287	28,637	102,622,823	-	265,603,850	253,085
Incremental loans disbursed in 2019-20	318,047,813	3,439,635	7,793,170	82,069	312,199,665	-	638,040,648	3,521,703
Loans closed/written off during the year	(136,407,816)	(203,033)	(200,091)	(25,235)	(70,747,024)	-	(207,354,931)	(228,268)
Stage same in both years- change in provisioning	6,210,894	310,963	6,344	(122)	(698,975)	-	5,518,263	310,841
Movement of stages due to asset reclassification	(3,965,125)	(4,159)	(61,753)	(2,801)	(255,938)	-	(4,282,817)	(6,960)
Closing ECL March 31, 2020	346,590,505	3,767,853	7,813,957	82,548	343,120,550	-	697,525,012	3,850,402

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) (Principal & Interest) by class of financial instrument . .

Reconciliation of Exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Others
Opening EAD April 01, 2020	22,931,382,448	242,357,475	231,559,667	2,428,949	343,120,550	-	23,506,062,665	244,786,424
Incremental loans disbursed in 2020-21	32,633,680,852	219,217,151	1,564,603,072	74,648,097	733,983,528	-	34,932,267,452	293,865,248
Loans closed/written off during the year *	(10,851,803,625)	(97,933,214)	(76,983,178)	(324,274)	(326,079,204)	-	(11,254,866,008)	(98,257,487)
Stage same in both years- change in provisioning	(4,202,774,068)	(70,286,294)	(2,328,506)	70,823	(968,776)	-	(4,206,071,350)	(70,215,471)
Movement of stages due to asset reclassification	(1,659,889,537)	(19,596,337)	(147,497,026)	(1,848,856)	(2,236,730)	-	(1,809,623,293)	(21,445,193)
Closing EAD March 31, 2021	38,850,596,070	273,758,782	1,569,354,028	74,974,739	747,819,368	-	41,167,769,466	348,733,521

*Includes ₹ 50,00,00,000/- (P.Y. NIL) of Inter Corporate Deposit given to Holding Company

Reconciliation of Exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Others
Opening EAD April 01, 2019	18,084,214,500	24,919,275	28,896,570	2,864,351	73,255,526	-	18,186,366,595	27,783,626
Incremental loans disbursed in 2019-20 *	21,064,889,428	221,254,307	230,929,644	2,415,556	341,566,961	-	21,637,386,033	223,669,863
Loans closed/written off during the year	(15,305,930,161)	(22,541,711)	(21,043,043)	(2,524,049)	(70,747,024)	-	(15,397,720,228)	(25,065,760)
Stage same in both years- change in provisioning	(484,002,064)	19,187,387	(880,449)	(46,764)	(698,975)	-	(485,581,488)	19,140,623
Movement of stages due to asset reclassification	(427,789,255)	(461,784)	(6,343,055)	(280,146)	(255,937)	-	(434,388,247)	(741,929)
Closing EAD March 31, 2020	22,931,382,448	242,357,475	231,559,667	2,428,949	343,120,550	-	23,506,062,665	244,786,424

*Includes ₹ 50,00,00,000/- (P.Y. NIL) of Inter Corporate Deposit given to Holding Company

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

b) Liquidity risk

(i) Financing arrangements

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

(Amount in ₹)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Floating rate		
Expiring within one year	865,000,000	250,000,000
Expiring beyond one year	-	-
Total	865,000,000	250,000,000

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

1. all non-derivative financial liabilities, and
2. net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)					
Contractual maturities of financial liabilities March 31, 2021	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years
Non-derivatives					
Borrowings	4,758,792,671	2,759,157,733	11,317,277,225	15,649,972,320	-
-Term Loans - Banks	3,287,392,831	2,093,896,221	5,049,428,646	7,285,480,198	-
-Term Loans - NBFC/ Financial Institution	1,025,808,600	540,261,512	2,017,848,579	3,874,492,121	-
-Commercial Paper	-	-	-	-	-
-NCD-Secured	125,000,000	125,000,000	4,250,000,000	3,440,000,000	-
-NCD-Unsecured	-	-	-	1,050,000,000	-
-Cash Credit/Overdraft	320,591,239	-	-	-	-
-Secutisation	-	-	-	-	-
Trade payables	23,814,469	-	62,200,395	-	-
Other financial liabilities	1,597,380,785	-	2,178,944	-	-
Lease Liability	2,244,783	2,324,603	4,774,428	32,162,313	20,259,122
Total non-derivative liabilities	6,382,232,707	2,761,482,336	11,386,430,992	15,682,134,633	20,259,122
Derivative liabilities					
Embedded Derivative	-	-	18,131,010	68,853,996	-
Total derivative liabilities	-	-	18,131,010	68,853,996	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

	(Amount in ₹)				
Contractual maturities of financial liabilities - March 31, 2020	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years
Non-derivatives					
Borrowings	3,073,323,737	2,057,358,382	4,100,601,327	10,360,642,720	-
-Term Loans - Banks	1,180,646,276	1,603,823,063	3,489,772,675	4,231,886,685	-
-Term Loans - NBFC/ Financial Institution	152,255,620	424,851,555	610,828,652	2,028,756,035	-
-Commercial Paper	-	-	-	-	-
-NCD-Secured	1,516,666,667	16,666,667	-	3,050,000,000	-
-NCD-Unsecured	-	-	-	1,049,999,999	-
-Cash Credit/Overdraft	100,144,194	-	-	-	-
-Secutisation	123,610,980	12,017,097	-	-	-
Trade payables	11,547,372	-	23,759,924	-	-
Other financial liabilities	1,011,765,707	-	2,523,485	-	-
Others	690,248	708,210	1,472,188	19,388,404	24,471,737
Total non-derivative liabilities	4,097,327,064	2,058,066,592	4,128,356,924	10,380,031,124	24,471,737
Derivative liabilities					
Embedded Derivative	-	-	-	21,278,204	-
Total derivative liabilities	-	-	-	21,278,204	-

NOTE 40. FINANCIAL RISK MANAGEMENT

c) Interest rate risk exposure

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

	(Amount in ₹)	
Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings	14,358,806,598	9,159,299,938
Fixed Rate of Borrowings	20,126,393,350	10,432,626,227
Total	34,485,199,948	19,591,926,165

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

	(Amount in ₹)					
Particulars	March 31, 2021			March 31, 2020		
	Weighted Average Interest Rate	Balance	% of total loans	Weighted Average Interest Rate	Balance	% of total loans
Bank Loans	9.09%	14,358,806,598	41.64%	10.56%	9,159,299,938	46.75%

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest rates – increase by 30 basis points	(34,933,224)	(21,011,057)	Nil	Nil
Interest rates – decrease by 30 basis points	34,933,224	21,011,057	Nil	Nil

*Holding all other variables constant

d) Price Risk Exposure

The Company's exposure to assets having price risk is as under

(Amount in ₹)

Particulars	Equity Shares (Other than Subsidiary)	Mutual Funds
Market Value as on March 31, 2021	500,000	-
Market Value as on March 31, 2020	500,000	-

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

(Amount in ₹)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Increase by 5%	20,274	19,116	Nil	Nil
Decrease by 5%	(20,274)	(19,116)	Nil	Nil

NOTE 41. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company incurred an aggregate amount of ₹ 71,86,540/- towards corporate social responsibility in compliance of Section 135 of Companies Act 2013 read with relevant schedule and rules made thereunder. The details of CSR Spend are given below:

- (1) Gross amount required to be spent by the Company during the Year : ₹ 1,44,75,992 (PY: ₹ 51,62,239/-)
- (2) Amount spent by the Company during the Year : ₹ 71,86,540 (PY: ₹ 30,29,826/-)

The unspent amount transferred to the CSR Account during the year : ₹ 72,89,452 (PY: ₹ 21,32,413/-)

NOTE 42. ADDITIONAL INFORMATION

a) Asset Classification & Provisioning:

As per MCA press release no 11/10/2009 CL - V dated January 18, 2016, the Company adopted Ind AS notified under Sec 133 of CA 2013, from April 01, 2018. Pursuant to which the Company has made provision for loss as per ECL under Ind As 109, Financial Instruments. Consequently the provision for loss is not on the basis of the Prudential Norms of the Reserve Bank of India.

b) Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1st August 2008

i) Capital to risk Assets ratio **(CRAR)** (computed as per the method prescribed by RBI)

Particulars	(Amount in ₹)	
	As on March 31, 2021	As on March 31, 2020
Tier I Capital	5,985,283,039	4,854,355,540
Tier II Capital	1,350,660,848	1,150,863,858
Total Capital Funds	7,335,943,888	6,005,219,398
Total Risk Weighted Assets	39,520,257,212	23,146,037,634
CRAR - Tier I Capital (%)	15.14%	20.97%
CRAR - Tier II Capital (%)	3.42%	4.97%
CRAR (%)	18.56%	25.94%

ii) Exposure to Real Estate Sector (Direct & Indirect Exposure) – Nil (PY: Nil)

iii) Amount of Subordinated Debt raised as Tier II Capital – Nil (PY: Nil)

iv) Exposure to Capital Markets – Nil

v) Ratings assigned during the year

- MFI Grading – M1C1 rated by CRISIL Ratings (MFI Grading Scale – M1 being the Highest grading and M8 the Lowest with respect to code of conduct 'C1' being the excellent performance and 'C5' the weakest)
- Bank loan rating – CRISIL A+/Stable
- NCD rating- CRISIL A+/Stable
- MLD rating- CRISIL PP- MLD A+r/Stable
- CP rating- CRISIL A1+

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

vi) Maturity Pattern of Assets and Liabilities

Maturity pattern of certain items of assets and liabilities as on March 31, 2021 (Amount in ₹)

Particulars	Liabilities				Assets			
	Borrowings from Banks	Borrowings from NBFC/FI	NCD-Secured	NCD-Unsecured	Cash Credit/Overdraft	Advances (Loan portfolio outstanding)	FD with Banks (Free of Lien)	Investments
Up to one month	738,985,955	697,584,873	-	-	320,591,239	1,828,349,560	228,323,870	-
Over one month to 2 months	1,653,123,349	92,230,256	-	-	-	1,856,466,466	-	-
Over 2 months up to 3 months	895,283,527	235,993,471	125,000,000	-	-	1,961,311,837	-	-
Over 3 months up to 6 months	2,093,896,221	540,261,512	125,000,000	-	-	5,976,372,168	200,358,064	-
Over 6 months to 1 year	5,049,428,646	2,017,848,579	4,250,000,000	-	-	11,882,865,147	-	-
Over 1 year to 3 years	7,280,584,649	3,484,492,121	2,850,000,000	50,000,000	-	17,388,582,298	-	-
Over 3 years to 5 years	4,895,549	390,000,000	590,000,000	1,000,000,000	-	273,821,988	-	68,853,996
Over 5 years	-	-	-	-	-	-	-	-
	17,716,197,897	7,458,410,812	7,940,000,000	1,050,000,000	320,591,239	41,167,769,464	428,681,934	68,853,996

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

c) Disclosure as required under DNBS (PD) CC. No. 300/03.10.038/2012-13 dated August 03, 2012

The cap on margins (as defined by Malegam Committee) and in compliance with RBI circular RBI/2012-13/161 DNBS (PD) CC.No.300 /03.10.038/2012-13 August 03, 2012 is 9.39% as at 31st March 2021 (9.19% as at March 31, 2020)

d) Details of average interest paid on borrowings and charged on loans given to JLGs :

Particulars	(Amount in ₹)	
	2020-21	2019-20
	Rate of Interest in % for Microfinance loan	Rate of Interest in % for Microfinance loan
Average Rate of Interest on Borrowings	11.94%	11.67%
Average Rate of Interest on Loans given	21.33%	20.86%
Net Interest Margin	9.39%	9.19%

NOTE 43. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) 2007 DATED FEBRUARY 22, 2007:

(Amount in ₹)					
Sl No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities				
-1	Loan and Advances availed by the NBFC inclusive of Interest accrued thereon but not paid:				
A	Debentures	-	-	-	-
	- Secured	8,899,786,032	-	5,253,619,551	-
	- Unsecured	1,332,485,913	-	1,218,848,384	-
	(Other than falling the meaning of Public Deposits)	-	-	-	-
B	Deferred Credits	-	-	-	-
C	Term Loan	25,302,910,225	-	13,822,764,348	-
D	Inter-corporate Loans & Borrowings	-	-	-	-
E	Commercial Paper	-	-	-	-
F	Public Deposits	-	-	-	-
G	Other Loans – Vehicle Loan	-	-	485,557	-
	Other Loans – Non Convertible Debentures	-	-	-	-

(Amount in ₹)			
Sl No.	Particulars	Amount Outstanding	Amount Outstanding
		March 31, 2021	March 31, 2020
-2	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other Public Deposit	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

SI No.	Particulars	Amount Outstanding March 31, 2021	Amount Outstanding March 31, 2020
	Assets		
-3	Break-up of Loans & Advances including Bills Receivables [Other than those included in (4) below]		
(a)	Secured	580,311,238	214,866,321
(b)	Unsecured	40,604,389,142	22,860,391,445
-4	Breakup of Leased and Stock on Hire and other Assets counting towards AFC activities		
(i)	Lease assets including Lease rentals under sundry debtors:		
(a)	Finance Lease	-	-
(b)	Operating Lease	-	-
(ii)	Stock on Hire including Hire Charges under sundry debtors:		
(a)	Assets on Hire	-	-
(b)	Reposessed Assets	-	-
(iii)	Other Loans counting towards AFC Activities		
(a)	Loans where assets have been reposessed	-	-
(b)	Loans other than (a) above	-	-

(Amount in ₹)

SI No.	Particulars	Amount Outstanding March 31, 2021	Amount Outstanding March 31, 2020
-5	Break-up of Investments Current Investments		
I	Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others	-	-
II	Unquoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others	-	-
	Long term Investments		
I	Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others	86,985,006	21,278,204

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

Sl No.	Particulars	Amount Outstanding	Amount Outstanding
		March 31, 2021	March 31, 2020
II	Unquoted:		
(i)	Shares: (a) Equity	500,000	500,000
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others	-	-

(6) Borrower Group wise classification of Assets Financed as in (3) and (4) above

(Amount in ₹)

Sl No.	Particulars	As at March 31, 2021		
		Amount in (₹) (Gross of Provisions)		
		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	-	-
(c)	Other Related Parties	-	-	-
2	Other than related parties	580,311,238	40,604,389,142	41,184,700,380
	Total	580,311,238	40,604,389,142	41,184,700,380

(6) Borrower Group wise classification of Assets Financed as in (3) and (4) above

(Amount in ₹)

Sl No.	Particulars	As at March 31, 2020		
		Amount in (₹) (Gross of Provisions)		
		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	-	-
(c)	Other Related Parties	-	-	-
2	Other than related parties	214,866,321	22,860,391,445	23,075,257,766
	Total	214,866,321	22,860,391,445	23,075,257,766

(7) Investor Group-wise classification of all investments (Current and Long Term) in Share and Securities (both Quoted and Unquoted):

(Amount in ₹)

Sl No.	Category	Market Value / Breakup value or Fair Value or Net Assets Value	Book Value (₹)
1	Related Parties		
(a)	Subsidiaries	-	-
(b)	Companies in the same group	-	-
(c)	Other Related Parties	-	-
2	Other than related parties	87,485,006	87,485,006
	Total	87,485,006	87,485,006

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)

(8)	Other Information	As on March 31, 2021 Amount	As on March 31, 2020 Amount
(i)	Gross Non - Performing Assets		
(a)	Related Parties	-	-
(b)	Other than Related Parties	747,819,368	343,120,550
(ii)	Net Non - Performing Assets		
(a)	Related Parties	-	-
(b)	Other than Related Parties	-	-
(iii)	Assets acquired in Satisfaction of Debt	-	-

NOTE 44. THE COMPANY HAS NOT DISBURSED ANY LOAN AGAINST SECURITY OF GOLD.

NOTE 45. SECURITISATION / ASSIGNMENT OF LOANS

During the year the Company has sold loans through direct Securitisation / assignments. The information on direct assignment activity of the Company as an Originator / Assignor is as shown below:

(Amount in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Total number of loans securitised / assigned	288,021	889,773
Total book value of loans securitised / assigned	5,555,555,707	19,292,201,174
Sale consideration received for loans securitised / assigned	5,000,000,000	17,383,145,319
Income recognised in the statement of profit and loss	877,981,788	1,401,337,532
Balance of loans assigned / securitised as at the balance sheet date	7,535,774,062	12,401,816,685
Cash collateral provided and outstanding as at the balance sheet date	-	38,889,000

Disclosure to be made under Securitisation guidelines issued by Reserve Bank of India vide policy no. DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012.

(Amount in ₹)

Sl No.	Particulars	March 31, 2021	March 31, 2020
1	No. of SPVs sponsored by the NBFC for Securitisation transactions		
2	Total amount of securitised assets as per the books of the SPVs sponsored by the Company	5,555,555,707	19,292,201,174
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet	-	-
i)	Off-Balance Sheet exposures		
a)	First Loss	-	-
b)	Others	-	-
ii)	On-Balance Sheet exposures		
a)	First Loss (in the form of Fixed Deposit)	-	38,889,000
b)	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
i)	Off-Balance Sheet exposures	-	-
a)	Exposure to own securitisation		
	First Loss	-	-
	Others	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

		(Amount in ₹)	
Sl No.	Particulars	March 31, 2021	March 31, 2020
b)	Exposure to third party securitisation transaction		
	First Loss	-	-
	Others	-	-
ii)	On-Balance Sheet exposures		
a)	Exposure to own securitisation		
	First Loss	-	-
	Others	-	-
b)	Exposure to third party securitisation transaction		
	First Loss	-	-
	Others	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 44. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DOR (NBFC).CC.PD.NO. 109/22. 10.106/2019-20 DATED MARCH 13, 2020:

Asset Classification as per RBI Norms for the year ended March 31, 2021

MFI loan book

Asset Classification as per RBI Norms		(Amount in ₹)								
		1	2	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 & IRACP Norms	
					3	4	5	6	7= 4-6	
Performing Assets										
Standard				Stage 1*	35,505,104,167	686,612,173	34,818,491,994	497,071,458	189,540,715	
				Stage 2	1,420,876,854	62,570,891	1,358,305,963	19,892,276	42,678,615	
Subtotal					36,925,981,022	749,183,065	36,176,797,957	516,963,734	232,219,330	
Non Performing Assets(NPA)										
Substandard				Stage 3	696,900,338	696,900,338	-	9,756,605	687,143,733	
Doubtful- upto 1 Year				Stage 3	13,964,488	13,964,488	-	195,503	13,768,985	
1 to 3 Years				Stage 3	1,198,592	1,198,592	-	16,780	1,181,812	
More than 3 Years				Stage 3	-	-	-	-	-	
Subtotal for Doubtful					712,063,418	712,063,418	-	9,968,888	702,094,530	
Loss				Stage 3	-	-	-	-	-	
Subtotal for NPA										
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, Provisioning (IRACP) norms				Stage 1	-	-	-	-	-	
				Stage 2	-	-	-	-	-	-
				Stage 3	-	-	-	-	-	-
Subtotal					-	-	-	-	-	
Total				Stage 1	35,505,104,167	686,612,173	34,818,491,994	497,071,458	189,540,715	
				Stage 2	1,420,876,854	62,570,891	1,358,305,963	19,892,276	42,678,615	
				Stage 3	712,063,418	712,063,418	-	9,968,888	702,094,530	
				Total	37,638,044,439	1,461,246,483	36,176,797,957	526,932,622	934,313,860	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Non - MFI loan book

Asset Classification as per RBI Norms		(Amount in ₹)				
1	2	3	4	5	6	7 = 4-6
Performing Assets						
Standard	Stage 1*	3,345,491,903	54,048,675	3,291,443,229	46,836,887	7,211,788
	Stage 2	148,477,173	3,388,329	145,088,844	2,078,680	1,309,648
Subtotal		3,493,969,076	57,437,004	3,436,532,072	48,915,567	8,521,436
Non Performing Assets (NPA)						
Substandard	Stage 3	35,755,950	35,755,950	-	500,583	35,255,367
Doubtful- upto 1 Year	Stage 3		-	-	-	-
1 to 3 Years	Stage 3		-	-	-	-
More than 3 Years	Stage 3		-	-	-	-
Subtotal for Doubtful		35,755,950	35,755,950	-	500,583	35,255,367
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
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, Provisioning (IRACP) norms						
Subtotal		-	-	-	-	-
Total	Stage 1	3,345,491,903	54,048,675	3,291,443,229	46,836,887	7,211,788
	Stage 2	148,477,173	3,388,329	145,088,844	2,078,680	1,309,648
	Stage 3	35,755,950	35,755,950	-	500,583	35,255,367
	Total	3,529,725,026	93,192,954	3,436,532,072	49,416,150	43,776,803

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Asset Classification as per RBI Norms for the year ended 31st March 2020

MFI loan Book

Asset Classification as per RBI Norms		(Amount in ₹)				
1	2	3	4	5	6	7= 4-6
Performing Assets						
Standard	Stage 1*	21,822,873,264	333,897,032	21,488,976,232	298,520,226	35,376,806
	Stage 2	229,378,080	7,816,790	221,561,290	3,211,293	4,605,497
Subtotal		22,052,251,343	341,713,822	21,710,537,522	301,731,519	39,982,303
Non Performing Assets (NPA)						
Substandard	Stage 3	339,584,425	339,584,425	-	4,754,182	334,830,243
Doubtful- upto 1 Year	Stage 3	1,099,808	1,099,808	-	15,397	1,084,411
1 to 3 Years	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		340,684,233	340,684,233	-	4,769,579	335,914,654
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
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, Provisioning (IRACP) norms						
Subtotal		-	-	-	-	-
Total	Stage 1	21,822,873,264	333,897,032	21,488,976,232	298,520,226	35,376,806
	Stage 2	229,378,080	7,816,790	221,561,290	3,211,293	4,605,497
	Stage 3	340,684,233	340,684,233	-	4,769,579	335,914,654
	Total	22,392,935,576	682,398,055	21,710,537,522	306,501,098	375,896,957

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NON MFI loan Book

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 & IRACP Norms
1	2	3	4	5	6	7= 4-6
Performing Assets						
Standard	Stage 1*	1,108,509,184	16,461,327	1,092,047,857	15,519,129	942,198
	Stage 2	2,181,587	79,715	2,101,872	30,542	49,173
Subtotal		1,110,690,771	16,541,042	1,094,149,729	15,549,671	991,371
Non Performing Assets (NPA)						
Substandard	Stage 3	2,436,317	2,436,317	-	34,108	2,402,209
Doubtful- upto 1 Year	Stage 3	-	-	-	-	-
1 to 3 Years	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		2,436,317	2,436,317	-	34,108	2,402,209
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
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, Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	1,108,509,184	16,461,327	1,092,047,857	15,519,129	942,198
	Stage 2	2,181,587	79,715	2,101,872	30,542	49,173
	Stage 3	2,436,317	2,436,317	-	34,108	2,402,209
Total	Total	1,113,127,088	18,977,359	1,094,149,729	15,583,779	3,393,580

*Stage 1 Includes ₹ 50,00,00,000 /- of Inter Corporate Deposit given to Holding Company.

Provision calculated as per Expected Credit Loss of ₹ 70,13,75,415/- (PY ₹ 26,58,56,934/-) is more than aggregate of Additional provision of 5% as required under RBI notification no DOR.No.BP:BC.63/21.04.048/2019-20 dated April 17, 2020 is ₹ 60,06,214/- (PY -NA) and IRACP norms provision of ₹ 32,20,84,878/- (PY ₹ 25,46,09,132/-)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 45. FAIR VALUE MEASUREMENTS

Financial instruments by category

(Amount in ₹)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Financial assets		
Derivative Financial Instruments	86,985,006	21,278,204
Investments	500,000	500,000
Loans	39,630,260,944	22,873,882,352
Accrued interest on Fixed Deposits	23,461,796	35,431,033
Staff Loans	939,651	273,515
Security Deposits	49,276,326	39,200,492
Interest Strip Asset on Assignment	434,112,185	558,363,585
Insurance Claim Receivable	-	15,214,908
TDS Receivable	-	-
Trade Receivables	30,599,607	18,539,576
Cash and cash equivalents	1,787,010,465	2,009,095,484
Bank Balance	1,544,411,947	799,608,628
Total Financial Assets	43,587,557,926	26,371,387,777
Financial liabilities		
Derivative Financial Instruments	86,985,006	21,278,204
Debt Securities	8,829,274,954	5,191,540,390
Borrowings	25,541,118,371	13,995,894,223
Subordinated Liabilities	1,278,562,710	1,161,401,978
Lease Liability	61,765,249	46,730,787
Trade payables	86,014,864	35,307,296
Other financial liabilities	1,599,559,729	1,014,289,192
Total Financial Liabilities	37,483,280,883	21,466,442,069

(i) Fair value hierarchy

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below.

(Amount in ₹)

Financial assets and liabilities measured at fair value - recurring fair value measurements - As at March 31, 2021	Level 1	Level 2	Level 3	Total	Carrying cost
Financial assets					
Derivative Financial Instruments	-	86,985,006	-	86,985,006	86,985,006
Investments	-	-	-	-	-
(i) Mutual Funds	-	-	-	-	-
(ii) Government Securities	-	-	-	-	-
(iii) Debt Securities	-	-	-	-	-
(iv) Equity	-	-	-	-	-
Total financial assets	-	86,985,006	-	86,985,006	86,985,006
Financial liabilities					
Derivative Financial Instruments	-	86,985,006	-	86,985,006	86,985,006
Total financial liabilities	-	86,985,006	-	86,985,006	86,985,006

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)					
Financial assets and liabilities measured at fair value - recurring fair value measurements - As at March 31, 2020	Level 1	Level 2	Level 3	Total	Carrying cost
Financial assets					
Derivative Financial Instruments	-	21,278,203	-	21,278,203	21,278,203
Investments					
(i) Mutual Funds	-	-	-	-	-
(ii) Government Securities	-	-	-	-	-
(iii) Debt Securities	-	-	-	-	-
(iv) Equity	-	-	-	-	-
Total financial assets	-	21,278,203	-	21,278,203	21,278,203
Financial liabilities					
Derivative Financial Instruments	-	21,278,203	-	21,278,203	21,278,203
Total financial liabilities	-	21,278,203	-	21,278,203	21,278,203

(Amount in ₹)					
Assets and liabilities which are measured at amortised cost for which fair values are disclosed - As at March 31, 2021	Level 1	Level 2	Level 3	Total	Carrying cost
Financial assets					
Cash and cash equivalents	-	-	-	-	1,787,010,465
Bank Balance other than included above	-	-	-	-	1,544,411,947
Receivables				-	
(i) Trade Receivables	-	-	30,599,607	30,599,607	30,599,607
Loans	-	-	39,630,260,944	39,630,260,944	39,630,260,944
Investment in Equity			500,000	500,000	500,000
Other Financial assets			507,789,958	507,789,958	507,789,958
Total financial assets	-	-	40,169,150,508	40,169,150,508	43,500,572,920
Financial Liabilities					
Trade Payables			86,014,864	86,014,864	86,014,864
Debt Securities			-	-	8,829,274,954
Borrowings (Other than Debt Securities)			25,541,118,371	25,541,118,371	25,541,118,371
Subordinated Liabilities			-	-	1,278,562,710
Lease Liability			61,765,249	61,765,249	61,765,249
Other financial liabilities			1,599,559,729	1,599,559,729	1,599,559,729
Total financial liabilities	-	-	27,288,458,213	27,288,458,213	37,396,295,877

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Amount in ₹)					
Assets and liabilities which are measured at amortised cost for which fair values are disclosed - As at March 31, 2020	Level 1	Level 2	Level 3	Total	Carrying cost
Financial assets					
Cash and cash equivalents	-	-	-	-	2,009,095,484
Bank Balance other than included above	-	-	-	-	799,608,628
Receivables				-	
(i) Trade Receivables	-	-	18,539,576	18,539,576	18,539,576
Loans	-	-	22,873,882,352	22,873,882,352	22,873,882,352
Investment in Equity			500,000	500,000	500,000
Other Financial assets			648,483,534	648,483,534	648,483,534
Total financial assets	-	-	23,541,405,462	23,541,405,462	26,350,109,573
Financial Liabilities					
Trade Payables			35,307,296	35,307,296	35,307,296
Debt Securities			4,441,577,225	4,441,577,225	5,191,540,390
Borrowings (Other than Debt Securities)			13,995,894,223	13,995,894,223	13,995,894,223
Subordinated Liabilities			969,909,077	969,909,077	1,161,401,978
Lease Liability			46,730,787	46,730,787	46,730,787
Other financial liabilities			1,014,289,192	1,014,289,192	1,014,289,192
Total financial liabilities	-	-	20,503,707,799	20,503,707,799	21,445,163,865

NOTE 46. MOVEMENT OF NON PERFORMING ASSETS (NPA)

(Amount in ₹)			
SI No.	Particulars	March 31, 2021	March 31, 2020
(i)	Net NPAs to Net Advances (%)		
(ii)	Movement of NPAs (Gross)		
	a) Opening balance	343,120,550	66,652,980
	b) Addition during the year	732,759,587	412,116,434
	c) Reduction during the year	328,060,769	135,648,864
	d) Closing balance	747,819,368	343,120,550
(iii)	Movement of Net NPAs		
	a) Opening balance	-	-
	b) Addition during the year	-	-
	c) Reduction during the year	-	-
	d) Closing balance	-	-
(iv)	Movement of provision for NPAs (excluding provision on standard assets)		
	a) Opening balance	343,120,550	66,652,980
	b) Provision made during the year	732,759,587	412,116,434
	c) Write off / write-back of excess provisions	328,060,769	135,648,864
	d) Closing balance	747,819,368	343,120,550

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 47. LEASES

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company did not have contract qualifying as Lease as on April 01, 2019 except short term leases which are exempted from the application of Ind AS 116.

Impact of adoption of Ind AS 116 on the statement of profit and loss

(Amount in ₹)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on lease liabilities	6,160,885	4,969,688
Income recognised- Security deposit	342,332	213,187
Depreciation on Right to Use	9,827,348	5,909,546

Impact of adoption of Ind AS 116 on the Balance Sheet

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Right to Use Asset	56,288,979	46,345,783
Lease Liability	61,765,249	46,730,787

The Company has discounted lease payments at weighted average borrowing rate which is 10.56%.

NOTE 48. DISCLOSURES OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS PD.CC.NO. 256 / 03.10.042 / 2011-12 DATED MARCH 02, 2012 :

(Amount in ₹)								
Particulars	Less than ₹ 1 Lakh		₹ 1 - 5 Lakhs		₹ 5 - 25 Lakhs		Total	
	No. of Accounts	Value ₹	No. of Accounts	Value ₹	No. of Accounts	Value ₹	No. of Accounts	Value ₹
A) Person involved								
Staff	91	1,802,531	2	547,862	2	1,846,102	95	4,196,495
Customer	-	-	-	-	-	-	-	-
Staff and Customer	-	-	-	-	-	-	-	-
Total	91	1,802,531	2	547,862	2	1,846,102	95	4,196,495
B) Type of fraud								
Misappropriation and criminal	91	1,802,531	2	547,862	-	-	93	2,350,393
breach of trust								
Fraudulent encashment / Manipulation of books of Accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	2	1,846,102	2	1,846,102
Total	91	1,802,531	2	547,862	2	1,846,102	95	4,196,495

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

NOTE 49. GOING CONCERN

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government. Due to second wave of COVID-19, regional lockdowns continue to be implemented in areas where significant number of COVID-19 cases exists. The impact of second wave of COVID-19 may impact the collections from borrowers.

The Company has been effectively able to communicate with their borrowers and using of digital technology has been successful in making collections. The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company has considered such uncertainties while determining the Expected Credit Loss provision. The Company will continue to closely monitor any changes to the estimates based on future economic conditions.

The Company has considered the possible effects of second wave of COVID-19 on the carrying amounts of Tangible Assets, Investments, Loans and Other Advances, Other Assets and Liabilities. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of the financial results, has used external and internal sources of information/indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Further, the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern, as on the date of the balance sheet. The impact of the second wave of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these results.

NOTE 50. PREVIOUS YEAR FIGURES

Previous year's figures have been reclassified to conform with the current year's classification / presentation wherever applicable.

As per our attached report of even date

For **V Sankar Aiyar & Co**

Chartered Accountants
Firm No. 109208W

S Venkataraman
Partner
M. No. 023116

Place: Chennai
Date: April 24, 2021

For and on behalf of the Board of Directors
of **Samasta Microfinance Limited**

N. Venkatesh
Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

Place: Bangalore
Date: April 23, 2021

D. Shivaprakash
Whole-Time Director
DIN : 02216802

Pramod Kulkarni
Company Secretary

NOTES

Corporate Information

BOARD OF DIRECTORS

Mr. Venkatesh N.
Managing Director
Mr. Shivaprakash D.
Whole-Time Director
Mr. Monu Ratna
Non-Executive Director
Mr. Badrinarayanan S.
Independent Director
Mr. Vikraman A.
Independent Director
Mr. Ramanathan A.
Independent Director
Mrs. Malini B. Eden
Independent Director

COMMITTEES OF BOARD

AUDIT COMMITTEE

Mr. Badrinarayanan Seshadri
Independent Director
Mr. Vikraman A.
Independent Director
Mr. Monu Ratna
Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Mr. Ramanathan Annamalai
Independent Director
Mr. Badrinarayanan Seshadri
Independent Director
Mr. Vikraman Ampalakkat
Independent Director
Mr. Monu Ratna
Non-Executive Director

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Venkatesh N.
Managing Director
Mr. Naveen Kumar Malik
Chief Operating Officer
Mr. Sabari Krishna
Chief Risk Officer
Mr. Anantha Kumar T.
Chief Financial Officer
Mr. Anantha Kumar T.
Chief Financial Officer

RISK MANAGEMENT COMMITTEE

Mr. Venkatesh N.
Managing Director
Mr. Shivaprakash D.
Whole-Time Director
Mr. Ramanathan Annamalai
Independent Director
Mr. Monu Ratna
Non-Executive Director

IT STRATEGY COMMITTEE

Mr. Badrinarayanan Seshadri
Independent Director
Mr. Shivaprakash D.
Whole-Time Director

CSR COMMITTEE

Mr. Venkatesh N.
Managing Director

CAUTIONARY STATEMENTS

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differ from those anticipated.

Mr. Shivaprakash D.
Whole-Time Director
Mrs. Malini B. Eden
Independent Director
Mr. Ashwini Kumar
Chief People Officer

CHIEF FINANCIAL OFFICER

Mr. Anantha Kumar T.

COMPANY SECRETARY

Mr. Pramod Kulkarni

STATUTORY AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountant

INTERNAL AUDITORS

KPMG

SECRETARIAL AUDITORS

Mr. Lakshmeenarayan Bhat
Practicing Company Secretary

CORE MANAGEMENT TEAM

Mr. Naveen Kumar Mallik
Chief Operating Officer

Mr. Ashwini Kumar
Chief People Officer

Mr. Prakash R.
Head Internal Audit

Mr. Sabari K.
Chief Risk Officer

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park,
LBS Marg, Vikhroli West,
Mumbai 400083

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Office No. 83 – 87, 8th Floor,
Mittal Tower, 'B' Wing, Nariman Point,
Mumbai 400021

Vistra (ITCL) Limited
The IL&FS Financial Centre,
Plot C- 22, G Block, BKC Road,
Bandra Kurla Complex, Bandra East,
Mumbai 400051

Beacon Trusteeship Limited
4C, Siddhivinayak Chambers,
Gandhi Nagar, Opposite MIG Cricket Club,
Bandra East, Mumbai 400051

RATING AGENCIES

CRISIL Limited
Hiranandani Business Park,
Central Ave, Hiranandani Gardens,
Powai, Mumbai 400076

CARE Ratings Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East),
Mumbai 400022

ICRA Limited
Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025

REGISTERED OFFICE

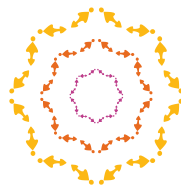
110/3, Lalbagh Main Road, Krishnappa
Layout, Bangalore 560027

CORPORATE OFFICE

#37 A Sannathi Street
Theradi Thiruvottriyur,
Chennai 600 019

LIST OF BANKERS

Aditya Birla Finance Limited
Axis Bank Limited
Bajaj Finance Limited
Bandhan Bank Limited
Bank of India
Bank of Maharashtra
Canara Bank
Capital Small Finance Bank
CSB Bank
Dhanlaxmi Bank Ltd.
Hero FinCorp Ltd
Hinduja Leyland Finance Limited
The hongkong and shanghai banking
corporation limited (HSBC)
ICICI Bank Ltd
IDFC First Bank Limited
Indian Bank
IIFL Wealth
Jana Small Finance Bank
Lakshmi Vilas Bank Limited
Maanaveeya Finance Development Limited
Nabkisan Finance Limited
Nabsamrudhi Finance Ltd
National Bank for Agriculture and Rural
Development (NABARD)
Northern Arc Capital
Punjab and Sind Bank
Punjab National Bank
RBL Bank Ltd.
Small Industries Development Bank of
India (SIDBI)
South Indian Bank
Standard Chartered Bank
State Bank (Mauritius) Ltd
State Bank of India
UCO Bank
UNIFI-AIF
Union Bank of India
Woori Bank
YES Bank Ltd.



samasta
microfinance

SAMASTA MICROFINANCE LIMITED

CIN: U65191KA1995PLC057884

Regd. & Head Office: No. 110/3, Lalbagh Road,
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