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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 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.



IIFL Finance Limited

A reflection of trust and transparency

Building on the strength of over 25 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 Home Loans, Gold Loans, Business Loans including Loans against Property and MSME Financing, 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 deliver excellent service offerings and sustainable growth.



Vision

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



Values



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.

₹ 379,511
million

Assets Under
Management

₹ 48,207
million

Total Income

₹ 7,561
million

Profit After Tax
(before exceptional items)

2.31%

Gross NPA

18,569

Happy Employees

AA Stable

Credit Rating by CRISIL

Note: The above numbers were as on March 31, 2020



About Samasta Microfinance Limited

Incorporated in 2008, Samasta is engaged in providing affordable financial loans to the underserved section of the society, especially women belonging to rural and semiurban areas across the country. With expanding reach and access, today, Samasta has emerged as one of the dominant players in the microfinance segment.

Samasta offers micro loans to people who remain outside the periphery of the formal banking ecosystem, for income generating activities, education, and working capital requirements. The Company also offers various non-financial services like life and hospicash insurance, along with financial counselling, to its customers.

The Company has deeply penetrated across the country with continuous geographical expansion and faster customer acquisition. A distinct business model, strong competencies and firm backing from IIFL Finance have together led Samasta to successfully transform lives of millions across the social spectrum.



Our Values

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



Our Mission

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



Our Vision

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

Our Competitive Edge



Product Development Process



Note: The above numbers were as on March 31, 2020

Our Product Offerings



Samridhhi (Income Generation Loan-IGL)

- Enables women to setup or grow micro enterprises
- Offers loans for initial capital, increasing working capital, and buying inventories, among others



Shiksha (Education Loan)

- Provides education loans to help customers meet educational requirements of their children



Surabhi (Dairy Cattle Loan)

- Caters the dairy development activities of the customers including purchase of new cattle
- Loans provided to women including insurance coverage to mitigate any risk



Samvardhana (Top-up Loan)

- Additional amount given to customers with existing business loans
- Customers with good repayment history gain an opportunity to access additional loan



Suvidha (Product Loan)

- Designed to improve the quality of customers' lives
- Offers loans to purchase life-enhancing products like cook stoves, water purifier, solar lights, and mobile phone, among others

New Product Development during the Year



Sajal (Sanitation and Jal Loans for Rural India)

- Offers affordable credit for securing the basic necessities of life like sanitation and hygiene
- Small ticket size loans given to existing IGL customers, ranging from ₹ 4000 - ₹ 30,000, without any collateral
- Helps in setting up filtration units, tap water, house water connections, water storage facilities within the households, toilet construction/improvement



Sampark (Retail Loans)

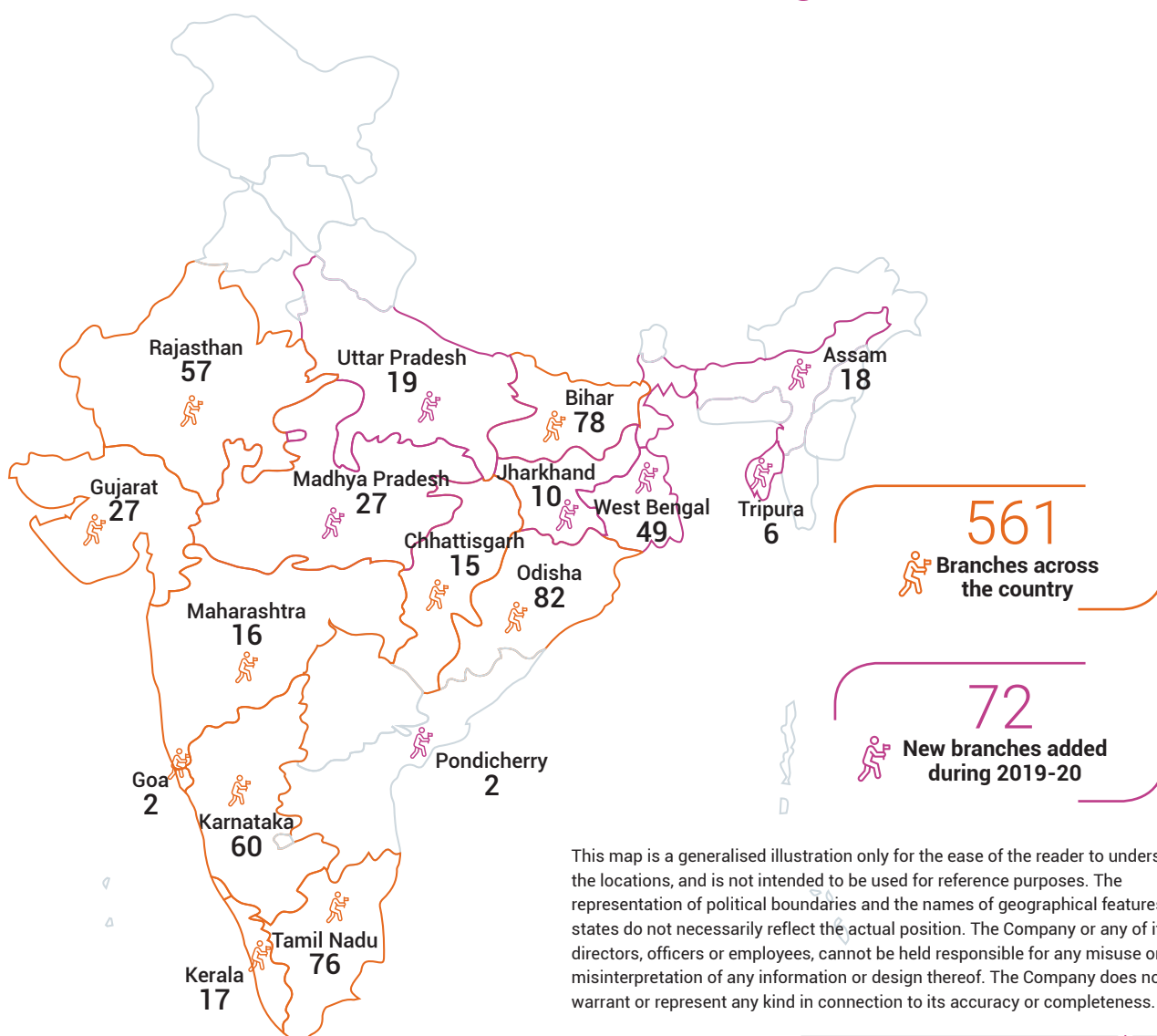
- Crafted especially for self-employed people in rural areas with limited access to formal credit
- Promotes Micro, Small, and Medium Enterprises (MSME) by allowing them hassle-free credit access



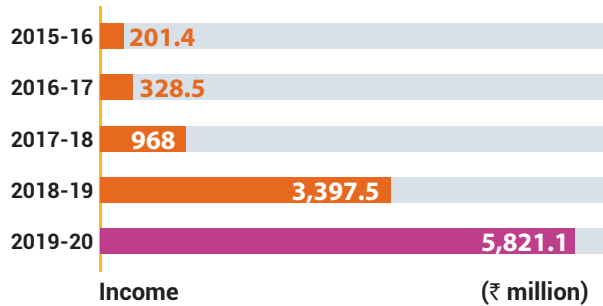
Swabhimaan (Micro Enterprise Loans)

- Enables micro enterprises to borrow without any collateral requirement
- Supported by net cash flow at a higher but affordable interest rate
- Timely and affordable lending allows business expansion in the right way

Our Deepening Geographical Presence across the Country

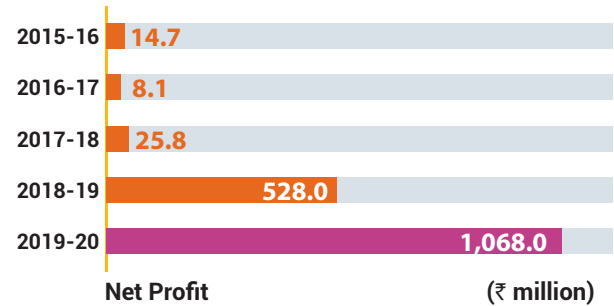


Key Financial Highlights



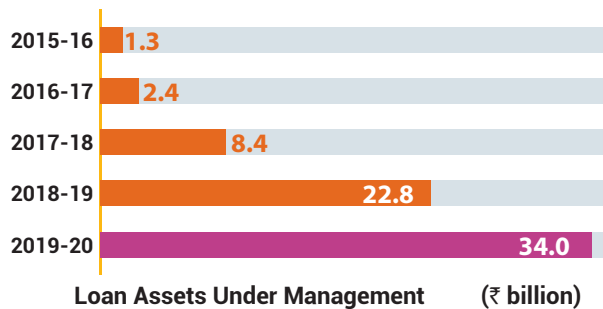
71%
YoY Growth

131.8%
5 Years CAGR



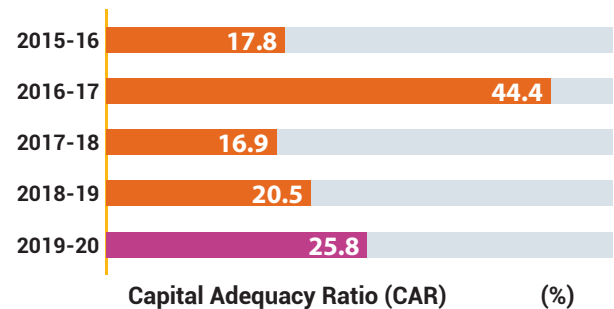
102%
YoY Growth

191.9%
5 Years CAGR

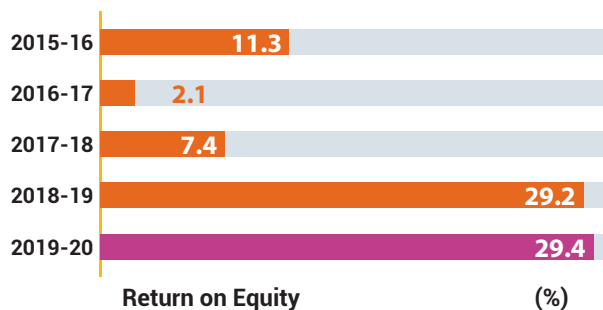


49%
YoY Growth

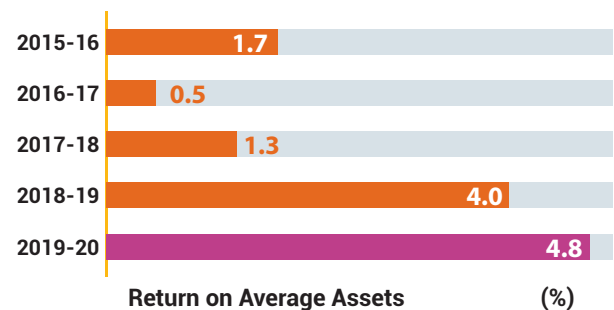
126.1%
5 Years CAGR



Capital Adequacy Ratio (CAR) (%)

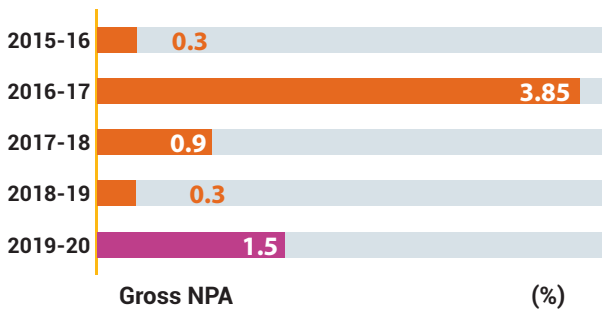
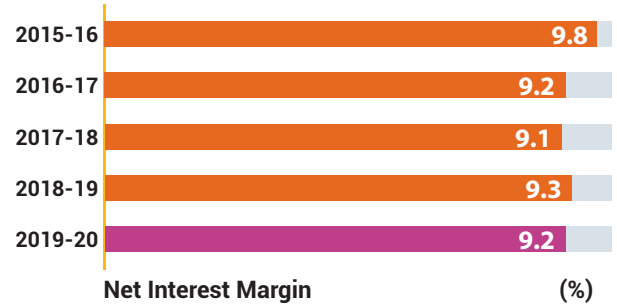
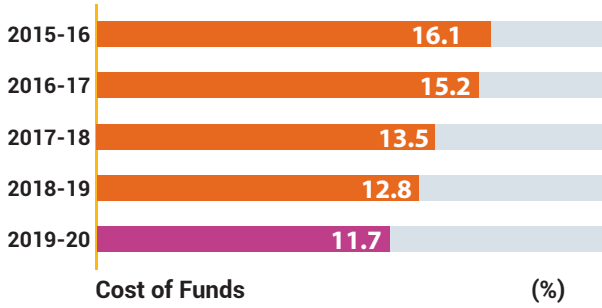


Return on Equity (%)



Return on Average Assets (%)

*CAGR: Compounded Annual Growth Rate





Managing Director's Message

I am happy to state that the Company delivered an encouraging performance during the year 2019-20 despite turbulent times.

Dear Shareholders,

The world has changed dramatically in the space of a few months. The unexpected health crisis has created devastating human, social and economic impact. At Samasta, we played a decisive role during this crisis by ensuring strong support for customers, employees and the communities that we are associated with. During the year, we remained committed to drive financial inclusion by nurturing opportunities and enabling a better future for the marginalised section of the society through our affordable micro loans.

The Indian economy faced several headwinds in the financial year 2019-20 owing to subdued consumption, weak investments, slowing manufacturing sector and

declining credit growth. Business activities came to a complete halt as a consequence of the nationwide lockdown related to Covid-19 in the fourth quarter. India's GDP growth in 2019-20 moderated to 4.2%. I am quite confident that with efficient implementation of reforms and policy measures announced by the Government and the RBI, along with improving rural economy, we can get back on the growth path soon.

Now, observing the microfinance industry, it has clearly emerged as a growth vehicle for a large section of the underserved and unbanked population in India. During the year, disbursements as well as collections were impacted due to liquidity crunch, the enforced lockdown, and heavy floods in some states, among others.

According to the Micrometer report by Microfinance Institutions Network (MFIN), the loan portfolio of the industry stood at ₹ 2.12 lakh crores by end of December 2019.

With the objective of financial inclusion, we are continuously working towards bridging the gap to the formal financial system through our tailored loan offerings and increased reach. Samasta provides affordable credit to women in order to start new business and for further expansion. We build their self-confidence and pride, and empower them to create a better tomorrow for themselves and their families.

I am happy to state that the Company delivered an encouraging performance during the year 2019-20 despite turbulent times. The overall loan book grew by 49% from ₹ 22,850 million in 2018-19 to ₹ 33,990 million in 2019-20. Our total income stood at ₹ 5,820 million, an increase of 71% as compared to the previous year. Our ability to understand customers' needs, create innovative products and tech-enabled disbursement processes have placed us among the country's fastest growing microfinance companies. Apart from our existing loan verticals, we introduced 'Sajal' loans for fulfilling sanitation and hygiene needs of rural India. Our new retail loan offerings 'Sampark' provides capital to self-employed people in rural areas while 'Swabhimaan' loans facilitate easy credit to micro enterprises without any collateral requirement. With strong network of 561 branches in 17 states, we on-boarded more than 1.5 million customers during the year.

At Samasta, we always look for ways to enhance customer experience through our newer digital tools. We remained focused on increasing our efficiency and productivity by integrating advanced technology platforms in our business operations. By decentralising our operations, we significantly reduced the time taken for loan sanction, customer enrolment, on-boarding and loan processing. With pre-approved loans process flow, we are able to retain existing customers. Our enhanced software allows cashless collections, geo-fencing and

auto-generation of management reports to improve decision making. Our robust technology systems allowed us to resolve customer queries seamlessly even amid the pandemic.

Our people are the driving factor behind the Company's success. That is why we have created an environment in which our employees can be at their best. We support them by offering opportunities to learn and grow, with clear roles and responsibilities. We strongly believe this is a direct investment in sustainable employability and the best guarantee for future success.

We believe that true accomplishment of an organisation lies in its ability to create value not only for its shareholders, but also for the larger community. We are working to uplift the quality of life of the underprivileged section through our initiatives in financial literacy for rural women, cattle well-being for farmers and skill development for youth.

Looking ahead, our goal is to significantly expand our branches and microfinance products across different geographies. We will continue to leverage technology to provide improved end-to-end loan processing and superior customer satisfaction.

While 2020-21 is clearly going to be a year of great uncertainty, it is also going to be a year of great need. We believe that with strong foundation and capabilities, Samasta is uniquely positioned to meet the credit demand of the country's underserved segment.

I would like to acknowledge the unwavering support provided by the banks and financial institutions. I thank our Board of Directors, Senior Management, our customers and employees who have been pivotal in achieving our vision.

Warm Regards,

Venkatesh N.
Managing Director

Nurturing a Financially Inclusive World by Empowering Customers

Samasta plays a significant role by empowering women to pursue their aspirations and gain decision-making power in their homes and communities.



Creating a Big Impact

"If women want to achieve something in life, they have to take risk and do it without hesitation."

Supriya More, 42, faced financial constraints owing to inadequate income and limited opportunities.

Determined to support her family and provide quality education to her children, she availed financial assistance from Samasta. Soon, she started a stationary business along with her husband. The initial loan amount helped her set up the business, purchase inventory and avoid payment delays.

After associating with Samasta, her income level doubled to ₹ 50,000 per month. This enabled her to gain financial stability and improve the family's lifestyle. Today, Supriya is more confident and wants to grow her business and she knows that Samasta will provide great support in her future endeavours as well.



Fostering a Dignified Life

"We wisely invested the loan amount to expand our business and make it profitable, instead of using it on unnecessary expenditures."

Durga Devi, 34, found it difficult to make ends meet with just her husband's income. She wanted to start

her own salon, but was unable to get financial assistance from Banks. She heard about easy and accessible loan offerings by Samasta Microfinance from her neighbours. With a quick loan from Samasta, she set up her own salon along with complete furniture and fittings.

She readily recounts how Samasta changed the tide of her life. Her income level has increased from ₹ 5,500 per month to ₹ 12,000 per month. Today, Durga Devi is an empowered woman, who has the capability to expand her business, save for her children's education and live a better life.





Lending Wings to Ambition

“Women must start saving and use the loan amount for the right purpose. By paying regularly, we may avail further loan to expand the business.”

Zahida Dilawar Mirkar, 46, is a widow with three sons. She runs a fish business. Zahida continuously faced problems with arranging regular supply of fishes due to volatility in fish prices from her vendor. She came across

Samasta Microfinance through one of the customers.

With financial support from Samasta, she was able to pay her vendor in advance and get regular supply of fishes. Now, she sells fishes in the fish market instead of selling roadside.

The business has turned into a pride for Zahida with a steady income of around ₹ 45,000 per month. With further assistance from Samasta, she is motivated to realise her dream of owning a fish shop.



Bringing Efficient Services through Reliable Digital Platforms

Digital financial services are spearheading greater financial inclusion in the country. We believe digitisation, underpinned by the best-in-class technology, is a key competitive advantage for us.

At Samasta, our technology-led systems and innovative products and services help us meet the changing expectations of our customers. Our robust and scalable microfinance disbursement processes ensure easy access to loan offerings for women, even in the country's remotest corner. At the same time, advanced technological tools enable seamless loan on-boarding, secured transactions, and superior customer experiences.

With strong digital platforms, our business operations continued without disruption even in times of Covid-19 situation. Some of the significant technology initiatives, taken during the year, were as below.



- Simplified on-boarding with decentralised customer enrolment and loan disbursement
- Pre-approved loan process flow and enhanced cashless collections
- Advanced analytics platform with automated reports to enable quicker management decisions
- New platform to measure the health of a branch and understand the improvement areas
- Easy to use learning and development application to improve skills and process knowledge of employees
- Contact centre with enhanced features and quality checks to quickly resolve customer queries
- Implementation of SMS delivery for loan booking, collection along with barcode scanning and geo-fencing to improve the efficiency and reduce Turn-Around-Time (TAT)
- A well-defined Customer Grievance Redressal policy including escalation matrix and TAT

Growing Together in an Open and Inclusive Workplace

At Samasta, our enthusiastic team helps us to consistently create the best customer experience. With great commitment and energy, our people enable the Company achieve its objective of fulfilling the dreams of underserved women across the country.

We promote a sustainable performance-driven culture where employees feel respected and valued. Our employee initiatives include putting greater emphasis on learning and development, career opportunities and performance-linked rewards. We also encourage collaboration and enduring relationships to help employees create value for the customers, Company and themselves. In addition, HR process automation, and advanced analytics have played a vital role in giving a holistic experience to our people.

5,881+
Happy Employees

During the year, we implemented various initiatives to enhance employee engagement and productivity levels.

- We inspired people to go the extra mile and build a high performance culture through Samasta Gaurav & Gratitude platform. Also, ensured fast track career growth through our Internal Career Advancement Program.
- The Company ensured organisation performance alignment through online goal setting and tracking, quarterly performance feedback and evaluation. We also plan to introduce balanced scorecard approach for driving strategic goals.
- With Continuous learning and focus on leadership development, we conducted Cognitive and Leadership skill assessments, Lean & Six Sigma (green belt), and Project Management programs. It equipped line managers and leaders to execute strategic projects effectively.
- As a part of the International Women's Day, we conducted programs covering topics such as POSH awareness, yoga and healthy food habits, personal safety, woman leadership and woman rights. Our project "Rachana" is specially carved out to create awareness among woman employees on physical, mental and social well-being at workplace.





Celebrations and Collaborations

During the year, we celebrated various festivals and initiated collaborative work towards social cause. It reinforced our core value "Respect for individuals and communities" and strengthened emotional bonding with the organisation.



Covid-19 Crisis Management

The Company took several measures to ensure that the employees stay positive and engaged in such challenging times. We provided support in terms of health and wellness, monetary benefits to sustain livelihoods, and online learning programs. By collaborating with several vendors, we brought online learning platform through GOAL-LMS, Moneyversity and focused on health through HealthifyMe and DocOnline.

Board of Directors



Venkatesh N. | *Managing Director*

Venkatesh 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 Information Officer*

Shivaprakash co-founded Samasta in 2008. He leads Samasta's technology-led initiatives which includes the setting of comprehensive IT infrastructure to facilitate smooth operations. 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.



Mr. Sumit Bali | *Non-Executive Director*

Mr. Sumit Bali is the Chief Executive Officer of IIFL Finance Limited. He holds a B.A (Hon) from St. Stephen's college, New Delhi, and has completed his PGDM from IIM Ahmedabad. Prior to his current role, Mr. Bali spent 24 years with Kotak Group. His last position at Kotak Mahindra Bank was of Senior Executive Vice President, overseeing consumer banking retail asset products including home loans, loan against property, credit cards, salaried personnel loans and SME loans. Previously he also held the position of Chief Executive Officer of Kotak Mahindra Prime Limited (KMPL) and was also a Director on KMPL's Board. He began his career with Glaxo India Limited in 1990 and has also worked with Asian Paints (I) Limited. Mr. Bali is a seasoned banker with an experience of 29 years in the Indian corporate sector.



Ramanathan A.. | *Independent Director*

Ramanathan has extensive experience in the development banking for the agriculture and rural sectors. He was Chief General Manager in the Micro Credit Innovations Department of NABARD. He managed the SHG Bank Linkage program, the largest microfinance program 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, he was with Reserve Bank of India for 5 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 Ph. D in Mechanical Engineering from Cornell University in the USA, Badri Seshadri 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. Mrs. Malini played key role 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.

Board's Report

To,
The Members,
Samasta Microfinance Limited
 Bangalore

Your Directors take pleasure in presenting the 25th (Twenty Fifth) Annual Report together with the audited financial statements and the Auditors' Report of your company for the financial year ended March 31, 2020. The summarised results for the year ended March 31, 2020 are as under:

1. PERIOD OF REPORT:

This report is for the period from April 1, 2019 to March 31, 2020.

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://www.samasta.co.in/annual.html>

3. MEETINGS OF THE BOARD DURING THE FINANCIAL YEAR 2019-20:

The Board duly met for 5 (Five) times during the 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	Venkataraman ¹	Gaurav Malhotra ²	Sumit Bali ³
1	11.05.2019	Y	Y	Y	Y	Y	Y	N	N	NA
2	26.07.2019	Y	Y	Y	Y	Y	Y	Y	Y	NA
3	21.10.2019	Y	Y	Y	Y	Y	Y	NA	Y	N
4	23.01.2020	Y	Y	N	N	Y	Y	NA	NA	N
5	19.02.2020	Y	Y	Y	Y	Y	Y	NA	NA	Y

¹Mr. VenkataramanRajamani resigned from the Board with effect from September 16, 2019.

²Mr. Gaurav Malhotra resigned from the Board with effect from December 6, 2019.

³Mr. Sumit Bali was appointed as Non- Executive Director on the Board with effect from September 18, 2019.

Y –Yes

N –No

NA –Not Applicable

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 March 31, 2020, 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 estimated 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.
- 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.
- 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.

Board's Report (Contd.)

5. FRAUD REPORTED BY AUDITORS

There have been no frauds reported during the financial year 2019-20 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 are relevant expertise and vast experience in the field of micro financing. 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://www.samasta.co.in/investors-relations> and the Nomination & Remuneration Policy of the Company can be accessed via we link - <https://www.samasta.co.in/investors-relations>

8. AUDIT & AUDITORS

Statutory Auditors

M/s V. SankarAiyar & 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 conclusions of ensuing 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 2019-20, 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 2019-20 is enclosed with this report as Annexure I. 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 II 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 have been transferred to Reserves.

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 2019-20.

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

During the period under review, subject to the approval of appropriate authorities and members, the Company has shifted its registered office from 418, 1/2A, 4th Cross, 6th Main, Wilson Garden, Bangalore – 560027 to 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore – 560027 vide resolution of the Board of Directors meeting held on May 27, 2019.

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 2019-20.

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. 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 at their meeting held on May 11, 2019 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://www.samasta.co.in/investors-relations>

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

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	(₹)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Total Revenue	5,821,078,368	3,397,535,550
Total Expenses	4,417,781,164*	2,673,229,482
Earnings before tax	1,403,297,204	724,306,068
Earnings after tax	1,073,035,324	532,091,679

An amount of ₹ 31,021,709 is an exceptional item shown in P&L Account, related to purchase of IIFL Portfolio.

19. OPERATIONAL HIGHLIGHTS:

Particulars	(₹)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Active borrowers (Own Portfolio)	1,542,573	1,014,145
Loan disbursement (₹ in lakh)	307,925	241,820
Loan portfolio (₹ in lakh)	339,984	228,524
Securitisation/ Assignment (₹ in lakh)	124,018	37,354
BC loan portfolio (₹ in lakh)	-	19,057
No of Branches	561	493
No. of centers	130,978	90,996
No. of employees	5,882	4,812
Repayment rate	97.41%	98.56%

The Company has increased its income from operations from ₹ 3,336,521,901 for the financial year ended March 31, 2019 to ₹ 5,748,246,402 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. Sumit Bali was appointed by the Board as an additional director in the capacity of Non-Executive Director w.e.f. 18 September, 2019.

Later, his appointment was regularised by the Shareholders at their meeting held on September 23, 2019

ii) Re-appointment of Independent Directors:

Following Independent Directors whose tenure got expired, being eligible for re-appointment for second consecutive term of 5 years, were duly appointed by the Shareholders at their Annual General Meeting held on September 23, 2019

- Mr. Vikraman A.
- Mr. Badrinarayanan S.
- Mr. Ramanathan A.

iii) Retiring by rotation:

In accordance with the provisions of the Companies Act, 2013, Mr. Shivaprakash Deviah (DIN: 02216802), 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.

iv) Resignation of Director:

- Mr. Venkataraman Rajamani, Non-Executive Director of the Company resigned w.e.f. September 16, 2019.
- Mr. Gaurav Malhotra resigned from the Board with effect from December 6, 2019.

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. Sumit Bali	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. VikramanAmpalakkat
2. Mr. BadrinarayananSeshadri
3. Mr. Sumit Bali

During the year 2019-2020, Mr. ShivaprakashDeviah has stepped down as member of the Committee and Mr. Sumit Bali has been appointed as a member of the Committee w.ef. March 9, 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		
		Shivaprakash D.	Vikraman A.	Badrinarayanan S.
1	10.05.2019	Yes	Yes	Yes
2	26.07.2019	Yes	Yes	Yes
3	21.10.2019	Yes	Yes	Yes
4	23.01.2020	Yes	Yes	No

ii) Nomination & Remuneration Committee:

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

1. Mr. RamanathanAnnamalai
2. Mr. BadrinarayananSeshadri
3. Mr. VikramanAmpalakkat
4. Mr. Sumit Bali

Mr. Sumit Bali has been appointed as a member of the Committee w.ef. March 9, 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.
1	10.05.2019	Yes	Yes	Yes
2	21.10.2019	Yes	Yes	Yes

iii) Risk Management Committee:

The Risk Management Committee currently consists of the following members:

1. Mr. NarayanaswamyVenkatesh
2. Mr. ShivaprakashDeviah
3. Mr. Ramanathan A.
4. Mr. Sumit Bali

Mr. Sumit Bali has been appointed as a member of the Committee w.ef. March 9, 2020.

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		
		NarayanaswamyVenkatesh	ShivaprakashDeviah	Ramanathan A.
1	11.05.2019	Yes	Yes	Yes
2	26.07.2019	Yes	Yes	Yes
3	21.10.2019	Yes	Yes	Yes
4	23.01.2020	Yes	Yes	No

iv) Information Technology Strategy Committee:

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

1. Mr. ShivaprakashDeviah
2. Mr. BadrinarayananSeshadri

Sl. No.	Date of Meeting	Name of Directors	
		Shivaprakash Deviah	Badrinarayanan Seshadri
1	10.05.2019	Yes	Yes
2	21.10.2019	Yes	Yes
3	19.02.2020	Yes	Yes

v) Asset Liability Committee:

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

1. Mr. NarayanaswamyVenkatesh
2. Mr. Sabari Krishna (Chief Risk Officer)
3. Mr. Anantha Kumar T.(Chief Financial Officer)
4. Mr. Naveen Kumar Malik(COO)

Mr. Sreepal Jain, stepped down and Mr. Naveen Kumar Malik, COO was inducted as member w.e.f. October 21, 2019.

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 February 19, 2020 without the presence of any non-independent directors.

C) Key Managerial Personnel:

The following changes were made in the Financial Year 2019-2020:

- i) Mr. Sutheja had resigned from the position of Company Secretary w.e.f. July 31, 2019
- ii) Mr. Anantha Kumar T. was appointed as the Chief Financial Officer of the Company w.e.f. October 21, 2019.
- iii) Mr. Shreyas Dwaraki was appointed as the Company Secretary w.e.f. October 21, 2019

- iv) Mr. Sreepal Jain had resigned from the position of Chief Financial Officer with effect from August 30, 2019.

21. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

Nil.

22. DEPOSITS:

Your 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 of frauds / errors, (d) accuracy and completeness of the accounting records and (e)

Board's Report (Contd.)

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, 2019 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 One (1) complaint which had been received and also resolved pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. CHANGES IN SHARE CAPITAL:

- The Authorised Share Capital of the Company was increased from the existing ₹ 1,805,000,000.00 to ₹ 2,155,000,000.00 vide Annual General Meeting dated September 23, 2019. The Authorised Share Capital was further increased to ₹ 3,000,000,000 vide Extra-ordinary General Meeting dated January 24, 2020.

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

The Authorised Share Capital of the Company is ₹ 3,000,000,000.00 (Rupees Three Hundred Crores Only) divided into:

- 298,000,000 (Twenty- Nine Crores Eighty Lakhs Only) Equity shares of ₹ 10 each (Rupees Ten only) aggregating to ₹ 2,980,000,000 (Rupees Two Hundred Ninty-Eight Crores Only), and;
- 2,000,000 (Twenty Lakh Only) Preference Shares of ₹ 10/- (Rupees Ten Only)

aggregating to ₹ 20,000,000 (Rupees Two Crore 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 been increased from ₹ 1,780,391,130 to ₹ 2,077,479,660 on 30th September, 2019 pursuant to allotment of 29,708,853 Equity Shares of ₹ 10/- each. It was further increased to ₹ 2,359,965,530.00 and to 2,642,451,400 on March 4, 2020 and March 24, 2020 respectively pursuant to allotment of 28,248,587 Equity Shares of ₹ 10/- each

28. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

Your 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-

- who was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh Rupees;

Board's Report (Contd.)

- 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 Lakh 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, or as the case may be, at a rate 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.

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

- i) Theratio 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 - 44.44;
Mr. Shivaprakash D., Whole Time Director -32.82;
- 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 -NIL
Whole Time Director -NIL
Chief Financial Officer –N.A.
Company Secretary –N.A.
- iii) the percentage increase in the median remuneration of employees in the financial year: 7.71%
- iv) the number of permanent employees on the rolls of company: 5,881
- v) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

For and on behalf of Samasta Microfinance Limited

Sd/-

Venkatesh Narayanaswamy

Managing Director
DIN: 01018821

Date: May 11, 2020
Place: Bangalore

- 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 IV to this Report.

31. 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 Standard-1 and 2 issued by the Institute of Company Secretaries of India.

32. 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. MGT-9 - **Annexure I**
- b. Statement on Related Party Transactions in Form No.AOC-2 -**Annexure II**
- c. CSR Report-**Annexure III**
- d. Management Discussion and Analysis Report- **Annexure IV**
- e. Secretarial Audit Report- **Annexure V**

33. 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.

Sd/-

Shivaprakash Deviah

Whole Time Director
DIN: 02216802

Annexure – I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65191KA1995PLC057884
2.	Registration Date	09/08/1995
3.	Name of the Company	SAMASTA MICROFINANCE LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore-560027 Contact Number: 08042913540
6.	Whether listed company	No, Debt Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd 247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083 Vishwas Attavar- +91 22 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Financing Services - Micro Finance Lending	64990	86.58

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and Address of the Company	CIN	CATEGORY	Percentage of Shares Held	Applicable Section
1	IIFL Finance Limited (Formerly known as IIFL Holdings Limited) IIFL House, Sun Infotech park, Road No.16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane MH 400604	L67100MH1995PLC093797	Holding Company	98.89	2 (46)

Annexure – I (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	1680840		1680840	1.5	1680840	-	1680840	.64	(0.87)
(b) Central Govt	--	--	--	--	--	--	--	--	--
(c) State Govt (s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corp.	1751121332	--	1751121332	98.36	2613181600	--	2613181600	98.89	1.52
(e) Banks / FI	--	--	--	--	--	--	--	--	--
(f) Any other (relative of promoters)	1246140	1246140	.70	1246140	-	1246140	0.47	(0.65)	--
Sub-Total (A) (1)	178039113	178039113	100	264245140	--	264245140	100	---	
(2) Foreign									
(a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
(b) Other – Individuals	--	--	--	--	--	--	--	--	--
(c) Bodies Corp.	--	--	--	--	--	--	--	--	--
(d) Banks / FI	--	--	--	--	--	--	--	--	--
(e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-Total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	178039113	---	178039113	100	264245140	--	264245140	100	---
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	--	--	--	--	--	--	--	--	--
(b) Banks/FI	--	--	--	--	--	--	--	--	--
(c) Central Govt	--	--	--	--	--	--	--	--	--
(d) State Govt (s)	--	--	--	--	--	--	--	--	--
(e) Venture Capital funds	--	--	--	--	--	--	--	--	--
(f) Insurance Companies	--	--	--	--	--	--	--	--	--
(g) FIs	--	--	--	--	--	--	--	--	--
(h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
(i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-Total (B)(1)	--	--	--	--	--	--	--	--	--
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	--	--	--	--	--	--	--	--	--
ii. Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals	--	--	--	--	--	--	--	--	--
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	--	--	--	--	--	--	--	--	--
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	--	--	--	--	--	--	--	--	--
(C) Others (Specify)									
Sub-Total (B)(2)	--	--	--	--	--	--	--	--	--
Total Public Shareholding = (B) (1) + (B) (2)	--	--	--	--	--	--	--	--	--
C. Shares held by custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	178039113	---	178039113	100	264245140	--	264245140	100	---

Annexure – I (Contd.)

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shivaprakash D.	345000	0.19	--	345000	0.13	--	(0.06)
2	Mr. Venkatesh N	1335840	0.75	--	1335840	0.51	--	(0.24)
3	India Infoline Finance Limited	108417631	98.36	--	175112133	98.89	--	0.53

C) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding pattern of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year:				
1. Mr. Shivaprakash D.	1335840	0.19	---	---
2. Mr. Venkatesh N	1335840	0.75	---	---
3. India Infoline Finance Limited	108417631	98.36	---	---
Changes in Promoters Shareholding during the year:				
1. Mr. Shivaprakash D.	---	(0.06)	---	---
2. Mr. Venkatesh N	---	(0.24)	---	---
3. India Infoline Finance Limited	175112133	98.89	---	---
At the End of the year:				
1. Mr. Shivaprakash D.	345000	0.13	---	---
2. Mr. Venkatesh N	1335840	0.51	---	---
3. India Infoline Finance Limited	175112133	98.89	---	---

D) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Particulars	Shareholding at the beginning & End of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
NIL				

Annexure – I (Contd.)

E) Shareholding of Directors and Key Managerial Personnel:

Particulars	Shareholding pattern of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year:				
1. Mr. Shivaprakash D.	345000	0.19	--	--
2. Mr. Venkatesh N	1335840	0.75	--	--
Changes in Promoters Shareholding during the year:				
1. Mr. Shivaprakash D.	--	(0.06)	--	--
2. Mr. Venkatesh N	--	(0.24)	--	--
At the End of the year:				
1. Mr. Shivaprakash D.	345000	0.13	--	--
2. Mr. Venkatesh N	1335840	0.51	--	--

Note: There is a change in the percentage of shareholding of Mr. Shivaprakash D and Mr. Venkatesh N due to the allotment made during the year to M/s. India Infoline Finance Limited.

V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,861,523,362	1,886,628,287	-	15,748,151,649
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				-
Total (i+ii+iii)	13,861,523,362	1,886,628,287	-	15,748,151,649
Change in Indebtedness during the financial year				
* Addition	14,762,771,843	-		14,762,771,843
* Reduction	10,184,547,529	751,087,440		10,935,634,969
Net Change	4,578,224,314	(751,087,440)	-	3,827,136,874
Indebtedness at the end of the financial year				
i) Principal Amount	18,42,92,14,044	1,03,57,14,478		19,464,928,522
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	770,715,568	16,88,48,384	-	93,95,63,953
Total (i+ii+iii)	19,199,929,613	1,204,562,862	-	20,404,492,475

Annexure – I (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager.

SN.	Particulars of Remuneration	Name of MD and WTD		Total Amount
		Mr. Venkatesh N	Mr. Shivaprakash D	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,399,996	4,564,479	12,964,475
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	8,399,996	4,564,479	12,964,475
	Ceiling as per the Act			

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. B. Seshadri	Mr. R. Annamalai	Mr. V. Ampalakkat	Ms. Malini	
1	Independent Directors					
	Fee for attending board committee meetings	85,554	88,888	99,998	77,778	352,218
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	85,554	88,888	99,998	77,778	352,218
	Overall Ceiling as per the Act					

Annexure – I (Contd.)

C. Remuneration to other Key Managerial Personnel:

SN.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary		Chief Financial Officer		
		Sutheja K.J. (From 1st Apr, 19 to 31st Jul, 2019)	Shreyas Dwaraki (From 21st Oct, 19 to 31st March, 2020)	Sreepal Jain (From 1st Apr, 19 to 31st Aug, 2019)	Anantha Kumar T (From 21st Oct, 19 to 31st March, 2020)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	438,502	362,628	1,617,508	1,958,525	4,377,163
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	others, specify...					
5	Others, please specify					
	Total	438,502	362,628	1,617,508	1,958,525	4,377,163

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

By Order of the Board of Directors

Sd/-
Venkaresh N
Managing Director
DIN: 01018821

Sd/-
Shivaprakash D
Whole Time Director
DIN: 02216802

Place: Bangalore
Date: May 11, 2020

Annexure – II

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 arms 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	Service Fee on Business Correspondence	1 Year	22.01.2019	10,47,93,300
IIFL Finance Limited	Holding Company	Interest Expenditure	1 Year	22.01.2019	3,62,40,011
IIFL Finance Limited	Holding Company	Interest Income	1 Year	22.01.2019	84,16,351
IIFL Finance Limited	Holding Company	Dividend Paid	1 Year	22.01.2019	11,65,34,834
IIFL Finance Limited	Holding Company	Loan Purchased	1 Year	22.01.2019	172,35,00,000
IIFL Finance Limited	Holding Company	Assignment Payment	1 Year	22.01.2019	33,85,100
IIFL Finance Limited	Holding Company	Inter Corporate Deposit Received	1 Year	22.01.2019	61,00,00,000
		Inter Corporate Deposit Repaid	1 Year	22.01.2019	61,00,00,000
IIFL Finance Limited	Holding Company	Inter Corporate Deposit Given	1 Year	22.01.2019	1,65,00,00,000
		Inter Corporate Deposit Paid by IIFL	1 Year	22.01.2019	1,15,00,00,000
IIFL Finance Limited	Holding Company	Equity Share Capital Received	1 Year	22.01.2019	149,99,99,984

W.e.f. 30-03-2020, India Infoline Finance Limited, erstwhile Holding Company, has been merged with IIFL Finance Limited (Ultimate Holding Company).

Registered Office:

Samasta Microfinance Limited,
110/3, Lalbagh Main Road,
Krishnappa Layout,
Bangalore- 560027

Place: Bangalore
Date: May 11, 2020

By Order of the Board of Directors

Sd/-
N Venkatesh
Managing Director

Sd/-
D Shivaprakash
Whole Time Director

Annexure – III to Directors' Report

The Annual Report on Corporate Social Responsibility (CSR) Activities of Samasta Microfinance Limited

[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:

1. Striving the economic development of the community intending to positively develop the society at large.
2. Carrying out developmental initiatives which are purely sustainable in nature.
3. 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
- Project Pariyavaran
- Project Smile: Identifying and Referring children with cleft lip and palate for corrective surgery.
- Financial Literacy program
- Eye check up camps

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 THE CSR COMMITTEE

Samasta has constituted a CSR Committee of the Board that fulfills all requirements of Section 135 of the Companies Act, 2013 (hereafter referred to as Section 135). The members constituting the Committee have been listed below:

- Mr. Venkatesh N - Managing Director and Member
- Mr. Shivaprakash Deviah- Whole- Time Director and Member
- Ms. Malini Eden- Independent Director and Member
- Mr. Ashwini Kumar- Chief People Officer

3. PRESCRIBED CSR SPEND OF SAMASTA CSR TEAM

i. Average net profit of the Company for last three financial years

The average net profit of the Company of the last three financial years was calculated to be ₹ 258,111,970

ii. Prescribed CSR Expenditure

The recommended CSR expenditure for Samasta Microfinance Limited as per Section 135 for the financial year 2019-20 was ₹ 5,162,239/-

iii. Amount Spent

During the financial year 2019-20, Samasta Microfinance Limited spent ₹ 3,029,826/- on various social development activities, thereby fulfilled its commitment of spending 2% on its CSR activities.

iv. Amount unspent

₹ 2,132,413/-

Annexure – III to Directors' Report (Contd.)

4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

During FY 2019-20, Samasta Microfinance Limited spent a total of ₹ 3,029,826/-/- on CSR projects. A breakdown of the manner in which this expenditure was made has been depicted in the table given below:

							Amount (in ₹)
Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
1	Livestock Development centers	Animal welfare	Karnataka	806674	403,337	403,337	Through implementing agency: BAIF Institute for Sustainable development.
2	Relief activities during the time of natural disaster	Disaster Relief	Karnataka, Tamil Nadu, Kerala, Maharashtra, MP and Odissaa	2,087,895	2,087,895	2,087,895	Direct Intervention
3	Project Pariyavaran	Environment	Karnataka, Tamil Nadu, Rajasthan, West Bengal	261,538	261,538	261,538	Through implementing agency: Sankalpa Taru Foundation
4	Project Smile:	Health	West Bengal	400,000	200,000	200,000	Through implementing agency: Chiranthan Trust
5	Financial Literacy session	Education	Karnataka	68,346	68,346	68,346	Direct intervention
6	Eye check up camps	Health	Tamil Nadu Karnataka	5,800	5,800	5,800	Direct intervention
7	CSR Conference attended by CSR team	NA	Karnataka Bangalore	NA	2,910	2,910	Direct

BRIEF DESCRIPTION OF KEY PROJECTS:

1. Project Kamadhenu: Livestock Development Centre

Livestock is an integral component of India's agrarian economy. Livestock engages about 9% of the agricultural labour force who depend on livestock-rearing as a secondary income generation activity. In recent years, the growth both in livestock production and productivity has decelerated considerably owing to the lack of qualitative and timely cattle well-being services. As a result, farmers/cattle owners have been forced to stop the practice of cattle rearing or have sold their cattle at cheap rates. With an intention to help the farmer community, Samasta initiated the Livestock Development Program - Cattle Artificial

Insemination Centres in collaboration with BAIF NGO to provide doorstep cattle well-being services to encourage the community to continue with livestock rearing as a secondary source of income. LDC are mobile centres that provide cattle breeding services right at the doorsteps of the farmers. The LDC is an office cum residence of the Samasta field staff and is located close to the communities (within a radius of 10-15 km of the village), where they can easily avail the services. The first LDC was launched on March 2019 in Annedoddi village, Harohalli while the second LDC was inaugurated on April 2019 at H.Doddi village, Halagur Karnataka. During this year project has covered 1720 cattle.

Annexure – III to Directors' Report (Contd.)

2. Relief Activities:

With changing weather patterns and rising global temperatures, increasing number of extreme weather events have become the new norm, especially for tropical countries like India. The year 2019 has seen almost all parts of India suffer a wide range of natural disasters. From excruciating heat waves to record number of cyclones, extremely long dry phases to record-breaking amounts of rainfall, 2019 saw frequent extreme weather events across the country. While many such events caused varied amounts of loss to life and property, each disaster led to an irreplaceable loss of life and property, while severely affecting the lives of people who survived those disasters. As a responsible corporate citizen, Samasta extends relief services for community affected by natural disasters in the state of Odisha, Karnataka, Maharashtra, Tamil Nadu, Kerala and Madhya Pradesh and benefitted more than 11714 community people.

3. Project Paryavaran:

Samasta Microfinance initiated a Pan-India Tree Plantation Movement in collaboration with SankalpTaru Foundation by planting 950 saplings across 5 cities. With the motto "Paryavaran", Samasta Microfinance intends to rejuvenate the cities with strengthened groundwater levels, while mitigating their striking pollution. The campaign will certainly bring fruitful results in terms of creating carbon sink and spreading greenery across India.

4. Project Smile: Identifying and Referring children with cleft lip and palate for corrective surgery:

Samasta initiated "Project Smile" in collaboration with Chirantan Trust to identify and provide support to people who are born with cleft lip & Palate in getting the corrective surgery done. The surgery is performed free of cost with support from Smile Train. This specific project in Murshidabad district of West Bengal.

5. Financial Literacy Sessions for Rural women:

Samasta organised financial literacy programs for its customers in 5 locations in the districts of Hassan and Tumkur from December 13-19, 2019. The purpose of the program was to enable women to understand basic financial concepts and create awareness on the principles of the microfinance industry. Krishna

Alva, an independent trainer, led the training which covered topics like the difference between banks and microfinance institutions, source of funding for microfinance institutions, the importance of credit cycles and credit history, the importance of prompt repayments and why loan waivers are not included for microfinance companies.

6. Eye check up camps:

Samasta in partnership with ICICI Lombard, Ayangar, Agarwal, Rajan Eye care hospitals conducted 6 free check up camps at community level in the states of Karnataka and Tamil Nadu. A team of doctors from the hospitals facilitated the camps and examined eye ailments, where 269 people were provided free spectacles and 86 people were advised for further treatment.

5. 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 Samasta Microfinance Limited

Sd/-

Venkatesh N

Managing Director

DIN: 01018821

Date: May 11, 2020

Place: Bangalore

Annexure – IV

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:

The Financial Year 2018-19 displayed a great impetus to the growth of the Company with IIFL Finance Limited (IIFL) as its Holding Company. IIFL had acquired a substantial equity stake in the Company and made a further equity infusion of ₹ 150 crores during September, 2019 and March, 2020.

Business Growth: Our overall gross loan book including growth in managed assets grew by 49% and the GL book saw an increase of 27%

Customer Segment: Our main target customers are the economically backward women of the weaker sections of the society with a view to generate employment and empower them.

Branch Expansion: Having a foresight to grow the loan book as well as to cater to the people in various other states, 68 branches were added to our network. Currently, the Company has branches across 16 states including Karnataka, Tamil Nadu, Kerala, Goa, Maharashtra, Odisha, Bihar, Rajasthan, Gujarat, Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Jharkhand, Assam, West Bengal and Tripura. The branch count as on March 31, 2020, was 561 as compared to 493 as on March 31, 2019.

Credit Quality: The PAR was at 2.74% in March, 2020 as against 0.92% in March, 2019 on AUM.

The PAR was at 2.88% in March, 2020 as against 0.75% in March, 2019 on Loan Book.

Risk Management

Risk Management is one of the lines of defence which is established in SMFL as part to enhance existing Governance and internal control processes. The main function of the risk management department is to identify, monitor and mitigate various risks and provide advisory to Management.

The Risk Management function of SMFL has been divided into three verticals i.e Central Risk, Information Security and Vigilance function.

As part of the risk management structure, we also have a separate Credit Compliance Underwriting line function which is independent and verifies the transactions/ Operations in each Branches with adequate span of control.

The Chief Risk Officer (CRO) functionally reports to the Risk Management Committee of the Board (RMCB) and administratively (i.e. day to day operations) to the Managing Director. The Risk Management Committee of the Board is convened on a quarterly basis. The Department has placed Risk Management initiatives before the Board and the same is constantly reviewed. As part of the agenda following aspects are deliberated at RMCB level :

- (a) Risk Management Policies.
- (b) Review of various risks- State wise
- (c) Profiling of Credit Risk.
- (d) Profiling of Operational Risk.
- (e) Liquidity risk.
- (f) Information Security Assessment

In order to strengthen monitoring aspects, some of the notable steps adopted covering aspects related to Risk Management are as follows:

- a) As part of Business due diligence, we evaluate the Branch areas through analysis of CB report, law/order, delinquencies etc.
- b) Contact Point Verification (CPV) of the Customer visits by field staff and geo tagging is done on the centers/ Branches for identification and monitoring purpose.
- c) Restrict sourcing of loans from identified negative areas.
- d) New processes are tested and introduced which is approved by the Change Advisory Board (CAB) which meets the timely requirements of Business.

Annexure – IV (Contd.)

- e) Risk Assessment of Outsourced Service Providers are done on a half yearly basis.
- f) Information Security process is in place to address risk of customer data leakage.
- g) Based on the triggers/inputs from audit/ Business the Fraud Containment Unit (FCU) conducts surprise visits as part of the risk assessment process.
- h) Risk alerts are shared to the Business and Credit team for proactive management of risks.

In order to ensure proper growth and responsible scale up of Business, we have initiated the following important strategies:

- a) Caps for States -20% of the Gross Loan Portfolio which is the target upto March, 2020 and post which we endeavour to reducing the limit to 18% as part of our portfolio diversification process. In order to have concentration limit wise have been Gross loan portfolio limit is fixed for districts/ Branches.
- b) Realignment of existing processes are done before branch expansion.
- c) For reduction of NPA, the Company is following for overdue collection. (Conducting special meeting, door to door collection, conducting camp).
- d) The Company has been piloted cash lite model to reduce in issues related to cash management and for seamless collections.

Further, the Risk Management function is evaluated by external auditors and constant improvements are made to ensure effectiveness of the risk management systems in the Company.

Portfolio Diversification

Portfolio Diversification is one of the important pillars of risk management strategy of your company. Your Company has built a large branch network in rural India. Your Company believes it can leverage this network to distribute financial and non-financial products of other institutions to its Members at competitive rates. Its network also allows partners/ distributors to access a segment of the market, to which many do not otherwise have access. While your Company continues to focus on its core business of providing micro-credit services, it continues to diversify into other businesses by scaling up certain pilot projects involving secured lending, and will gradually convert them into separate business verticals. Its objective in these other businesses is to focus on lending that will allow it to maintain repayment rates, increase Member loyalty and also provide economic benefits to its Members and their families.

As part of the diversification strategy and fixing of risk limits, the Company have fixed 20% of the Asset Under Management (AUM) for state as limit which we endeavour to reduce this limit further. Based on this aspect, our client base has also been well diversified across various states and within those states, moving into rural areas which give us a good strength to leverage on the client base. Our focus on women borrowers continue. In order to optimise portfolio further, we have district and Branch limits which will help to monitor risks and render responsible finance.

Process Development:

In order to meet the growing business requirements and to stay competitive, your company has define new processes which have a proper approval mechanism internally. The processes development undergo various stages i.e. design, pilot, roll-out which helps to have an understanding in the feasibility The Company has embarked on a quest to have new Process development so as to meet the growing business requirements. Value added and non value added processes are identified and the same is realigned on an ongoing basis considering the dynamic business environments and to enhance customer experience. We as a company focus on customer engagement based on which we have embarked on various processes to reduce the Turnaround Time (TAT) so as to improve customer experience. Different areas have been identified and taken as projects which helps to add-in new processes and support business decisions.

Audit and Internal Controls

- Quarterly audits conducted across functional departments in Zonal/Regional offices
- Thematic audits conducted across the branches having more disbursements and increase in arrears
- Supported business team in their drive for bringing awareness and motivating the customers for collection in Karnataka and Assam branches
- Supported business team to screen the loan portfolio of the branch staff involved in misappropriation
- Findings in the field audit are captured in the tab and reports are published in the MAVRC portal within three days of audit completion
- Compliance submission from the branch supervisors through MAVRC portal
- Categorisation of the branches under various risk categories
- Introduction of Quality Assurance and Improvement Feedback programme on audit process from the branches

Annexure – IV (Contd.)

- Conducted survey among audit team members to understand their concerns
- Conducted survey among the branch supervisors to obtain their feedback about improvement in audit process
- Fortnightly online professional development trainings and evaluation sessions for field auditors
- Participation of audit team members in IIBF 'Certificate Examination in Microfinance'
- Quarterly Audit workshops conducted in all the Zonal office
- Quarterly Best performer awards distribution for the selected team members
- Participation from Head - Internal audit in IIA Annual India conference.
- Successfully implemented two Six sigma projects - (a) Audit compliance score > 80 (b) TAT for Branch audit compliance < 30 days

Operational Performance:

Particulars	No. of loans	Amount of loan disbursed (in ₹)
Own Book	11,07,519	30,12,19,88,301
Business Correspondent	21,289	67,04,89,223
Total	11,28,808	30,79,24,77,524

Financial Performance:

Particulars (₹)	FY 2019-20	FY 2018-19
Net Interest Income	3,97,24,98,414	2,15,19,69,289
Other Income	7,28,31,966	6,10,13,649
Total Income	4,04,53,30,380	2,21,29,82,938
Operating Expenses	2,01,58,12,235	1,24,77,04,673
Operating Profit	2,02,95,18,145	96,52,78,265
Provisions	59,51,99,232	24,09,72,198
Profit before Exceptional Items&Tax	1,43,43,18,913	72,43,06,067
Exceptional Items	3,10,21,709	-
Profit Before Tax	1,40,32,97,204	72,43,06,067
Taxes	33,02,61,881	19,22,14,388
Profit After Tax	1,07,30,35,323	53,20,91,679

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.

Information Security

In 2018, we introduced policies and procedures to tighten information security. We also conducted a gap analysis as per the ISMS framework and addressed issues that arose as a result of the study. Implementation of ISMS ensures customer data privacy and access to customer data is provided only to authorised employees of Samasta.

Human Resources

Samasta is a team of 5000 passionate people who are spread across 17 states and always strive to bring customer delight through its excellent customer service.

Human Resource Function has taken various new initiatives, made policy changes and automated HR processes in last fiscal year to provide superior employee experience and instil a culture of integrity, respect and service excellence. Samasta offers unique set benefits to employees ranging from its culture, career opportunities, work-life balance and overall compensation package.

We have streamlined and standardised our recruitment process pan India to hire job-fit & culturally fit candidates. Selected candidates goes through robust induction process which consists of blended approach of classroom and field training. At definite intervals we provide up-skilling programs to field staff to build their capabilities to serve & delight our customers.

Annexure – IV (Contd.)

New online performance review & feedback system has been launched to drive high performance culture and boost employee productivity in Samasta. Employees are also encouraged to speak up and provide feedback at various stages of employee life cycle. These feedback serves us as an input to improve our policies, processes and work environment.

We aspire to be a “Great Place to Work” and “Employer of Choice” by 2020 and also win several accolades in coming year for our best HR and L&D practices.

Few major HR initiatives taken so far include:

- >> HR process automation - Entire HR processes are being automated to streamline HR operations and provide superior experience to employees
- >> Advanced L & D to provide employees the opportunity to develop their skills and new competencies to advance in their career. Learning Management System that can deliver e-learning courses and provide on-the-go learning experience is also underway.
- >> Samasta Anubhav, employee feedback survey to understand the level of satisfaction of the employees
- >> HR Help Desk to address employee concerns while ensuring reduced time for issue resolution

>> Policy changes to ensure benefits at par with industry standards. Like new Internal career advancement policy (ICA) which will provide an accelerated growth opportunities to our employees.

>> 5 days work week for better work -life balance.

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.

Annexure – V

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[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 authorised representatives during the conduct of secretarial audit, hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
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 into 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.;

Annexure – V (Contd.)

- (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.

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, and 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. The Company has shifted its registered office from No.418, 1/2A,th Cross, 6th Main, Wilson Garden Bangalore-560027 to No.110/3,Lalbhadg Road, Krishnappa Layout, Bangalore-560027 i.e., within the local limits of the Bangalore city with effect from 27th May 2019.

2. Rights issue made during the year:

Sl. No.	Issue Size	Date of Allotment	Nature of Security
1	29,708,853	September 30, 2019	Equity Shares
2	28,248,587	March 4, 2020	Equity Shares
3	28,248,587	March 24, 2020	Equity Shares

3. The Authorised Share Capital of the Company was increased from ₹ 180,50,00,000 (Rupees One Hundred Eighty Crore Fifty Lakh Only) divided into 17,85,00,000 (Seventeen Crore Eighty-Five Lakh Only) Equity

shares of ₹ 10 each (Rupees Ten only) aggregating to ₹ 178,50,00,000 (Rupees One Hundred Seventy-Eight Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) 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 Only) 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 Only) 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 ₹ 215,50,00,000 (Rupees Two Hundred Fifteen Crore Fifty Lakhs Only) divided into 21,35,00,000 (Twenty Crore Eighty-Five Lakh Only) Equity shares of ₹ 10 (Rupees Ten only) each aggregating to ₹ 213,50,00,000 (Rupees Two Hundred Thirteen Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) 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 Only) 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 Only) 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 23rd September 2019.

4. Further the Authorised Share Capital of the Company was increased from ₹ 215,50,00,000 (Rupees Two Hundred Fifteen Crore Fifty Lakhs Only) divided into 21,35,00,000 (Twenty Crore Eighty-Five Lakh Only) Equity shares of ₹ 10 (Rupees Ten only) each aggregating to ₹ 213,50,00,000 (Rupees Two Hundred Thirteen Crore Fifty Lakh Only), and 20,00,000 (Twenty Lakh Only) 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 Only) 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 Only) 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 ₹ 300,00,00,000 (Rupees Three Hundred Crores Only) divided into 29,80,00,000 (Twenty-Nine Crore Eighty

Annexure – V (Contd.)

Lakh Only) 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 Only) 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 Only) 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 Only) 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 January 24, 2020

- The subscribed and paid up capital of the Company has increased from ₹ 1,78,03,91,130 to 2,359,965,530 by way of rights issue of 86,206,027 Equity shares issued to India Infoline Finance Limited during the reporting period.

Lakshmeenarayan Bhat

Sd/-

Practicing Company Secretary

ACS No: 35993

CP No. 15003

Date: May 11, 2020

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 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.

- 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.*
- 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.*
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.*
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*

- 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.*
- 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.*
- We have prepared the Secretarial Audit Report on the draft Financials, therefore we are not able to comment on the Related Party Transactions, Loans and advances which we have to rely on the Audited Financials.*

Lakshmeenarayan Bhat

Sd/-

Practicing Company Secretary

ACS No: 35993

CP No. 15003

Date: May 11, 2020

Place: Bengaluru

Independent Auditor's Report

To the Members of Samasta Micro Finance Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the standalone financial statements of Samasta Micro Finance Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2020, the Statement of Profit and Loss(including Other Comprehensive Income), standalone Statement of changes in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the stand-alone 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 standalone 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, 2020, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit Matter	Principal Audit Procedures
Expected Credit Loss: Due to a pandemic like the present COVID 19 situation and due to its impact on the operations of the borrowers, Company has extended moratorium on repayments of its loans 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. 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 was significant to our audit.	Our audit procedures include among others examination of Management estimation of significant increase in credit risk that arise pursuant to COVID-19and consequential lockdown of operations, its impact on the inflow of the borrower and determination of ECL provision, thereon. In the judgement of Management, considering the collections done under this ex-ordinary situation, the Probability of Default (PD) in some of stages has been enhanced, though it does not expect big increase in the credit risk. Accordingly, we found that the process assessment was done and adequate provision for loss is made in the financial statements.

Independent Auditor's Report (Contd.)

Information Other than the Standalone 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, Directors' Report to the Shareholders including Annexures to Board's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report to the Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Stand-alone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the stand-alone 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 standalone 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 standalone 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 in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Contd.)

- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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 stand-alone 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone 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 stand-alone 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 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Independent Auditor's Report (Contd.)

- (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:
- i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements the standalone 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 Regd. No.109208W
UDIN-20023116AAAAGY1056

Sd/-
S Venkataraman
Partner
M. No.023116

Place: Chennai
Date: 11th May 2020

Annexure A to Independent Auditor's Report - 31 March 2020 (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 it has not fallen due as of the year end.
- 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 Service 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 Service Tax, and Cess were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company, there are no dues of Income-Tax, Sales Tax, Service Tax, Goods and Service 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, except in the case of loans taken from three banks and a financial institution, where the Company has not repaid principal of ₹ 28,888,889/- and not paid interest of ₹ 2,038,356/-, pursuant to the Company obtaining moratorium on account of Lockdown due to COVID 19 from the concerned Banks. 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 127 cases of frauds in the nature of 'fraudulent encashment / manipulation

Annexure A to Independent Auditor's Report - 31 March 2020 (Contd.)

- of books of accounts' amounting to Rs. 46,07,922/-, on the Company have been noticed or reported during the year. Out of the above, Rs.19,24,857/- is recovered during the FY 19-20.
- (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 Regd. No.109208W
UDIN-20023116AAAAGY1056

Sd/-
S Venkataraman
Partner
M. No.023116

Place: Chennai
Date: 11th May 2020

Annexure B to Independent Auditor's Report - 31 March 2020 (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")

- We have audited the internal financial controls over financial reporting of Samasta Micro Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

- 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

- 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

Annexure B to Independent Auditor's Report - 31 March 2020 (Contd.)

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.

- 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.
- 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

- 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

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

Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
ICAI Regd. No.109208W
UDIN-20023116AAAAGY1056

Sd/-
S Venkataraman
Partner
M. No.023116

Place: Chennai
Date: 11th May 2020

Standalone Balance Sheet

As at March 31, 2020

(Amount in ₹)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	4	2,009,095,484	556,147,044
(b) Bank Balance other than (a) above	4	799,608,628	403,380,266
(c) Derivative financial instruments	5	21,278,203	55,422,749
(d) Receivables			
(i) Trade Receivables	6	18,539,576	36,193,926
(ii) Other Receivables			-
(e) Loans	7	22,873,882,351	17,897,984,127
(f) Investments	8	500,000	11,221,636
(g) Other Financial assets	9	648,483,533	159,928,094
2 Non-Financial Assets			
(a) Other non-financial assets	10	10,466,860	3,610,243
(b) Current tax assets (Net)		41,893,595	26,235,122
(c) Deferred tax Assets (Net)	11	64,777,568	50,540,369
(d) Investment Property	12	558,196	584,875
(e) Property, Plant and Equipment	13	80,784,708	95,238,333
(f) Right to Use	13	46,345,783	-
(g) Capital work-in-progress	14	-	7,553,750
(h) Other Intangible assets	15	3,185,494	4,969,146
Total Assets		26,619,399,979	19,309,009,680
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	5	21,278,203	55,422,749
(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	35,307,295	111,288,157
(c) Debt Securities	17	4,521,254,170	5,556,262,246
(d) Borrowings (Other than Debt Securities)	18	13,895,464,874	9,040,773,401
(e) Subordinated Liabilities	19	992,553,593	989,020,737
(f) Lease Liability	20	46,730,787	-
(g) Other financial liabilities	21	1,953,853,145	847,030,102
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	22	37,061,793	18,232,890
(c) Other non-financial liabilities	23	24,342,225	25,196,898
3 Equity			
(a) Equity Share capital	24	2,642,451,400	1,780,391,130
(b) Other Equity	25	2,449,102,494	885,391,370
Total Liabilities and Equity		26,619,399,979	19,309,009,680
Significant Accounting Policies and note on IND AS	1-3		

As per our attached report of even date
For V Sankar Aiyar & Co
Chartered Accountants
Firm No. 109208W

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

Sd/-

S Venkataraman

Partner
M. No. 023116

Place: Bangalore
Date: May 11, 2020

N. Venkatesh

Managing Director
DIN : 01018821

Anantha Kumar T
Chief Financial Officer

D. Shivaprakash

Whole-Time Director
DIN : 02216802

Shreyas Dwaraki
Company Secretary

Statement Of Profit And Loss

For the year ended March 31, 2020

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from operations			
Interest Income	26	5,101,873,458	2,974,198,674
Fees and commission Income	27	192,356,728	256,519,084
Net gain on derecognition of financial instruments under amortised cost category	28	454,016,216	105,804,143
Total Revenue from operations		5,748,246,402	3,336,521,901
Other Income	29	72,831,966	61,013,649
Total Income		5,821,078,368	3,397,535,550
Expenses			
Finance Costs	30	1,775,747,988	1,184,552,612
Net loss on derecognition of financial instruments under amortised cost category	31	129,086,077	80,816,680
Impairment on financial instruments	32	466,113,155	160,155,517
Employee Benefits Expenses	33	1,357,220,037	849,471,292
Depreciation, amortization and impairment		73,482,548	54,659,854
Others expenses	34	585,109,650	343,573,526
Total Expenses		4,386,759,455	2,673,229,482
Profit before exceptional items and tax		1,434,318,913	724,306,068
Exceptional items (Refer Note No 48)		31,021,709	-
Profit before tax		1,403,297,204	724,306,068
Tax Expense:			
Current Tax		336,154,696	199,282,744
Tax related to Earlier Years		1,116,300	-
Deferred Tax		(13,868,165)	(7,068,355)
Total Tax Expense		323,402,831	192,214,388
Profit Before impact of rate Change on Opening Deferred Tax		1,079,894,374	532,091,679
Impact of Change in the tax rate on Opening deferred tax		6,859,050	-
Profit for the period		1,073,035,324	532,091,679
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		(6,695,982)	(6,148,967)
(a) Remeasurement of defined benefit liabilities/(assets)			
(ii) Income tax relating to items that will not be reclassified to profit or loss		1,685,245	1,790,579
Subtotal (A)		(5,010,737)	(4,358,388)
(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		(5,010,737)	(4,358,388)
Total Comprehensive Income for the period (Comprising Profit and other Comprehensive Income for the period)		1,068,024,587	527,733,291
Earnings per equity share			
Basic (₹)		5.47	3.86
Diluted (₹)		5.47	3.86

As per our attached report of even date

For V Sankar Aiyar & Co
Chartered Accountants
Firm No. 109208W

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

Sd/-

S Venkataraman
Partner
M. No. 023116

N. Venkatesh
Managing Director
DIN : 01018821

D. Shivaprakash
Whole-Time Director
DIN : 02216802

Place: Bangalore
Date: May 11, 2020

Anantha Kumar T
Chief Financial Officer

Shreyas Dwaraki
Company Secretary

Cash Flow Statement

For the year ended March 31, 2020

(Amount in ₹)

SR. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
1	Cash flows from operating activities		
	Net profit before taxation, and extraordinary item	1,403,297,204	724,306,068
	Adjustments for		
	Depreciation	73,482,548	54,659,854
	Net (gain) / loss on derecognition of financial instruments under amortised cost category	(451,587,630)	(104,687,036)
	Interest income	(62,144,496)	(25,606,242)
	Short Term Capital Gain	(67,422,753)	(58,631,721)
	Gratuity and Leave Salary	13,818,165	9,999,902
	Dividend income	(150,553)	(921,636)
	Interest expense		
	Provisions for Standard and Non Performing Assets	466,113,155	160,155,517
	Bad Debts Written Off	129,086,078	80,816,680
	Operating profit before working capital changes	1,504,491,718	840,091,386
	Increase in Trade Receivables	17,654,350	1,722,363
	(Increase) / Decrease in loans	(5,571,097,456)	(11,434,064,729)
	(Increase) / Decrease in Other Assets	(49,026,568)	(87,230,330)
	(Increase) / Decrease in Loans & Advances	(26,565,698)	(12,484,069)
	Increase / (Decrease) in Long term Liabilities	1,103,144,922	932,186,594
	Increase / (Decrease) in Other liabilities	-	(18,112,773)
	Increase / (Decrease) in trade payables	(75,980,862)	87,243,880
	Changes in Working Capital	(4,601,871,312)	(10,530,739,063)
	Cash generated from operations	(3,097,379,594)	(9,690,647,677)
	Income taxes paid	(321,659,136)	(236,894,675)
	Net cash from operating activities	(3,419,038,730)	(9,927,542,352)
2	Cash flows from investing activities		
	Purchase of fixed assets	(51,471,776)	(117,610,952)
	Proceeds from sale of equipment	7,716,481	34,289
	Purchase of Investments	(32,951,173,688)	(19,312,558,628)
	(Increase)/Decrease in fixed deposit (lien marked)	(1,649,621,821)	39,843,335
	(Increase)/Decrease in Other Deposit	(396,228,362)	(144,901,376)
	Sale of Investments	33,029,318,077	19,371,190,349
	Interest received	48,808,155	17,606,659
	Dividends received	150,553	416,998
	Net cash from investing activities	(1,962,502,381)	(145,979,326)
3	Cash flows from financing activities		
	Proceeds from issuance of share capital	1,499,999,976	1,000,000,000
	Proceeds from long-term borrowings	15,472,716,194	17,525,049,980
	Repayment of long-term borrowings	(11,639,083,748)	(8,149,718,702)
	Dividends paid	(142,253,170)	-
	Net cash used in financing activities	5,191,379,252	10,375,331,278
4	Net increase in cash and cash equivalents	(190,161,859)	301,809,600
5	Cash and cash equivalents at beginning of period	431,613,149	129,803,549
6	Cash and cash equivalents at end of period	241,451,290	431,613,149

As per our attached report of even date

For V Sankar Aiyar & Co

Chartered Accountants

Firm No. 109208W

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

Sd/-

S Venkataraman

Partner

M. No. 023116

Place: Bangalore

Date: May 11, 2020

N. Venkatesh

Managing Director

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Anantha Kumar T

Chief Financial Officer

D. Shivaprakash

Whole-Time Director

DIN : 02216802

Shreyas Dwaraki

Company Secretary

Notes forming part of Financial Statements

For the year ended March 31, 2020

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 05-09-2013. The Company is categorised as systematically important non banking Finance (non - deposit accepting or holding) Company-Micro Finance Institution (NBFC MFI) under Section - of RBI Act 1934. The Company is primarily engaged in providing micro finance services to women who are enrolled as members and organized as Joint Liability Company ('JLG'). 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 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] and other relevant provisions of the Act. The had followed statutory requirements, circulars and guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC), time to time. The company has prepared financial statements which comply with Ind AS for the period ended March 31, 2020, together with the comparative period date as at and for the year ended March 31, 2019.

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 recognized 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 SPPI (to expand) on the principal amount outstanding.
- ii) Derecognition of financial assets and securitization.
- 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 recognized 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

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

assumed, the difference is recorded as a gain in other 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 off. 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 recognized 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 or 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 amortization 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 16'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 amortized on a Straight Line basis over the estimated useful economic life and is recognized 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

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

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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 derecognized (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 recognized in the Statement of Profit and Loss when the item is derecognized.

f) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization 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 amortization 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 recognized 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 recognized in the Statement of Profit and Loss and included in depreciation and amortization 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 recognized.

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

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

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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 amortized 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 amortized cost

A financial asset is measured at the amortized 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 amortized 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 recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized 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 amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized 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 derecognized (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 recognize such financial asset to the extent of its continuing

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

involvement in the financial asset. In that case, the company also recognizes 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 recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognizes loss allowance for Expected Credit Loss "ECL" on the following financials 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	
Stage 3	More than 90 Days Past Due	Life time ECL	Equivalent to NPA assets as per RBI

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 enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Financial Liabilities

Initial recognition and measurement:

The company recognizes 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 categorized as follows (i) recognized at amortised costs (ii) recognized at fair value through profit and loss (FVTPL) (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Subsequent measurement:

- (i) All financial liabilities of the company categorized as at amortized cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the company categorized 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 derecognized 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 categorized within the fair value hierarchy that categorizes 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 recognized 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 categorization 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 (INR) 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 profit or loss.

l) Securitization 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, 2020 (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 recognized 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 recognized as the performance obligation is performed. There is no significant financing component the consideration.

iii) Other Income:

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

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization / 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 on 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 or 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.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized 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 recognized amounts and where it intends either to settle on a net basis, or to realize 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 recognizes 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 recognized 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 recognized 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.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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 is recognized 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 profit or 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 has only one reportable business segment which is Micro Finance.

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 1, 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 profit or 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. In the comparative period, all leases were under short term lease.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 4. CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents		
Cash on hand	5,524,019	5,358,056
Balance with Banks	336,071,465	532,910,809
-In current accounts		
In Deposit Accounts (Less than three months)	1,667,500,000	17,878,179
Cash and Cash Equivalents	2,009,095,484	556,147,044

Out of the Fixed Deposits shown above:

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Lien Marked	17,500,000	7,179,754
Margin for Credit Enhancement	1,650,000,000	10,698,425
Other deposits	-	-
Total	1,667,500,000	17,878,179

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Bank Balances		
In Deposit Account (Maturity more than 3 months to 12 months)	394,895,469	185,750,001
In Deposit account (Maturity more than 12 months)	404,713,159	217,630,265
Total	799,608,628	403,380,266

Out of the Fixed Deposits shown above:

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Lien Marked	799,608,628	400,139,000
Other deposits	-	3,241,266
Total	799,608,628	403,380,266

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents (As per Ind AS 7 Cash flow statement)		
Cash on hand	5,524,019	5,358,056
Balance with Banks	336,071,465	532,910,809
-In current accounts		
	341,595,484	538,268,865
Less: Cash Credit/Overdraft facilities (Refer Note no 18)	100,144,194	106,655,716
Cash and cash equivalents (As per Ind AS-7 Cash flow statement) (A)	241,451,290	431,613,149

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 5. DERIVATE FINANCIAL INSTRUMENTS

(Amount in ₹)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Nominal Amount	Fair Value - Assets	Fair Value - Liabilities	Nominal Amount	Fair Value - Assets	Fair Value - Liabilities
Interest Rate Derivatives						
Options Purchased *	55,620,000	21,278,203	21,278,203	55,620,000	55,422,749	55,422,749
Total	55,620,000	21,278,203	21,278,203	55,620,000	55,422,749	55,422,749

* Options invested are tied up to Secured Non Convertible Debentures of ₹ 1,230,248 and Secured Non Convertible Debentures of ₹ 20,047,955 made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

NOTE 6. RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Receivables considered good - Unsecured	18,539,576	36,193,926
Total - Gross	18,539,576	36,193,926
Less: Impairment loss allowance	-	-
Total - Net	18,539,576	36,193,926

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, 2020		As at March 31, 2019	
	Amortised cost	Total	Amortised cost	Total
Loans				
(A)				
Term Loans	23,075,257,766	23,075,257,766	18,163,841,062	18,163,841,062
Inter Corporate Deposit to Holding Company	500,000,000	500,000,000	-	-
Total (A) -Gross	23,575,257,766	23,575,257,766	18,163,841,062	18,163,841,062
Less: Impairment loss allowance	(701,375,414)	(701,375,414)	(265,856,934)	(265,856,934)
Total (A) - Net	22,873,882,351	22,873,882,351	17,897,984,127	17,897,984,127
(B)				
(i) Secured by tangible assets	214,235,673	214,235,673	36,463,424	36,463,424
(ii) Unsecured	23,361,022,093	23,361,022,093	18,127,377,638	18,127,377,638
Total (B)-Gross	23,575,257,766	23,575,257,766	18,163,841,062	18,163,841,062
Less: Impairment loss allowance	(701,375,414)	(701,375,414)	(265,856,934)	(265,856,934)
Total (B)-Net	22,873,882,351	22,873,882,351	17,897,984,127	17,897,984,127
(C)				
(I) Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others				
Joint Liability Group	22,861,022,093	22,861,022,093	18,127,377,638	18,127,377,638
Loan Against Property	214,235,673	214,235,673	36,463,424	36,463,424
Inter Corporate Deposit to Holding Company	500,000,000	500,000,000	-	-
Less: Impairment loss allowance	(701,375,414)	(701,375,414)	(265,856,934)	(265,856,934)
Total(C) (I)-Net	22,873,882,351	22,873,882,351	17,897,984,127	17,897,984,127
(II) Loans outside India	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)- Net	-	-	-	-
Total C(I) and C(II)	22,873,882,351	22,873,882,351	17,897,984,127	17,897,984,127

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 8. INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2020			As at March 31, 2019		
	At Fair Value through profit or loss	Others *	Total	At Fair Value through profit or loss	Others *	Total
(A)						
Mutual funds	-	-	-	10,721,636	-	10,721,636
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	10,721,636	500,000	11,221,636
i) Investments outside India		-	-	-	-	-
ii) Investments in India	-	500,000	500,000	10,721,636	500,000	11,221,636
Total (B)	-	500,000	500,000	10,721,636	500,000	11,221,636
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-
Total- Net (D) = A-C	-	500,000	500,000	10,721,636	500,000	11,221,636

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

NOTE 9. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Accrued interest on Fixed Deposits	35,431,033	22,094,691
Staff Loans	273,515	28,617
Security Deposits	39,200,492	30,814,321
Interest Strip Asset on Assignment	558,363,585	106,775,955
Other receivables		
Insurance Claim Receivable	67,832,929	214,510
Less: Impairment loss allowance towards Insurance Claim Receivable	(52,618,021)	-
Total	648,483,533	159,928,094

NOTE 10. OTHER NON FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	8,885,019	1,952,957
Vendor Advances	1,581,841	1,657,285
Total	10,466,860	3,610,243

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 11. DEFERRED TAXES

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:						
Unabsorbed depreciation	-	-	-	-	-	-
Business loss carry forwards	-	-	-	-	-	-
Expenses deductible in future years:						
- 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	-	-	-
Compensated absences and retirement benefits	5,309,418	1,612,486	720,564	-	1,685,245	9,327,712
Unamortized Processing Fees Income	40,450,298	971,974	5,489,683	-	-	46,911,956
Lease Liability	-	11,761,204	-	-	-	11,761,204
Total deferred tax assets	111,648,464	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)
Unabsorbed depreciation	-	-	-	-	-	-
Unrealised profit on investments	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Compensated absences and retirement benefits	-	-	-	-	-	-
Undistributed earnings in joint operations	-	-	-	-	-	-
Prepaid expenses Claimed	-	(10,428,857)	(4,865,302)	-	-	(15,294,160)
Unamortized 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)
Derivative financial instruments	-	-	-	-	-	-
Income on Security Deposit	-	(53,655)	-	-	-	(53,655)
Total deferred tax liabilities	(61,108,094)	(103,576,762)	(8,293,241)	-	-	(172,978,098)
Deferred tax assets	50,540,369	150,066	6,859,050	5,542,836	1,685,245	64,777,568

*During the Current FY the company has purchased Micro Finance Portfolio held by the Holding company on slum sale basis for a Consideration of ₹ 172.35 Cr. The Holding company has transferred the all assets including Deferred Tax Asset of ₹ 5,542,836/- and Liability related to the Portfolio. The Company has recognised the same as Deferred Tax Asset in the books of Accounts.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2019 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:						
Unabsorbed depreciation	-	-	-	-	-	-
Business loss carry forwards	-	-	-	-	-	-
Expenses deductible in future years:						
- provisions, allowances for doubtful receivables	28,024,716	35,142,889	-	-	-	63,167,604
Over Due Interest	470,318	2,250,825	-	-	-	2,721,143
Compensated absences and retirement benefits	1,117,435	2,401,404	-	-	1,790,579	5,309,418
Unamortized Processing Fees Income	16,318,831	24,131,467	-	-	-	40,450,298
Unrealised profit on investments	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred tax assets	45,931,300	63,926,585	-	-	1,790,579	111,648,464
Deferred tax liabilities:						
Property, plant and equipment	(77,412)	4,578,074	-	-	-	4,500,662
Unabsorbed depreciation	-	-	-	-	-	-
Unrealised profit on investments	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Compensated absences and retirement benefits	-	-	-	-	-	-
Undistributed earnings in joint operations	-	-	-	-	-	-
Unamortized Processing Fees Expense	(3,570,008)	(30,945,590)	-	-	-	(34,515,598)
Interest Strip Assets	(602,444)	(30,490,714)	-	-	-	(31,093,158)
Derivative financial instruments	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total deferred tax liabilities	(4,249,864)	(56,858,230)	-	-	-	(61,108,094)
Deferred tax assets	41,681,436	7,068,355	-	-	1,790,579	50,540,369

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 12. INVESTMENT PROPERTY

(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
Deductions/Adjustments during the year	-	-	-
Up To March 31, 2020	-	49,255	49,255
Net Block As At March 31, 2020	114,905	443,291	558,196

(Amount in ₹)

Particulars	Land	Building	Total
Cost or Valuation as at April 1, 2018	-	-	-
Additions	114,905	492,545	607,450
Deductions /Adjustments during the year	-	-	-
As at March 31, 2019	114,905	492,545	607,450
Depreciation			
As at April 1, 2018	-	-	-
Depreciation For the year	-	22,575	22,575
Up to March 31, 2019	-	22,575	22,575
Net Block as at March 31, 2019	114,905	469,970	584,875

- i) There are no direct expenses incurred towards above investment property.
- ii) The investment property is given as security against non - convertible debentures issued to NBFC.
- iii) There are no contractual obligation existed as on March 31, 2020 in connection to purchase, construct or develop investment property.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 13. PROPERTY PLANT AND EQUIPMENT

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Right to Use*	Total
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

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Air Conditioner	Computers	Vehicles	Right to Use*	Total
Cost as at April 1, 2018	12,219,552	13,168,261	6,130	65,016	27,319,057	3,980,923	-	56,758,939
Additions	22,631,755	4,957,050	6,999,858	343,158	68,903,173	134,930	-	103,969,924
Deductions/Adjustments	(200)	(300)			(24,831)	(55,560)		(80,891)
As at March 31, 2019	34,851,106	18,125,011	7,005,988	408,174	96,197,399	4,060,293	-	160,647,972
Depreciation								-
As at April 1, 2018	1,089,905	1,906,646	406	1,104	8,677,394	579,214	-	12,254,669
Depreciation for the year	20,663,898	6,391,128	1,861,234	68,268	22,536,108	1,680,936	-	53,201,571
Deductions/Adjustments	(7)	(20)	-	-	(6,074)	(40,501)	-	(46,602)
Up to March 31, 2019	21,753,795	8,297,754	1,861,640	69,373	31,207,428	2,219,649	-	65,409,639
Net Block as at March 31, 2019	13,097,311	9,827,257	5,144,348	338,801	64,989,972	1,840,644	-	95,238,333

* Right to use represent Lease asset

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 14. CAPITAL WORK IN PROGRESS

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	7,553,750	-
Addition during the year	-	7,553,750
Capitalised during the year	(7,553,750)	-
Closing Balance	-	7,553,750

NOTE 15. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(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

(Amount in ₹)

Particulars	Software
Cost as at April 1, 2018	1,740,551
Additions	5,479,828
Deductions /Adjustments during the year	-
As at March 31, 2019	7,220,379
Depreciation	
As at April 1, 2018	815,525
Depreciation For the year	1,435,708
Reclassification	-
Deductions/Adjustments during the year	-
Up to March 31, 2019	2,251,233
Net Block as at March 31, 2019	4,969,146

NOTE 16. TRADE PAYABLE

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
(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	35,307,295	111,288,157
Total	35,307,295	111,288,157

*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, 2020 (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:

(Amount in ₹)

Particulars		As at	
		March 31, 2020	March 31, 2019
(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

(Amount in ₹)

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	At Amortised Cost	Total	At Amortised Cost	Total
Secured NCD	4,583,333,331	4,583,333,331	4,898,679,423	4,898,679,423
Less : Derivative Financial Liability	(12,495,000)	(12,495,000)	(11,174,424)	(11,174,424)
Less : Unamortised Debenture Issue Expenses	(49,584,161)	(49,584,161)	(77,929,463)	(77,929,463)
	4,521,254,170	4,521,254,170	4,809,575,536	4,809,575,536
Commercial Paper	-	-	750,000,000	750,000,000
Less : Unexpired Discount on CP	-	-	(3,313,290)	(3,313,290)
	-	-	746,686,710	746,686,710
Total	4,521,254,170	4,521,254,170	5,556,262,246	5,556,262,246
Debt Securities in India	4,521,254,170	4,521,254,170	5,556,262,246	5,556,262,246
Debt Securities outside India	-	-	-	-
Total	4,521,254,170	4,521,254,170	5,556,262,246	5,556,262,246

- (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 Rs 14,00,00,000 which carries call option effective from 13-07-2018

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

17.1 Debt securities

Particulars	March 31, 2020	March 31, 2019	Date of borrowing	Repayment start date	Maturity date	Terms of repayment	Security Offered
SMFL-SEC NCD -30/06/16	50,000,000	50,000,000	30-06-2016	29-06-2022	29-06-2022	Rate of Interest - 15.25% , principal repayable on maturity.	Hypothecation of book debts
SMFL-SEC NCD -13/07/18	140,000,000	138,679,423	13-07-2018	14-03-2022	14-03-2022	Rate of Interest - 8.73% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -13/07/18	1,110,000,000	1,110,000,000	13-07-2018	19-10-2021	19-10-2021	Rate of Interest - 9.96% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -19/06/2018	1,000,000,000	1,000,000,000	19-06-2018	19-10-2021	19-10-2021	Rate of Interest - 9.75% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -03/07/2018	500,000,000	500,000,000	03-07-2018	19-10-2021	19-10-2021	Rate of Interest - 9.87% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -10/07/2018	250,000,000	250,000,000	10-07-2018	19-10-2021	19-10-2021	Rate of Interest - 9.93% p.a. calculated on a XIRR basis, principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -21/02/16	-	-	21-02-2016	21-03-2016	21-02-2018	Rate of Interest - 12.78% p.a. principal repayable in 24 monthly instalments of Rs 41,66,667	Hypothecation of book debts
SMFL-SEC NCD -27/05/16	-	-	27-06-2016	29-07-2016	29-06-2018	Rate of Interest - 12.51% p.a. principal repayable in 24 monthly instalments of Rs 41,66,667	Hypothecation of book debts
SMFL-SEC NCD -28/09/17	33,333,330	100,000,000	28-09-2017	28-12-2017	28-09-2020	Rate of Interest - 11.08% p.a. calculated on a XIRR basis, principal repayable in 12 Quarterly instalments of Rs 1,66,66,667	Hypothecation of book debts
SMFL-SEC NCD -07/03/17	-	-	07-03-2017	07-03-2017	07-03-2019	Rate of Interest - 11.40% loan repayable in 24 monthly instalments of RS 62,50,000	Hypothecation of book debts
SMFL-SEC NCD -24/05/18	1,500,000,000	1,500,000,000	24-05-2018	22-05-2020	22-05-2020	Rate of Interest - 10.80% p.a. , principal repayable on maturity.	Hypothecation of book debts ,Immovable property
SMFL-SEC NCD -21/08/18	-	250,000,000	21-08-2018	20-04-2020	20-04-2020	Rate of Interest - 10.05% p.a. principal repayable on maturity.	Hypothecation of book debts ,Immovable property
Total	4,583,333,330	4,898,679,423					

Commercial Paper

Particulars	March 31, 2020	March 31, 2019	Date of borrowing	Repayment start date	Maturity date	Terms of repayment	Security Offered
CP- Issue SMFL 7	-	250,000,000	12-04-2018	11-04-2019	11-04-2019	Discount rate of 9.09% p.a principal repayable on maturity.	Unsecured
CP- Issue SMFL 8	-	500,000,000	24-04-2018	23-04-2019	23-04-2019	Discount rate of 8.93% p.a principal repayable on maturity.	Unsecured
Total	-	750,000,000					

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 18. BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2020		As at March 31, 2019	
	At Amortised Cost	Total	At Amortised Cost	Total
(a) Term loans				
- (i) from banks	10,506,128,703	10,506,128,703	7,575,993,506	7,575,993,506
- (ii) from other parties	3,216,691,853	3,216,691,853	751,138,483	751,138,483
Unamortised Processing Fee	(63,127,953)	(63,127,953)	(24,264,970)	(24,264,970)
	13,659,692,603	13,659,692,603	8,302,867,018	8,302,867,018
(b) Other loans (specify nature)				
Cash Credit / Overdraft Facilities	100,144,194	100,144,194	106,655,716	106,655,716
Inter - Corporate Deposit	-	-	16,799	16,799
Securitisation	135,628,077	135,628,077	631,233,868	631,233,868
Total	13,895,464,874	13,895,464,874	9,040,773,401	9,040,773,401
Borrowings in India	13,895,464,874	13,895,464,874	9,040,773,401	9,040,773,401
Borrowings outside India	-	-	-	-
Total	13,895,464,874	13,895,464,874	9,040,773,401	9,040,773,401

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

18.1 Loan from Banks

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
Axis Bank Limited	214,285,716	500,000,000	29-11-2018	29-05-2019	31-01-2020	Rate of Interest 3M MCLR+2.05%+loan repayable in 7 Quarterly instalments of Rs 7,14,28,571	Hypothecation of book debts and cash collateral
Axis Bank Limited	218,750,000	-	24-10-2019	24-01-2020	24-10-2021	Rate of Interest 3M MCLR+2.55% +loan repayable in 8 Quarterly instalments of Rs 3,12,50,000	Hypothecation of book debts and cash collateral
Axis Bank Limited	250,000,000	-	11-03-2020	11-06-2020	11-03-2022	Rate of Interest 3M MCLR+2.65% loan repayable in 8 Quarterly instalments of Rs 3,12,50,000	Hypothecation of book debts and cash collateral
Bandhan Bank Limited	1,000,000,000	-	28-02-2020	28-08-2020	28-02-2022	Rate of Interest 11.30% +loan repayable in 7 Quarterly instalments of Rs 14,28,57,143	Hypothecation of book debts
Bandhan Bank Limited	714,285,714	1,000,000,000	20-03-2019	01-10-2019	18-03-2021	Rate of Interest 11.40%, loan repayable in 7 Quarterly instalments of Rs 14,28,57,143	Hypothecation of book debts and cash collateral
Bank of Baroda	166,000,000	349,700,000	30-03-2018	30-07-2018	30-12-2020	Rate of interest 1.45 above 1Y MCLR+0.75%,loan repayable in 30 monthly instalments for BOB of Rs 1,67,00,000 & last instalment of Rs 1,57,00,0000	Hypothecation of book debts and cash collateral
Bank of Maharashtra	1,072,000	13,339,400	18-03-2016	31-07-2016	31-03-2020	Rate of Interest - Base rate + 4.50% loan repayable in 44 monthly instalments of Rs 11,12,000 & last instalment of Rs 10,72,000	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.
Bank of Maharashtra	49,217,000	74,992,000	28-03-2018	30-04-2018	31-03-2022	Rate of interest 1Y MCLR+0.25%+0.95%,loan repayable in 47 monthly instalments of Rs 20,84,000 & last instalment of Rs 20,52,000	Hypothecation of book debts and cash collateral
Dena Bank	4,643,758	22,825,570	18-04-2017	31-10-2017	30-06-2020	Rate of Interest 1Y MCLR+2.30%,loan repayable in 33 monthly instalments of Rs 15,15,152	Hypothecation of book debts and cash collateral
Dhanlaxhmi Bank Ltd.	300,000,000	-	21-03-2020	21-06-2020	21-02-2023	Rate of Interest 1Y MCLR+1.30%,loan repayable in 32 monthly instalments of Rs 93,75,000	Hypothecation of book debts and cash collateral
HDFC Bank Limited	31,250,000	406,250,000	25-10-2018	25-01-2019	25-04-2020	Rate of Interest 9.70%,loan repayable in 16 monthly instalments of Rs 3,12,50,000	Hypothecation of book debts.
HDFC Bank Limited	218,470	458,550	01-07-2017	07-07-2017	07-01-2021	Rate of Interest - 9.65% loan repayable in 43 equal monthly instalments of Rs 22,825	Hypothecation of book debts and cash collateral
HDFC Bank Limited	44,174	211,543	07-06-2017	07-07-2017	07-06-2020	Rate of Interest - 8.70% loan repayable in 36 equal monthly instalments of Rs 14,940	Hypothecation of book debts and cash collateral

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
ICICI Bank	1,000,000,000	-	29-02-2020	10-05-2020	10-03-2022	Rate of Interest 1Year MCLR+2.55%+loan repayable in 22 Monthly instalments of Rs 4,54,54,545.45	Hypothecation of book debts and cash collateral
IDFC First Bank Limited	687,500,000	1,437,500,000	26-02-2019	31-03-2019	28-02-2021	Rate of interest 11.50%, loan repayable in 24 monthly instalments of Rs 6,25,00,000	Hypothecation of book debts.
Indian Bank	166,666,666	250,000,000	26-10-2018	01-04-2019	31-12-2021	Rate of interest 1Year MCLR+1.90%+loan repayable in 12 Quarterly instalments of Rs 2,08,33,333	Hypothecation of book debts and cash collateral
Indian Bank	166,666,666	250,000,000	28-12-2018	01-04-2019	28-02-2021	Rate of Interest 1Year MCLR+1.90%+loan repayable in 12 Quarterly instalments of Rs 2,08,33,333	Hypothecation of book debts and cash collateral
Indian Bank	500,000,000	-	18-12-2019	18-06-2020	18-03-2023	Rate of Interest 1Year MCLR+2.65%+loan repayable in 12 quarterly instalments of Rs 4,16,66,667	Hypothecation of book debts and cash collateral
Indian Bank	500,000,000	-	19-03-2020	18-06-2020	18-03-2023	Rate of Interest 1Year MCLR+2.65%+loan repayable in 12 quarterly instalments of Rs 4,16,66,667	Hypothecation of book debts and cash collateral
Lakshmi Vilas Bank Limited	-	6,111,107	02-12-2016	31-03-2017	27-04-2019	Rate of Interest - Base rate + 2.25%, loan repayable in 36 Equal monthly instalments of Rs 16,79,885	Hypothecation of book debts and cash collateral
Lakshmi Vilas Bank Limited	-	1,665,128	27-01-2016	27-05-2016	29-02-2020	Rate of Interest - 12.55% loan repayable in 36 monthly instalments of Rs 5,55,556	Hypothecation of book debts and cash collateral
Lakshmi Vilas Bank Limited	20,833,331	37,499,999	28-02-2018	31-07-2018	30-04-2021	Rate of Interest - 1Year MCLR + 0.15%, loan repayable in 12 quarterly instalments of Rs 41,66,667	Hypothecation of book debts and cash collateral
Lakshmi Vilas Bank Limited	124,870,886	187,500,001	21-03-2018	30-09-2018	30-06-2021	Rate of Interest - 1Year MCLR + 0.15%, loan repayable in 12 quarterly instalments of Rs 2,08,33,333	Hypothecation of book debts
OBC	196,969,207	-	24-05-2019	29-08-2019	29-04-2022	Rate of Interest 1Year MCLR+1.75%+loan repayable in 33 Monthly instalments of Rs 75,75,758	Hypothecation of book debts and cash collateral
OBC	350,000,000	-	31-12-2019	31-03-2020	31-12-2022	Rate of Interest 1Year MCLR+2.20%+loan repayable in 33 Monthly instalments of Rs 1,06,06,060.61	Hypothecation of book debts and cash collateral
Pallavan Grama Bank	-	2,437,054	31-10-2016	28-02-2017	31-10-2019	Rate of Interest - 14.00%, loan repayable in 32 equal monthly instalments of Rs 3,79,786 & last instalment of Rs 3,49,443	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
Ratnakar Bank Ltd.	-	93,750,000	17-11-2017	17-02-2018	17-11-2019	Rate of Interest 1Y MCLR+0.50%, loan repayable in 8 quarterly instalments of Rs 3,12,50,000	Hypothecation of book debts
RBL Bank Ltd.	100,000,000	300,000,000	27-09-2018	27-12-2018	27-09-2020	Rate of Interest - 6Months MCLR+0.05%, loan repayable in 8 Quarterly instalments of Rs 5,00,00,000	Hypothecation of book debts
RBL Bank Ltd.	35,000,000	70,000,000	07-02-2019	28-02-2019	28-02-2021	Rate of interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of Rs 87,50,000	Hypothecation of book debts
RBL Bank Ltd.	13,125,000	30,625,000	08-10-2018	04-03-2019	04-12-2020	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of Rs 43,75,000	Hypothecation of book debts
RBL Bank Ltd.	15,000,000	35,000,000	04-12-2018	08-01-2019	08-10-2020	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments of Rs 50,00,000	Hypothecation of book debts
RBL Bank Ltd.-	27,500,000	55,000,000	07-02-2019	04-05-2019	04-02-2021	Rate of Interest - 6Months MCLR, loan repayable in 8 Quarterly instalments' 68,75,000	Hypothecation of book debts
Shinhan Bank	16,666,667	116,666,667	17-05-2018	30-06-2018	29-05-2020	Rate of interest - 6Months MCLR+1.20% loan repayable in 24 monthly instalment of Rs 83,33,333	Hypothecation of book debts and cash collateral
South Indian Bank	60,000,000	-	23-03-2020	23-04-2020	23-04-2023	Rate of Interest - 12Months MCLR i.e. 8.90% +2.30%, loan repayable in 35 monthly instalment of Rs 16,67,000 and last instalment of Rs 16,55,000	Hypothecation of book debts and cash collateral
South Indian Bank	40,000,000	-	23-03-2020	23-04-2020	23-04-2023	Rate of Interest - 12Months MCLR i.e. 8.90% +2.30%, loan repayable in 35 monthly instalment of Rs 11,11,111 and last instalment of RS 11,15,000	Hypothecation of book debts and cash collateral
South Indian Bank Limited	-	8,324,000	02-02-2017	31-05-2017	31-01-2020	Rate of Interest - 13.80% loan repayable in 32 monthly instalments of Rs 7,58,000 & last instalment f Rs 7,44,000	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.
South Indian Bank Limited	-	8,324,000	02-02-2017	31-05-2017	31-01-2020	Rate of Interest - 13.80% loan repayable in 32 monthly instalments of Rs 7,58,000 & last instalment f Rs 7,44,000	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
Standard Chartered Bank	62,500,000	-	16-05-2019	15-05-2020	15-05-2020	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	62,500,000	-	17-10-2019	16-10-2020	16-10-2020	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	100,000,000	-	17-10-2019	16-10-2020	16-10-2020	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	112,500,000	-	28-01-2020	27-01-2021	27-01-2021	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	500,000,000	-	28-01-2020	27-04-2020	27-01-2021	Rate of Interest 1Y MCLR+0.95%,loan repayable in 4 quarterly instalments of Rs 12,50,00,000	Hypothecation of book debts and Letter of Comfort from India Infoline Finance Limited.
Standard Chartered Bank	112,500,000	-	17-02-2020	16-02-2021	16-02-2021	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	-	100,000,000	27-09-2018	30-09-2019	30-09-2019	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.
Standard Chartered Bank	-	50,000,000	07-02-2019	07-02-2020	07-02-2020	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.
Standard Chartered Bank	-	50,000,000	15-11-2018	15-11-2019	15-11-2019	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
Standard Chartered Bank	-	62,500,000	30-09-2018	30-09-2019	30-09-2019	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.
Standard Chartered Bank	-	62,500,000	15-11-2018	15-11-2019	15-11-2019	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.
Standard Chartered Bank	-	62,500,000	07-02-2019	07-02-2020	07-02-2020	Rate of Interest- 3months MCLR, principal is bullet repayment	Hypothecation of book debts and corporate guarantee of India Infoline Finance Limited.
State Bank (Mauritius) Ltd	160,000,000	-	14-01-2020	13-04-2020	13-04-2022	Rate of interest - 12 Months MCLR (i.e.11.25%), loan repayable in 8 Quarterly instalments of Rs 2,00,00,000	Hypothecation of book debts.
State Bank (Mauritius) Ltd	24,999,994	58,333,338	05-08-2017	16-02-2018	16-11-2020	Rate of Interest 1Y MCLR+2.00%,loan repayable in 12 quarterly instalments of Rs 83,33,334	Hypothecation of book debts and cash collateral.
State Bank Of India	500,000,000	-	05-03-2020	20-05-2020	05-03-2023	Rate of Interest 1Year MCLR+2.10%+loan repayable in 32 Monthly instalments of Rs 1,50,00,000 and Last instalment of ₹ 2,00,00,000	Hypothecation of book debts and cash collateral.
State Bank Of India	500,000,000	-	13-03-2020	20-05-2020	05-03-2023	Rate of Interest 1Year MCLR+2.10%+loan repayable in 32 Monthly instalments of Rs 1,50,00,000 and Last instalment of ₹ 2,00,00,000	Hypothecation of book debts and cash collateral.
State Bank of India	-	13,202,514	31-08-2016	28-02-2017	31-07-2019	Rate of Interest - 3% above MCLR ,loan repayable in 30 monthly instalments of Rs 33,33,333.	Hypothecation of book debts and cash collateral.
State Bank of India	48,046,189	160,178,205	27-07-2017	28-02-2018	31-07-2020	Rate of interest - 3.3% above MCLR ,loan repayable in 30 monthly instalments of Rs 1,00,00,000	Hypothecation of book debts and cash collateral.
State Bank of India	255,269,037	426,046,327	09-09-2018	30-11-2018	31-07-2021	Rate of Interest - 1Y MCLR+ 1.60%, loan repayable in 32 monthly instalments of Rs 1,50,00,000& last instalment of Rs 2,00,00,000	Hypothecation of book debts.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment	Security Offered
UCO Bank	-	6,729,027	22-01-2016	30-04-2016	31-12-2019	Rate of Interest - Base rate + 3.00%, loan repayable in 45 monthly instalments of Rs 6,66,667	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Director.
UCO Bank	13,140,440	26,922,570	02-03-2017	26-05-2017	25-05-2021	Rate of interest MCLR+3.15%, loan repayable in 45 monthly instalments	Hypothecation of book debts and cash collateral.
Union Bank	236,058,548	-	30-09-2019	31-01-2020	31-01-2023	Rate of Interest - 1Y MCLR+1.90%+0.25% (T.P) loan repayable in 36 Monthly instalments of ₹ 69,44,444.44	Hypothecation of book debts and cash collateral.
Union Bank	109,090,910	181,818,182	16-11-2018	28-02-2019	31-12-2019	Rate of interest 1Year MCLR+1.40%, loan repayable in 11 quarterly instalments of Rs 1,81,81,818	Hypothecation of book debts.
Woori Bank	300,000,000	-	19-07-2019	19-10-2019	19-07-2021	Rate of Interest 1Year MCLR+2.35%, loan repayable in 8 quarterly instalments of Rs 5,00,00,000	Hypothecation of book debts and cash collateral.
Woori Bank	83,333,330	149,999,994	19-06-2018	30-09-2018	30-06-2021	Rate of Interest 1Year MCLR+0.90%, loan repayable in 12 Quarterly instalments of Rs 1,66,66,667	Hypothecation of book debts and cash collateral.
YES Bank Ltd.	-	7,083,333	24-07-2017	13-01-2018	13-12-2019	Rate of interest 1YR MCLR+3%, loan repayable in 24 monthly instalments of Rs 4,16,667	Hypothecation of book debts and cash collateral.
YES Bank Ltd.	-	500,000,000	08-03-2018	08-04-2018	27-03-2020	Rate of interest 1Y MCLR+0.5% loan repayable in 24 monthly instalments of Rs 4,16,66,667	Hypothecation of book debts and cash collateral.
YES Bank Ltd.	200,000,000	400,000,000	29-03-2019	29-04-2019	29-03-2021	Rate of Interest 1Y MCLR+1.3% loan repayable in 24 monthly instalments of Rs 1,66,66,667	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.
YES Bank Ltd.	96,250,000	-	21-05-2019	21-06-2019	21-05-2021	Rate of Interest 1Y MCLR+1.3%, loan repayable in 24 monthly instalments of Rs 68,75,000	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.
YES Bank Ltd.	59,375,000	-	28-06-2019	28-07-2019	28-06-2021	Rate of Interest 1Y MCLR+1.3% loan repayable in 24 monthly instalments of Rs 39,58,333	Hypothecation of book debts and cash collateral and Letter of Comfort from India Infoline Finance Limited.
Total	10,506,128,703	7,575,993,509					

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

18.2 Loan from NBFC

Particulars	March 31, 2020	March 31, 2019	Start date	Repayment date	Maturity date	Terms of repayment	Security Offered
Agri Business Finance Ltd.	-	16,640,000	14-10-2016	30-04-2017	31-01-2020	Rate of Interest - 12% loan repayable in 8 Quarterly instalments of Rs 41,70,000 & 4 quarterly instalment of Rs 41,60,000	Hypothecation of book debts, cash collateral and personal guarantee of Mr. N. Venkatesh, Directorship Prakash.
Bajaj Finance Limited	218,749,999	-	30-12-2019	30-12-2019	30-12-2021	Rate of interest - HDFC 1Year MCLR +2.50%, loan repayable in 24 equal monthly instalments of Rs 1,04,16,666.67	Hypothecation of book debts and cash collateral.
Bajaj Finance Limited	85,714,285	257,142,857	09-08-2018	30-03-2018	30-06-2020	HDFC's 6M MCLR+ 1.45%, loan repayable in 7 quarterly instalments of Rs 4,28,57,143	Hypothecation of book debts.
Fedbank Financial Services Limited-TL	-	36,356,257	01-04-2017	01-07-2017	01-03-2020	Rate of Interest - 13% loan repayable in 1st instalment of Rs 30,50,000 & 32 monthly instalments of Rs .30,29,687	Hypothecation of book debts and cash collateral.
Hero Fin Corp	172,469,369	-	16-04-2019	03-03-2019	03-05-2021	Rate of Interest - Hero Fin Corp PLR(-0.85%) spread loan repayable in 21 equated monthly instalment of ₹ 1,32,75,146	Hypothecation of book debts
Hero Fin Corp	200,000,000	-	13-02-2020	03-07-2020	03-03-2022	Rate of Interest - Hero Fin Corp PLR(-1.40%) spread loan repayable in 21 equated monthly instalment of ₹ 1,05,68,961	Hypothecation of book debts
Hero Fin Corp	5,146,730	63,843,486	22-03-2018	03-08-2018	27-03-2020	Rate of Interest - 9.5%, loan repayable in 21 equal monthly instalments of Rs 51,87,483	Hypothecation of book debts
Fedbank Financial Services Limited-TL	15,151,501	51,515,149	28-07-2017	01-12-2017	01-08-2020	Rate of Interest - 12.20% loan repayable in 33 monthly instalments of Rs 3030303.	Hypothecation of book debts and cash collateral.
Nabkisan	200,000,000	-	19-09-2019	01-02-2020	01-08-2022	Rate of Interest - 12.00%, loan repayable in 11 Quarterly instalments of Rs 2,00,00,000	Hypothecation of book debts
Nabsamrudhi Finance Ltd	175,000,000	-	31-10-2019	31-01-2020	31-10-2022	Rate of Interest - 11.25%, loan repayable in 8 Quarterly instalments of Rs 2,50,00,000	Hypothecation of book debts

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Particulars	March 31, 2020	March 31, 2019	Start date	Repayment date	Maturity date	Terms of repayment	Security Offered
NABARD	1,350,000,000	-	31-10-2019	31-01-2020	31-01-2025	Rate of Interest - 11.50%, loan repayable in 10 Half instalments of Rs 15,00,00,000	Hypothecation of book debts
Hinduja Leyland Finance Limited	75,642,557	-	31-05-2019	30-06-2019	28-05-2022	Rate of Interest - 11.30% HBLR+0.45%, loan repayable in 36 equal monthly instalments of Rs 33,09,503	Hypothecation of book debts and letter of comfort from Indian Infoline Finance Limited
Hinduja Leyland Finance Limited	218,597,680	325,201,552	22-12-2018	27-01-2019	27-12-2021	HBLR +0.2%, loan repayable in 36 equal monthly instalments of Rs 1,15,41,602	Hypothecation of book debts and letter of comfort from Indian Infoline Finance Limited
SIDBI	500,000,000	-	10-12-2019	10-12-2019	10-11-2022	Rate of Interest 12.00%+loan repayable in 30 Monthly instalments of Rs 1,66,66,666	Hypothecation of book debts and cash collateral
Kotak Mahindra Prime Ltd	219,732	439,182	01-07-2017	05-07-2017	05-02-2021	Rate of interest - 9.5%, loan repayable in 44 equal monthly instalments 20,910	Hypothecation of Car
Total	3,216,691,853	751,138,483					

18.3 Details of Securitisation

Particulars	March 31, 2020	March 31, 2019	Loan taken	Repayment start date	Maturity date	Terms of repayment
RBL Securitisation	135,628,077	631,233,868	28-02-2019	26-03-2019	26-08-2020	Rate of Interest 9.75%, Expected Door to Door maturity of 18 months
Total	135,628,077	631,233,868				

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 19. SUBORDINATED DEBT:

(Amount in ₹)

Particulars	As at March 31, 2020		As at March 31, 2019	
	At Amortised Cost	Total	At Amortised Cost	Total
Others				
Unsecured Non convertible debentures	1,049,999,999	1,049,999,999	1,051,087,439	1,051,087,439
Less : Derivative Financial Liability	(43,160,885)	(43,160,885)	(44,248,325)	(44,248,325)
Less : Debenture Issue Expenses	(14,285,521)	(14,285,521)	(17,818,377)	(17,818,377)
Total	992,553,593	992,553,593	989,020,737	989,020,737
Subordinated Liabilities in India	992,553,593	992,553,593	989,020,737	989,020,737
Subordinated Liabilities outside India	-	-	-	-
Total	992,553,593	992,553,593	989,020,737	989,020,737

Unsecured and Non convertible Debentures- Debentures Includes debentures amounting to ₹ 11,00,00,000 in respect which the company is having a call option at the end of the 5th year from the date of allotment 20-07-2018 and every year there after.

19.1 Loan from Other Parties- Unsecured NCD

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019	Borrowing Date	Maturity date	Terms of repayment	Security Offered
SMFL- UNSEC NCD -29/06/16	50,000,000	50,000,000	29-06-2016	30-06-2022	Rate of Interest - 16.90% , principal repayable on maturity..	Nil
SMFL-UNSEC NCD -20/07/18*	218,500,000	218,500,000	20-07-2018	19-04-2024	Rate of Interest - 10.24% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil
SMFL-UNSEC NCD -20/07/18*	671,500,000	671,500,000	20-07-2018	19-04-2024	Rate of Interest - 10.15% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil
SMFL-UNSEC NCD -20/07/18*	110,000,000	111,087,439	20-07-2018	19-04-2024	Rate of Interest - 9.05% p.a. calculated on a XIRR basis, principal repayable on maturity.	Nil
Total	1,050,000,000	1,051,087,439				

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 20. LEASE LIABILITY

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability	46,730,787	-
Total	46,730,787	-

NOTE 21. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due	939,829,605	462,360,773
Employee payables	41,723,535	39,860,221
Payable to assignee	969,702,320	315,531,488
Money held under trust	2,473,485	9,204,957
Security Deposits	50,000	50,000
Other Payables	74,200	20,022,664
Total	1,953,853,145	847,030,102

NOTE 22. PROVISIONS:

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Leave encashment	20,926,273	12,110,260
Gratuity	16,135,520	6,122,630
Total	37,061,793	18,232,890

NOTE 23. OTHER NON FINANCIAL LIABILITIES:

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues Payable	24,342,225	25,196,898
Total	24,342,225	25,196,898

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	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Authorised Share Capital				
(a) Equity Shares of ₹ 10 each	298,000,000	2,980,000,000	180,500,000	1,805,000,000
(b) Preference Shares of ₹ 10 each (Out of 20,00,000 shares 1,45,000 are Redeemable Non Convertible Preference Shares of ₹ 10 each)	2,000,000	20,000,000	2,000,000	20,000,000
Issued, Subscribed and Paid Up:				
Equity Shares of ₹10 each fully paid	264,245,140	2,642,451,400	178,039,113	1,780,391,130
Total	13,895,464,874	13,895,464,874	9,040,773,401	9,040,773,401

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
At the beginning of the year	178,039,113	1,780,391,130	111,344,611	1,113,446,110
Add: Issued during the year	86,206,027	862,060,270	66,694,502	666,945,020
Outstanding at the end of the year	264,245,140	2,642,451,400	178,039,113	1,780,391,130

(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, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid				
IIFL Finance Limited *	261,318,160	98.89%	175,112,133	98.36%

*With effect from 30-03-2020 India Infoline Finance Limited(Holding Company) has been merged with IIFL Finance Limited(Ultimate Holding Company).

(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, 2020

(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, 2020	1,780,391,130	862,060,270	2,642,451,400
As at March 31, 2019	1,113,446,110	666,945,020	1,780,391,130

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 01-04-2019	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)	1,068,024,586
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)	2,591,355,662
Interim Dividend	-	-	-	(117,998,277)	-	-
Dividend Distribution Tax	-	-	-	(24,254,893)	-	-
Transfer to special Reserves	-	-	-	-	-	-
Balance at the end of the 31-03-2020	982,490,906	333,957,977	2,501,556	1,139,711,008	(9,558,954)	2,449,102,494

(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 01-04-2018	1,253,890	12,930,977	2,501,556	(2,135,825)	(189,829)	14,360,769
Total Comprehensive Income for the year	-	-	-	532,091,679	(4,358,388)	527,733,291
Additions	343,297,310	-	-	-	-	343,297,310
Transfer to special Reserves	-	106,419,000	-	(106,419,000)	-	-
Balance at the end of the 31-03-2019	344,551,200	119,349,977	2,501,556	423,536,854	(4,548,217)	885,391,370

Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, ₹ 21,46,08,000(P.Y. ₹10,64,19,000 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

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

S Venkataraman
Partner
M. No. 023116

N. Venkatesh
Managing Director
DIN : 01018821

D. Shivaprakash
Whole-Time Director
DIN : 02216802

Place: Bangalore
Date: May 11, 2020

Anantha Kumar T
Chief Financial Officer

Shreyas Dwaraki
Company Secretary

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 26. INTEREST INCOME

(Amount in ₹)

Particulars	Year Ended March 31, 2020			Year Ended March 31, 2019		
	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	-	5,039,728,961	-	-	2,948,592,432	-
Interest on deposits with Banks	-	62,144,496	-	-	25,606,242	-
Total	-	5,101,873,458	-	-	2,974,198,674	-

NOTE 27. FEE AND COMMISSION INCOME

Disaggregation of fee and commission income

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Income from Business Correspondents	161,881,626	243,001,034
Commission Income	28,860,758	13,156,909
Documentation Charges	1,614,344	361,141
Total	192,356,728	256,519,084

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

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Strip Income	451,587,630	104,687,036
Bad debts recovered	2,428,586	1,117,107
Total	454,016,216	105,804,143

NOTE 29. OTHER INCOME

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Miscellaneous Income	5,152,069	968,249
Interest on Income tax refund	106,590	436,273
Interest Income On Staff Loan	-	50,469
Profit on sale of assets	-	5,301
Profit on sale of investments	67,422,754	58,631,721
Dividend Income	150,553	921,636
Total	72,831,966	61,013,649

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 30. FINANCE COST

(Amount in ₹)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	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	1,763,334	478,335,284	630,411	459,922,571
Interest on subordinated liabilities	4,164,885.98	173,270,927	1,677,521	69,835,804
Interest on Borrowings	-	1,020,062,032	-	482,608,053
Discount on Commercial Paper	-	3,313,290	-	94,991,004
Interest Expense on Other borrowings	-	1,498,860	-	8,169,389
Amortisation of Processing Fees	-	51,527,588	-	34,854,883
Interest on Lease Liability	-	4,969,688	-	-
Other Borrowing Cost *	-	36,842,099	-	31,862,976
Total	5,928,220	1,769,819,769	2,307,932	1,182,244,680

* Includes Documentation Charges & Amortisation of Debenture Issue Expenses

Note 31. Net loss on derecognition of financial instruments under amortised cost category

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Bad Debts Written off	129,086,078	80,816,680
Total	129,086,078	80,816,680

NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS:-

(Amount in ₹)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	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 - Provisions	-	466,113,155	-	160,155,517
Total	-	466,113,155	-	160,155,517

NOTE 33. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and bonus	1,197,241,739	761,827,405
Contribution to provident and other funds	104,411,628	54,156,644
Leave Encashment	18,954,512	9,361,885
Gratuity	7,089,444	2,331,594
Staff Welfare Expenses	29,522,714	21,793,764
Total	1,357,220,037	849,471,292

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 34. OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent Expenses	84,334,812	63,952,161
Rates and Taxes	12,391,044	3,916,634
Exchange and statutory Charges	2,692,444	3,203,454
Marketing Expense	123,122	124,190
Bank Charges	31,634,849	23,574,850
Repairs and maintenance	8,797,159	6,115,022
Electricity	8,968,090	5,491,170
Communication Costs	22,549,130	9,711,043
Printing and stationery	16,905,221	19,929,991
Postage and courier	11,819,543	10,017,502
Advertisement and publicity	487,571	1,066,168
Payment to Auditors		
(i) As Auditors	600,000	250,000
(ii) For taxation matters	100,000	50,000
(iii) For Certification Works	50,000	4,130
(iv) Out of pocket expenses	849,386	152,973
Legal and Professional charges	63,663,092	33,227,950
Software Charges/ Technology Cost	73,713,512	41,827,330
Travelling and conveyance	190,192,101	91,795,330
Miscellaneous Expenses	55,238,574	29,163,630
Total	585,109,650	343,573,526

34.1 Gratuity Abridged Disclosure Statement as per Indian Accounting Standard 19 (Ind AS 19) For The Period 01/04/2019 - 31/03/2020

Details of defined benefit plan of gratuity are given below:

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Changes in the Present Value of Obligation (PVO)		
PVO as at the beginning of the period	13,372,680	5,385,094
Interest Cost	903,993	386,650
Current service cost	6,897,872	2,250,731
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Liability Transferred In/ Acquisitions	5146	-
Benefits paid	(688,167)	(462,337)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial loss/(gain) on obligation -Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3,342,036	240,424
Actuarial (Gains)/Losses on Obligations - Due to Experience	2,858,929	5,572,118
PVO as at the end of the year	26,692,489	13,372,680

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

ii) Changes in the Fair Value of Plan Assets

Particulars	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets as at the beginning of the period	7,250,050	4,258,868
Interest Income	490,103	305,787
Contributions by the Employer	4,000,000	3,484,157
Benefits paid from the Fund	(688,167)	(462,337)
Return on Plan Assets, Excluding Interest Income	(495,017)	(336,425)
Fair value of plan assets as at the end of the period	10,556,969	7,250,050
iii) Amount recognized in the Balance Sheet and Related Analysis		
Present Value of Benefit Obligation at the end of the Period	(26,692,489)	(13,372,680)
Fair Value of Plan Assets at the end of the Period	10,556,969	7,250,050
Funded Status - Deficit	(16,135,520)	(6,122,630)
Net Liability recognized in the balance sheet	(16,135,520)	(6,122,630)
iv) Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	13,372,680	5,385,094
Fair Value of Plan Assets at the Beginning of the Period	(7,250,050)	(4,258,868)
Net Liability at the Beginning	6,122,630	1,126,226
Interest Cost	903,993	386,650
Interest Income	(490,103)	(305,787)
Net Interest Cost for the Period	413,890	80,863
v) Expenses recognized in the Statement of Profit or Loss for Current Period		
Current service cost	6,897,872	2,250,731
Net Interest Cost	413,890	80,863
Past Service Cost	-	-
Expected Contributions by the Employees	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses recognized in the statement of profit and loss	7,311,762	2,331,594
v) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	6,200,965	5,812,542
Return on Plan Assets, Excluding Interest Income	495,017	336,425
Change in Asset Ceiling	-	-
Net Expense For the Period Recognized in OCI	6,695,982	6,148,967
vi) Principal Actuarial Assumptions (Expressed as weighted averages)		
Discount Rate	5.45%	6.76%
Salary escalation rate	8.50%	7.00%
Attrition rate	24.00%	24.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) ultimate
Expected rate of return on Plan Assets	5.45%	6.76%

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Sensitivity Analysis

(Amount in ₹)

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Projected Benefit Obligation on Current Assumptions	26,692,489	13,372,680
Delta Effect of +1% Change in Rate of Discounting	(1,285,275)	(558,964)
Delta Effect of -1% Change in Rate of Discounting	1,407,528	608,108
Delta Effect of +1% Change in Rate of Salary Increase	1,353,107	600,823
Delta Effect of -1% Change in Rate of Salary Increase	(1,261,813)	(562,811)
Delta Effect of +1% Change in Rate of Employee Turnover	(763,325)	(270,926)
Delta Effect of -1% Change in Rate of Employee Turnover	799,960	280,743

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 recognized 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 ₹ 10,44,11,628 (PY. Rs 5,41,56,644) has been recognised in the Statement of Profit and Loss.

34.2 Leave Encashment

(Amount in ₹)

Particulars	FY 19-20	FY 18-19
Projected Benefit obligation	20,926,273	12,110,260
Expense recognised in the Statement of P&L	18,954,512	9,361,885
Discount rate	5.45%	6.76%
Salary Escalation rate	8.50%	7%
Attrition rate	24%	24%
Mortality rate During the Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

34.3 Defined Contribution Plans:

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

(Amount in ₹)

Particulars	FY 19-20	FY 18-19
Contribution to Provident fund	73,346,745	29,145,347
Contribution to ESIC	31,035,399	24,893,901
Contribution to Labour Welfare Fund	29,484	117,396
Total	104,411,628	54,156,644

NOTE 35. INCOME TAXES

Amounts recognised in profit or loss

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax expense		
Current year	336,154,695	200,791,760
Changes in estimates related to prior years	1,116,300	(1,509,016)
Deferred tax expense		
Origination and reversal of temporary differences	(7,009,115)	(7,068,355)

Amounts recognised in OCI

(Amount in ₹)

Particulars	Year Ended March 31, 2020			Year Ended March 31, 2019		
	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)	(6,695,982)	1,685,245	(5,010,737)	(6,148,967)	1,790,579	(4,358,388)

Reconciliation of Effective Tax Rate:

(Amount in ₹)

Particulars	Year Ended March 31, 2020 (Rate)	Year Ended March 31, 2020 (Amount)	Year Ended March 31, 2020	Year Ended March 31, 2019 (Rate)	Year Ended March 31, 2019 (Amount)	Year Ended March 31, 2019
Profit before tax			1,434,318,913			724,306,068
Tax using the Bank's domestic tax rate	25.17%		360,989,384	29.12%		210,917,927
Tax effect of:						
Non-deductible		8,236,214	2,072,890		16,330,878	4,755,552
Tax-exempt income		(150,553)	(37,891)		(921,636)	(268,381)
Changes in the Estimates Taxes to previous year		-	1,116,300		-	(1,509,017)
Deductible Income		(182,225,522)	(45,862,519)		(73,589,240)	(21,429,187)
Changes in the Deferred Tax Assets/ Liabilities		47,614,894	11,983,717		(867,125)	(252,507)
Total income tax expense			330,261,880			192,214,388

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
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	-	8,920,800
Other Commitments	-	-
Total	-	8,920,800

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 31,2020"	"Year Ended March 31,2019"
Face value of equity shares in ₹ fully paid up		264,245,140	178,039,113
BASIC			
Profit after tax as per Statement of Profit and Loss (Total operations)	A	1,073,035,324	532,091,679
Profit after tax (after minority)as per Statement of Profit and Loss from Continuing Operations	B	1,073,035,324	532,091,679
Weighted Average Number of Equity Shares Outstanding	C	195,996,776	137,685,317
Basic EPS (In ₹) (i) Total operations	A/C	5.47	3.86
(ii) Continuing operations	B/C	5.47	3.86
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		195,996,776	137,685,317
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		-	-
Weighted Average Number of Equity shares for computation of diluted EPS	D	195,996,776	137,685,317
Diluted EPS (In ₹) (i) Total operations	A/D	5.47	3.86
(ii) Continuing operations	B/D	5.47	3.86

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 38. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD – 24 “RELATED PARTY DISCLOSURE” FOR THE YEAR ENDED MARCH 31, 2020

(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, 2020
Holding Company	IIFL Finance Limited*
Fellow Subsidiary Company	India Infoline Home Finance Limited
Others	IIFL Management Services Limited
	IIFL Investment Adviser And Trustee 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 wef 18/09/19
	Mr. Venkatraman Non Executive Director upto 16/09/19
	Mr. Gauav Malholtra Non Executive Director upto 06/12/19
	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 wef 21/10/19
	Mr. Shreepal Jain Chief Financial Officer upto 30/08/19
	Mr. Shreyas D Company Seceretary wef 21/10/19
	Mr. Sutheja K Company Seceretary upto 31/07/19

*With effect from 30-03-2020, India Infoline Finance Limited, the erstwhile Holding Company, has been merged with IIFL Finance Limited (Ultimate Holding Company).

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

(Amount in ₹)

Nature of Transaction	FY 19-20	FY 18-19
Service Fee on Business Correspondence- Income		
IIFL Finance Limited	104,793,300	189,905,103
India Infoline Home Finance Limited	-	6,142,526
Interest Expense		
IIFL Finance Limited	36,240,011	11,312,764
Interest Income		
IIFL Finance Limited	8,416,351	-
Dividend Paid		
IIFL Finance Limited	116,534,834	-

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

Nature of Transaction	FY 19-20	FY 18-19
Arranger Fee Expenses		
IIFL Wealth Management Limited	-	81,721,129
IIFL Investment Adviser And Trustee Services Limited	-	25,000,000
Reimbursement of Expenses		
IIFL Finance Limited	-	127,971
Loans Purchased		
IIFL Finance Limited	1,723,500,000	-
Loans and Advances Received		
Inter Corporate Deposit Received from IIFL Finance Limited	610,000,000	3,345,000,000
Inter Corporate Deposit Repaid to IIFL Finance Limited	610,000,000	4,093,620,200
Cash Credit Facility received from IIFL Finance Limited	-	200,000,000
Cash Credit Facility Repaid to IIFL Finance Limited	-	200,000,000
Loan Repaid to IIFL Finance Limited	-	196,119,125
Loans and Advances Given		
Inter Corporate Deposit Given to IIFL Finance Limited	1,650,000,000	-
Inter Corporate Deposit Repaid by IIFL Finance Limited	1,150,000,000	-
Share Capital		
Equity Share Capital Received	1,499,999,984	1,000,000,000
Others(Assignment Payment)		
IIFL Finance Limited	3,385,100	-
Market Linked Debentures issued during the year		
IIFL Wealth Finance Limited	-	995,446,188
IIFL Alternate Asset Advisors Limited	-	219,544,430
Remuneration to Key Managerial Personnel		
Sitting Fees paid	477,773	352,218
Short term Employee benefit	17,381,239	17,056,961
Outstanding Balance as on March 31 ,2020		
Inter Corporate Deposit - Holding Company	500,000,000	-
Sundry Payable -Holding Company (after TDS deduction)	265,651	
Sundry Receivable -Holding Company (after TDS deduction)	1,124,384	17,194,379

In the above table Holding company includes the erstwhile Holding Company

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

Particulars	(Amount in ₹)		
	March 31, 2020	Current	Non Current
ASEETS			
1 Financial Assets			
(a) Cash and cash equivalents	2,009,095,484	2,009,095,484	
(b) Bank Balance other than (a) above	799,608,628	394,895,469	404,713,159
(c) Derivative financial instruments	21,278,203	-	21,278,203
(d) Receivables			
Trade Receivables	18,539,576	18,539,576	-
(e) Loans	22,873,882,351	13,603,820,349	9,270,062,002
(f) Investments	500,000	-	500,000
(g) Other Financial assets*	648,483,533	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	26,619,399,979	16,652,078,174	9,967,321,805
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	21,278,203	-	21,278,203
(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	35,307,295	35,307,295	-
(c) Debt Securities	4,521,254,170	1,506,235,591	3,015,018,579
(d) Borrowings (Other than Debt Securities)	13,895,464,874	7,663,622,474	6,231,842,400
(e) Subordinated Liabilities	992,553,593	-	992,553,593
(f) Lease Liability	46,730,787	2,870,646	43,860,141
(g) Other financial liabilities	1,953,853,145	1,253,699,821	700,153,323
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	26,619,399,979	10,507,551,358	16,111,848,621

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

Maturity Analysis of assets and liabilities as at March 31,2019

(Amount in ₹)

Particulars	March 31, 2020	Current	Non Current
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	556,147,044	556,147,044	-
(b) Bank Balance other than (a) above	403,380,266	185,750,001	217,630,265
(c) Derivative financial instruments	55,422,749		55,422,749
(d) Receivables			-
Trade Receivables	36,193,926	36,193,926	-
(e) Loans	17,897,984,127	10,721,883,733	7,176,100,395
(f) Investments	11,221,636	10,721,636	500,000
(g) Other Financial assets*	159,928,094	132,989,239	26,938,854
2 Non-financial Assets			
(a) Other non-financial assets	3,610,243	3,565,701	44,541
(b) Current tax assets (Net)	26,235,122	26,235,122	-
(c) Deferred tax Assets (Net)	50,540,369	-	50,540,369
(d) Investment Property	584,875	-	584,875
(e) Property, Plant and Equipment	95,238,333	-	95,238,333
(f) Capital work-in-progress	7,553,750	-	7,553,750
(g) Other Intangible assets	4,969,146	-	4,969,146
Total Assets	19,309,009,680	11,673,486,402	7,635,523,278
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	55,422,749	-	55,422,749
(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	111,288,157	111,288,156	-
(c) Debt Securities	5,556,262,246	813,353,377	4,742,908,869
(d) Borrowings (Other than Debt Securities)	9,040,773,401	5,380,639,540	3,660,133,862
(e) Subordinated Liabilities	989,020,737	-	989,020,737
(f) Other financial liabilities	847,030,102	481,185,651	365,844,451
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)	-		
(b) Provisions	18,232,890	9,502,555	8,730,335
(c) Other non-financial liabilities	25,196,898	25,196,898	-
3 Equity			
(a) Equity Share capital	1,780,391,130	-	1,780,391,130
(b) Other Equity	885,391,370	-	885,391,370
Total Liabilities and Equity	19,309,009,680	6,821,166,176	12,487,843,504

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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.

Particulars	(Amount in ₹)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Gross Carrying value of loan Assets		
Stage-1 (Less than 30 Days)*	22,931,382,459	18,089,214,500
Stage-2 (30-90 Days)	231,559,682	30,499,115
Stage-3 (More than 90 Days)	343,120,550	66,652,980
Total Gross Carrying value on Reporting Date	23,506,062,691	18,186,366,595

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

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 normalized 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.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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 31-03-2020	22,931,382,459	231,559,682	343,120,550	23,506,062,691
Expected Credit Loss	350,358,358	7,896,506	343,120,550	701,375,415
Expected Credit Loss Rate	1.53%	3.41%	100.00%	
Net of Impairment Provision	22,581,024,100	223,663,175	-	22,804,687,276

(Amount in ₹)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Balance as at 31-03-2019	18,089,214,500	30,499,115	66,652,980	18,186,366,595
Expected Credit Loss	162,929,187	304,924	102,622,823	265,856,934
Expected Credit Loss Rate	0.90%	1.00%	153.97%	
Net of Impairment Provision	17,926,285,313	30,194,191	(35,969,843)	17,920,509,661

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

(Amount in ₹)

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
Opening ECL Mar-19	162,929,187	304,925	102,622,822	265,856,934
Incremental loans disbursed in FY19-20	321,487,447	7,875,239	312,199,665	641,562,351
Loans closed/written off during the year	(136,610,848)	(225,326)	(70,747,024)	(207,583,199)
Stage same in both years- change in provisioning	6,521,857	6,223	(698,975)	5,829,104
Movement of stages due to asset reclassification	(3,969,284)	(64,554)	(255,937)	(4,289,776)
Closing ECL Mar-20	350,358,358	7,896,506	343,120,550	701,375,414

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

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
Opening ECL Mar-18	39,213,892	48,453	66,439,072	105,701,417
Incremental loans disbursed in FY18-19	151,863,191	304,798	101,536,976	253,704,966
Loans closed/written off during the year	(9,281,494)	(8,067)	(45,905,198)	(55,194,759)
Stage same in both years- change in provisioning	(18,277,711)	(226)	(1,930,519)	(20,208,457)
Movement of stages due to asset reclassification	(588,690)	(40,033)	(17,517,509)	(18,146,232)
Closing ECL Mar-19	162,929,187	304,925	102,622,822	265,856,934

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.

(Amount in ₹)

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
Opening EAD Mar-19	18,109,133,775	31,760,921	73,255,526	18,214,150,222
Incremental loans disbursed in FY19-20	21,286,143,747	233,345,215	341,566,961	21,861,055,922
Loans closed/written off during the year	(15,328,471,872)	(23,567,091)	(70,747,024)	(15,422,785,988)
Stage same in both years- change in provisioning	(464,814,677)	(927,213)	(698,975)	(466,440,865)
Movement of stages due to asset reclassification	(428,251,038)	(6,623,201)	(255,937)	(435,130,176)
Closing EAD Mar-20	23,173,739,934	233,988,631	343,120,550	23,750,849,115

(Amount in ₹)

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
Opening EAD Mar-18	6,729,406,170	13,909,617	66,439,072	6,809,754,859
Incremental loans disbursed in FY18-19	16,887,364,349	31,728,244	72,108,543	16,991,201,136
Loans closed/written off during the year	(1,591,472,578)	(2,003,033)	(45,628,619)	(1,639,104,230)
Stage same in both years- change in provisioning	(3,819,966,732)	(26,316)	(1,876,754)	(3,821,869,803)
Movement of stages due to asset reclassification	(96,197,434)	(11,847,591)	(17,786,716)	(125,831,741)
Closing EAD Mar-19	18,109,133,775	31,760,921	73,255,526	18,214,150,222

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

b) Liquidity risk

(i) Financing arrangements

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

Particulars	(Amount in ₹)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Floating rate		
Expiring within one year	250,000,000	412,500,000
Expiring beyond one year	-	-
Total	250,000,000	412,500,000

(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.

Contractual maturities of financial liabilities	(Amount in ₹)				
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years
31-Mar-20					
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	-	-	-	-
-Secutization	123,610,980	12,017,097	-	-	-
Trade payables	11,547,372		23,759,923		
Other financial liabilities	1,251,176,336		2,523,485	700,153,323	
Lease Liability	690,248	708,210	1,472,188	19,388,404	24,471,737
Total non-derivative liabilities	4,336,737,693	2,058,066,592	4,128,356,923	11,080,184,447	24,471,737
Derivative liabilities					
Embedded Derivative	-	-	-	21,278,203	-
Total derivative liabilities	-	-	-	21,278,203	-

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

Contractual maturities of financial liabilities	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years
31-Mar-19					
Non-derivatives					
Borrowings	2,110,928,134	1,362,773,252	2,734,303,164	8,552,399,955	1,001,087,439
-Term Loans - Banks	1,024,043,423	1,121,608,971	2,236,482,010	3,193,859,102	-
-Term Loans - NBFC/Financial Institution	104,936,014	106,006,866	215,365,672	324,829,930	-
-Commercial Paper	746,686,710	-	-	-	-
-NCD-Secured	16,666,667	16,666,667	33,333,333	4,832,012,756	-
-NCD-Unsecured	-	-	-	50,000,000	1,001,087,439
-Cash Credit/Overdraft	106,672,515	-	-	-	-
-Secutization	111,922,805	118,490,748	249,122,149	151,698,166	-
Trade payables	-	-	111,288,157	-	-
Other financial liabilities	461,112,987	-	20,072,664	300,476,170	65,368,281
Others	-	-	-	-	-
Total non-derivative liabilities	2,572,041,121	1,362,773,252	2,865,663,985	8,852,876,125	1,066,455,720
Derivative liabilities					
Embedded Derivative	-	-	-	11,174,424	44,248,325
Total derivative liabilities	-	-	-	11,174,424	44,248,325

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	31-Mar-20	31-Mar-19
Variable rate borrowings	9,159,299,934	5,487,575,904
Fixed Rate of Borrowings	10,432,626,223	10,273,916,040
Total	19,591,926,157	15,761,491,944

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

(Amount in ₹)

Particulars	31-Mar-20			31-Mar-19		
	Weighted Average Interest Rate	Balance	% of total loans	Weighted Average Interest Rate	Balance	% of total loans
Bank Loans	10.56%	9,159,299,934	46.75%	10.25%	5,487,575,904	34.82%

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.

(Amount in ₹)

Particulars	Impact on profit after tax		Impact on other components of equity	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Interest rates – increase by 30 basis points	(21,011,057)	(11,933,237)	Nil	Nil
Interest rates – decrease by 30 basis points	21,011,057	11,933,237	Nil	Nil

* Holding all other variables constant

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

d) Price Risk Exposure

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

Particulars	(Amount in ₹)	
	Equity Shares (Other than Subsidiary)	Mutual Funds
Market Value as on 31.03.2020	500,000	-
Market Value as on 31.03.2019	500,000	10,721,636

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.

Particulars	(Amount in ₹)			
	Impact on profit after tax		Impact on other components of equity	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Increase by 5%	19,116	406,708	Nil	Nil
Decrease by 5%	(19,116)	(406,708)	Nil	Nil

NOTE 41. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company incurred an aggregate amount of ₹ Lakhs 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:

- Gross amount required to be spent by the company during the Year : ₹ 51,62,239/-
- Amount spent by the company during the Year : ₹ 30,29,826/-

The unspent amount transferred to the CSR Account during the year : ₹ 21,32,413/-

NOTE 42. ADDITIONAL INFORMATION

a) Asset Classification & Provisioning:

As per MCA press release no 11/10/2009 CL - V dated 18th Jan 2016, the company adopted Ind AS notified under Sec 133 of CA 2013, from 01st April 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

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

Particulars	(Amount in ₹)	
	As on March 31, 2020	As on March 31, 2019*
Tier I Capital	4,868,050,490	2,468,862,717
Tier II Capital	1,150,863,857	1,277,499,873
Total Capital Funds	6,005,219,396	3,746,362,590
Total Risk Weighted Assets	23,213,870,561	18,267,709,117
CRAR - Tier I Capital (%)	20.91%	13.51%
CRAR - Tier II Capital (%)	4.96%	6.99%
CRAR (%)	25.87%	20.51%

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

- 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
- a) 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)
- b) Bank loan rating – CRISIL A+/Stable
- c) NCD rating- CRISIL A+/Stable
- d) MLD rating- CRISIL PP- MLD A+r/Stable
- e) CP rating- CRISIL A1+
- vi) Maturity Pattern of Assets and Liabilities

Maturity pattern of certain items of assets and liabilities as on March 31 2020 (Amount in ₹)

Particulars	Liabilities				Assets					
	Borrowings from Banks	Borrowings from NBFC/FI	NCD-Secured	NCD-Unsecured	Secutization	Cash Credit/Overdraft	Market Borrowings	Advances (Loan portfolio outstanding) Including Inter Corporate Deposit	FD with Banks (Free of Lien)	Investments
Up to one month	377,350,013	30,141,810	-	-	42,450,049	100,143,346	-	1,645,071,241	1,650,000,000	-
Over one month to 2 months	253,108,562	25,111,957	1,500,000,000	-	39,847,998	-	-	1,127,823,731	-	-
Over 2 months up to 3 months	550,187,701	97,001,853	16,666,667	-	41,312,932	-	-	1,172,331,169	-	-
Over 3 months up to 6 months	1,603,823,063	424,851,555	16,666,667	-	12,017,097	-	-	3,506,803,322	-	-
Over 6 months to 1 year	3,489,772,675	610,828,652	-	-	-	-	-	6,522,254,131	-	-
Over 1 year to 3 years	4,226,338,685	1,578,756,035	3,050,000,000	50,000,000	-	-	-	9,531,779,098	-	-
Over 3 years to 5 years	5,548,000	450,000,000	-	1,000,000,000	-	-	-	-	-	21,278,203
Over 5 years	-	-	-	-	-	-	-	-	-	500,000
	10,506,128,699	3,216,691,863	4,583,333,333	1,050,000,000	135,628,077	100,143,346	-	23,506,062,691	1,650,000,000	21,778,203

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

c) Disclosure as required under DNBS (PD) CC. No. 300/03.10.038/2012-13 dated August 3 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 03rd August 2012 is 9.19% as at 31st March 2020 (9.31% as at 31st March 2019)

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

Particulars	(Amount in ₹)	
	2019-20	2018-19
	Rate of Interest in % for Microfinance loan	Rate of Interest in % for Microfinance loan
Average Rate of Interest on Borrowings	11.67%	12.77%
Average Rate of Interest on Loans given	20.86%	22.08%
Net Interest Margin	9.19%	9.31%

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

Sl No.	Particulars	As at March 31, 2020	
		Amount Outstanding	Amount Overdue
	Liabilities	(₹)	(₹)
(1)	Loan and Advances availed by the NBFC inclusive of Interest accrued thereon but not paid:		
A	Debentures	-	-
	- Secured	5,253,626,299	-
	- Unsecured	1,218,848,383	-
	(Other than falling the meaning of Public Deposits)	-	-
B	Deferred Credits	-	-
C	Term Loan	13,823,539,765	-
D	Inter-corporate Loans & Borrowings	-	-
E	Commercial Paper	-	-
Sl No.	Particulars	As at March 31, 2020	
	Liabilities	(₹)	(₹)
F	Public Deposits	-	-
G	Other Loans – Vehicle Loan	485,557	-
	Other Loans – Non Convertible Debentures	-	-

Sl No.	Particulars	(Amount in ₹)	
		Amount Outstanding	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	-	-
	Assets		

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

SI No.	Particulars	Amount Outstanding
		March 31, 2020
(3)	Break-up of Loans & Advances including Bills Receivables [Other than those included in (4) below]	
	(a) Secured	214,235,673
	(b) Unsecured Including Inter Corporate Deposit	23,291,827,018
(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) Repossessed Assets	-
(iii)	Other Loans counting towards AFC Activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

(Amount in ₹)

SI No.	Particulars	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	21,278,203
II	Unquoted:	
(i)	Shares: (a) Equity	500,000
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of Mutual Funds	-
(iv)	Government Securities	-
(v)	Others	-

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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

Sl No.	Particulars	As at March 31, 2020		
		Amount in (₹) (Net of Provisions)		
		Secured	Unsecured	Total
1	Related Parties			
	(a)Subsidiaries	-	-	-
	(b) Companies in the same group	-	499,950,000	499,950,000
	(c) Other Related Parties	-	-	-
2	Other than related parties	209,132,487	22,095,604,788.98	22,304,737,276
	Total	209,132,487	22,595,554,789	22,804,687,276

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

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	21,778,203	21,778,203
	Total	21,778,203	21,778,203

(8) Other Information	Amount
(i) Gross Non - Performing Assets	
(a) Related Parties	-
(b) Other than Related Parties	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. SECURITIZATION / ASSIGNMENT OF LOANS

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(₹)	(₹)
Total number of loans securitized / assigned	889,773	297,239
Total book value of loans securitized / assigned	19,292,201,174	5,594,825,471
Sale consideration received for loans securitized / assigned	17,383,145,319	5,087,188,002
Income recognized in the statement of profit and loss	1,401,337,532	288,109,277
Balance of loans assigned / securitized as at the balance sheet date	12,401,816,685	3,735,431,335
Cash collateral provided and outstanding as at the balance sheet date	38,889,000	38,889,000

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

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

Sl No.	Particulars	As on	As on
		March 31, 2020	March 31, 2019
		(₹)	(₹)
1	No. of SPVs sponsored by the NBFC for Securitization transactions		
2	Total amount of securitized assets as per the books of the SPVs sponsored by the Company	19,292,201,174	5,594,825,471
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	38,889,000
	b) Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	i) Off-Balance Sheet exposures		
	a) Exposure to own securitization		
	First Loss	-	-
	Others	-	-
	b) Exposure to third party securitization transaction		
	First Loss	-	-
	Others	-	-
	ii) On-Balance Sheet exposures		
	a) Exposure to own securitization		
	First Loss	-	-
	Others	-	-
	b) Exposure to third party securitization transaction		
	First Loss	-	-
	Others	-	-

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 44. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED 13TH MARCH 2020:

Asset Classification as per RBI Norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per IND AS 109	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference between IND AS 109 provisions & IRACP Norms
1	2	3	4	5	6	7 = 4-6
Performing Assets						
Standard	Stage 1*	22,931,382,459	350,358,358	22,581,024,100	314,039,354	36,319,004
	Stage 2	231,559,682	7,896,506	223,663,175	3,241,835.54	4,654,671
Subtotal		23,162,942,140	358,254,865	22,804,687,276	317,281,190	40,973,675
Non Performing Assets (NPA)						
Substandard	Stage 3	342,020,742	342,020,742	-	4,788,290	337,232,452
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		343,120,550	343,120,550	-	4,803,688	338,316,862
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	22,931,382,459	350,358,358	22,581,024,100	314,039,354	36,319,004
	Stage 2	231,559,682	7,896,506	223,663,175	3,241,836	4,654,671
	Stage 3	343,120,550	343,120,550	-	4,803,688	338,316,862
	Total	23,506,062,690	701,375,415	22,804,687,276	322,084,878	379,290,537

*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.BPBC.63/21.04.048/2019-20 dated 17/04/2020 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, 2020 (Contd.)

NOTE 45. FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	(Amount in ₹)	
	March 31, 2020	March 31, 2019
Financial assets		
Derivative Financial Instruments	21,278,203	55,422,749
Investments	500,000	11,221,636
Loans	22,873,882,351	17,897,984,127
Accrued interest on Fixed Deposits	35,431,033	22,094,691
Staff Loans	273,515	28,617
Security Deposits	39,200,492	30,814,321
Interest Strip Asset on Assignment	558,363,585	106,775,955
Insurance Claim Receivable	15,214,908	214,510
TDS Receivable	-	-
Trade Receivables	18,539,576	36,193,926
Cash and cash equivalents	2,009,095,484	556,147,044
Bank Balance	799,608,628	403,380,266
Total Financial Assets	26,371,387,775	19,120,277,843
Financial liabilities		
Derivative Financial Instruments	21,278,203	55,422,749
Debt Securities	4,521,254,170	5,556,262,246
Borrowings	13,895,464,874	9,040,773,401
Subordinated Liabilities	992,553,593	989,020,737
Lease Liability	46,730,787	-
Trade payables	35,307,295	111,288,157
Other financial liabilities	1,953,853,145	847,030,102
Total Financial Liabilities	21,466,442,066	16,599,797,393

(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.

Financial assets and liabilities measured at fair value - recurring fair value measurements	(Amount in ₹)				Total	Carrying cost
	Level 1	Level 2	Level 3			
As at March 31, 2020						
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	

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying cost
As at March 31, 2019					
Financial assets					
Derivative Financial Instruments	-	55,422,749	-	55,422,749	55,422,749
Investments	-	10,721,636	-	10,721,636	10,721,636
(i) Mutual Funds	-	10,721,636	-	10,721,636	10,721,636
(ii) Government Securities	-	-	-	-	-
(iii) Debt Securities	-	-	-	-	-
(iv) Equity	-	-	-	-	-
Total financial assets	-	66,144,386	-	66,144,386	66,144,386
Financial liabilities					
Derivative Financial Instruments	-	55,422,749	-	55,422,749	55,422,749
Total financial liabilities	-	55,422,749	-	55,422,749	55,422,749

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total	Carrying cost
As at March 31, 2020					
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	-	-	22,873,882,351	22,873,882,351	22,873,882,351
Investment in Equity			500,000	500,000	500,000
Other Financial assets			648,483,533	648,483,533	648,483,533
Total financial assets	-	-	23,541,405,461	23,541,405,461	26,350,109,572
Financial Liabilities					
Trade Payables			35,307,295	35,307,295	35,307,295
Debt Securities			4,441,577,225	4,441,577,225	4,521,254,170
Borrowings (Other than Debt Securities)			13,895,464,874	13,895,464,874	13,895,464,874
Subordinated Liabilities			969,909,077	969,909,077	992,553,593
Lease Liability			46,730,787	46,730,787	46,730,787
Other financial liabilities			1,953,853,145	1,953,853,145	1,953,853,145
Total financial liabilities	-	-	21,342,842,402	21,342,842,402	21,445,163,864

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total	Carrying cost
As at March 31, 2019					
Financial assets					
Cash and cash equivalents	-	-	-	-	556,147,044
Bank Balance other than included above	-	-	-	-	403,380,266
Receivables					-
(i) Trade Receivables	-	-	36,193,926	36,193,926	36,193,926
Loans	-	-	17,897,984,127	17,897,984,127	17,897,984,127
Investment in Equity			500,000	500,000	500,000
Other Financial assets			159,928,094	159,928,094	159,928,094
Total financial assets	-	-	18,094,606,147	18,094,606,147	19,054,133,457

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total	Carrying cost
Financial Liabilities					
Trade Payables			111,288,157	111,288,157	111,288,157
Debt Securities			5,525,984,295	5,525,984,295	5,556,262,246
Borrowings (Other than Debt Securities)			9,040,773,401	9,040,773,401	9,040,773,401
Subordinated Liabilities			983,939,554	983,939,554	989,020,737
Other financial liabilities			847,030,102	847,030,102	847,030,102
Total financial liabilities	-	-	16,509,015,509	16,509,015,509	16,544,374,644

NOTE 46. MOVEMENT OF NON PERFORMING ASSETS (NPA)

(Amount in ₹)

Sl. No	Particulars	March 31, 2020	March 31, 2019
(i)	Net NPAs to Net Advances (%)		
(ii)	Movement of NPAs (Gross)		
	a) Opening balance	66,652,980	64,808,288
	b) Addition during the year	412,116,434	65,665,252
	c) Reduction during the year	135,648,864	63,820,560
	d) Closing balance	343,120,550	66,652,980
(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	66,652,980	64,808,288
	b) Provision made during the year	412,116,434	65,665,252
	c) Write off / write-back of excess provisions	135,648,864	63,820,560
	d) Closing balance	343,120,550	66,652,980

NOTE 47. LEASES

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 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 1, 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

Particulars	Amount ₹
Interest on lease liabilities	4,969,688
Income recognised- Security deposit	213,187
Depreciation on Right to Use	5,909,546

Impact of adoption of Ind AS 116 on the Balance Sheet

Particulars	Amount ₹
Right to Use Asset	46,345,783
Lease Liability	46,730,787

The company has discounted lease payments at weighted average borrowing rate which is 10.32%.

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 48. PORTFOLIO PURCHASE FROM HOLDING COMPANY

During the year, the Company acquired the Micro Finance portfolio held by holding company of ₹ 169,24,78,290/-, as slump sale. This portfolio was acquired at its fair value of ₹ 172,35,00,000/-, as assessed by a valuer. The details of the assets and liabilities purchased are given below;

Particulars	Amount ₹
Loan Book	1,692,095,546
Income Accrued But Not Due	16,849,041
Expected credit loss	(22,023,348)
Provision for Gratuity	(5,146)
Provision for Leave Encashment	(1,716)
Transfer of Fixed Asset (Computer)	21,077
Deferred Tax Asset	5,542,836
Net Assets	1,692,478,290
Consideration Paid	1,723,500,000
Excess Paid*	(31,021,710)

*The same is charged off to the Statement of Profit or Loss and shown under Exceptional Items.

NOTE 49. DISCLOSURES OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS PD.CC.NO. 256 / 03.10.042 / 2011-12 DATED 02ND MARCH 2012 :

	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	120	1,576,828.00	5	781,094.00	1	1,013,000.00	126	3,370,922.00
Customer	-	-	-	-	1	1,237,000.00	1	1,237,000.00
Staff and Customer	-	-	-	-	-	-	-	-
Total	120	1,576,828.00	5	781,094.00	2	2,250,000.00	127	4,607,922.00
B) Type of fraud								
Misappropriation and criminal breach of trust	120	1,576,828.00	5	781,094.00	2	2,250,000.00	127	4,607,922.00
Fraudulent encashment / Manipulation of books of Accounts	-	-	-	-	-	-	-	-
Unauthorized credit facility extended	-	-	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-	-	-
Total	120	1,576,828.00	5	781,094.00	2	2,250,000.00	127	4,607,922.00

Notes forming part of Financial Statements

For the year ended March 31, 2020 (Contd.)

NOTE 50. GOING CONCERN

Despite pandemic situation due to COVID 19 and consequential lockdown, the Company has been effectively able to communicate with their borrowers and using of digital technology has been successful in making of partial collections. Further, the rural population, who form majority of our borrowers, are less impacted due to their economy is localised and positive Covid cases are also not in the rural areas. The Management is hopeful of having normal collections when the operations are resumed. With the improved collections and support from Banks and Financial Institutions, the Management is confident of effecting the repayment loans commitment on due dates, payments to vendors, employees, statutory dues. The Company has considered the possible effects of COVID 19 on the carrying amounts of Property, Plant and Equipment, Loans, Investments, Trade Receivable and Other Current Assets. Based on current estimates the Company expects the carrying amount of these assets to be recovered. The impact of the COVID 19 on the Company's financial results may differ from that estimated as at the date of approval of these results."

NOTE 51. 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

Sd/-

S Venkataraman

Partner
M. No. 023116

Place: Bangalore
Date: May 11, 2020

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

D. Shivaprakash

Whole-Time Director
DIN : 02216802

Shreyas Dwaraki
Company Secretary

Corporate Information

BOARD OF DIRECTORS

Mr. Venkatesh N.
Managing Director

Mr. Shivaprakash D.
Whole Time Director &
Chief Information Officer

Mr. Sumit Bali
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. Sumit Bali
Non-Executive Director

Mr. Badrinarayanan Seshadri
Independent Director

Mr. Shivaprakash D.
Whole Time Director

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sumit Bali
Non-Executive Director

Mr. Ramanathan Annamalai
Independent Director

Mr. Badrinarayanan Seshadri
Independent Director

Mr. Vikraman Ampalakkat
Independent Director

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Venkatesh N.
Managing Director

Mr. Naveen Kumar Malik
COO

Mr. Sabari Krishna
Chief Risk Officer

Mr. Anantha Kumar T.
Chief Financial Officer

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.

RISK MANAGEMENT COMMITTEE

Mr. Ramanathan Annamalai
Independent Director

Mr. Venkatesh N.
Managing Director

Mr. Shivaprakash D.
Whole Time Director

Mr. Sumit Bali
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Anantha Kumar T

COMPANY SECRETARY

Mr. Shreyas Dwaraki

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,
L B S Marg, Vikhroli West,
Mumbai 400 083

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Office No. 83 – 87, 8th Floor,
Mittal Tower, 'B' Wing, Nariman Point,
Mumbai, Maharashtra 400 021

Vistra (ITCL) Limited
The IL&FS Financial Centre,
Plot C- 22, G Block, BKC Road,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra 400 051

Beacon Trusteeship Limited
4C, Siddhivinayak Chambers,
Gandhi Nagar, Opp MIG Cricket Club,
Bandra (E), Mumbai, Maharashtra 400 051

RATING AGENCIES

CRISIL Limited
Hiranandani Business Park,
Central Ave, Hiranandani Gardens,
Powai, Mumbai, Maharashtra 400 076

CARE Ratings Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East),
Mumbai, Maharashtra 400 022

ICRA Limited
Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025

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

IDFC First Bank Limited
Indian Bank
Lakshmi Vilas Bank Limited
Oriental Bank of Commerce
RBL Bank Limited
Shinhan Bank
South Indian Bank
Standard Chartered Bank
State Bank (Mauritius) Limited
State Bank Of India
UCO Bank
Union Bank
Woori Bank
YES Bank Limited



SAMASTA MICROFINANCE LIMITED

110/3, Lalbagh Main Road,
Krishnappa Layout, Bangalore 560027

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