

**NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Members of **SVATANTRA MICROFIN PRIVATE LIMITED** will be held on Wednesday, the 30<sup>th</sup> day of December, 2020 at 09.30 A.M. at the Registered Office of the Company at Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013 to transact the following business:

**ORDINARY BUSINESS:**

**1. Adoption of Audited Accounts:**

To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2020 along with the Profit and Loss Statement for the year ending on that date, Cash Flow Statement, the Notes and Schedules thereon along with the Auditor's Report and Director's Report thereon.

**2. To appoint and fix the remuneration of Statutory Auditors:**

To consider and, if though fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provision of section 139 and other applicable provision if any of the Companies Act, 2013 read with the underlying rules viz. Companies ( Audit And Auditors ) Rules, 2014 as may be applicable, the retiring auditors M/s. Suresh Sarana & Associates LLP, Chartered Accountants having Registration No. 121750W/W-100010, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting (AGM) of the Company to be held in the year 2021 at a remuneration (including term of Payment) to be fixed by the Board of Director of the Company, plus GST and such other tax(es), as may be applicable & reimbursement of all out-of-pocket expenses in connection with the Audit of the accounts of the Company.”

**By Order of the Board of Directors of  
SVATANTRA MICROFIN PRIVATE LIMITED**



**(Surinder Kumar Bhatia)  
Company Secretary  
M. No.: ACS-17227**

**Date:** 14.12.2020

**Place:** Mumbai

Svatantra Microfin Pvt. Ltd.  
Corporate & Regd. Office: Sunshine Tower,  
Level 20, S.B. Marg, Elphinstone Road,  
Mumbai 400013, Maharashtra

Telephone +91 22 61415900  
Website [www.svatantramicrofin.com](http://www.svatantramicrofin.com)  
E-mail [info@svatantra.adityabirla.com](mailto:info@svatantra.adityabirla.com)  
Corporate Identity No. U74120MH2012PTC227069

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. Members/Proxies are requested to bring in duly filled Attendance Slip attached herewith to attend the Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.
4. Members are requested to bring their copy of the Notices at the Annual General Meeting.
5. Map to the Venue of the AGM as per the requirement of Secretarial Standard - 2 is attached for the perusal of the Members.

**Form No. MGT-11**  
**SVATANTRA MICROFIN PRIVATE LIMITED**

**Registered Office:** Level 20, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013

**(CIN: U74120MH2012PTC227069)**

**PROXY FORM**

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

Name of the member(s):

Registered address:

E-mail ID:

Folio No./DP ID:

Client ID:

I/We, being the member(s) of ..... shares of the above named company, hereby appoint:

1. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ....., or failing him/her
2. Name: .....  
Address: .....  
E-mail ID: ..... Signature: .....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held at Level 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013 on Wednesday, the 30<sup>th</sup> day of December, 2020 at 09.30 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

\*I/We wish my/our above proxy(ies) to vote in the manner as indicated in the box below:

Item No.	Description	For	Against
1.	Adoption of Audited Accounts		
2.	To appoint and fix the remuneration of Statutory Auditors		

Signed this..... day of .....2020

Affix  
Revenue  
Stamp of Re.  
I

Signature of Proxy holder(s)

Signature of shareholder

**SVATANTRA MICROFIN PRIVATE LIMITED**

**Registered Office:** Level 20, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road,  
Mumbai - 400013

**(CIN: U74120MH2012PTC227069)**

**Attendance Slip**

Annual General Meeting at Level- 20, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013, Maharashtra on Wednesday, the 30<sup>th</sup> December, 2020 at 09.30 A.M.

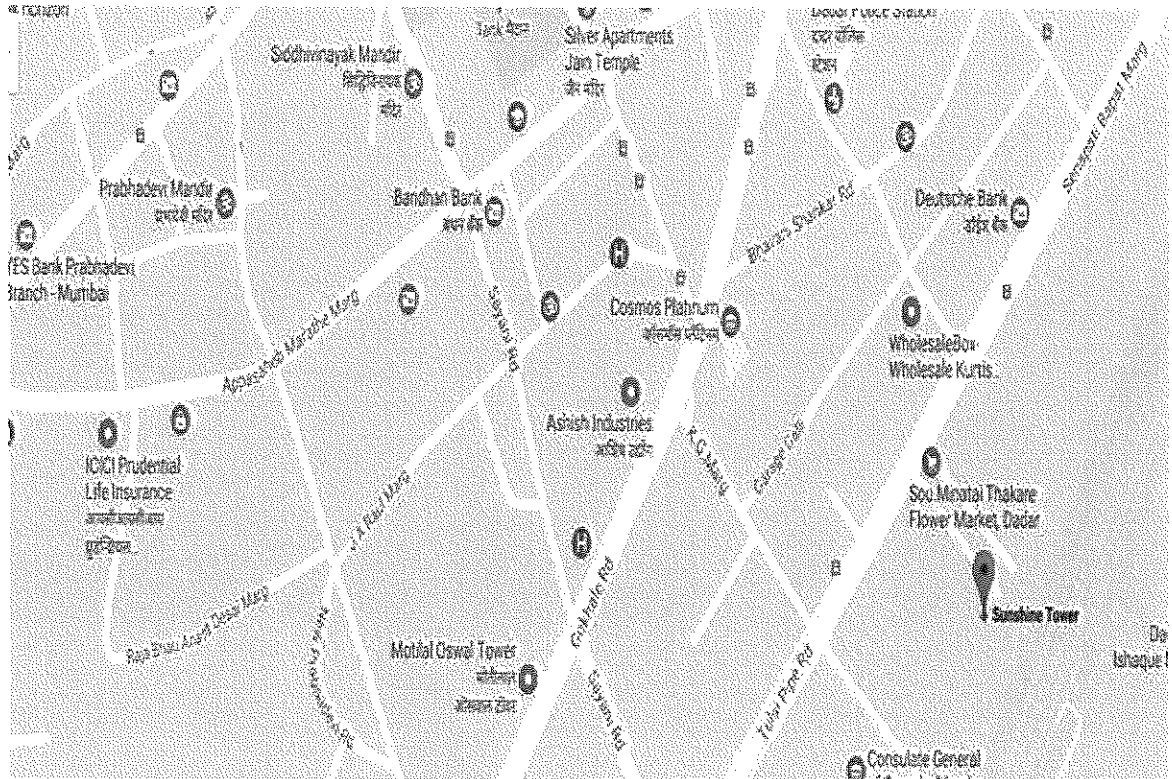
<b>Folio No.</b>	<b>DP ID</b>	<b>Client ID</b>	<b>Number of Shares held</b>

I certify that I am a member/proxy/authorized representative for the member of the Company.

\_\_\_\_\_  
Member/Proxy/Representative's Signature

*Note: Please fill this attendance slip and hand it over at the entrance of the Meeting Room.  
Only member/proxy/representative can attend the meeting.*

## ROUTE MAP



## DIRECTORS' REPORT

To,  
The Members,  
Svatantra Microfin Private Limited

Your Directors have pleasure in presenting their Ninth Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2020.

### 1. FINANCIAL PERFORMANCE:

The summary of the Financial Results of the Company for the Financial Year 2019-20 is as follows:

<i>Amount in Rs.</i>		
<b>PARTICULARS</b>	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
<b>Income</b>		
Revenue from operation	3,546,959,412	1,760,843,350
Other Income	65,476,310	24,731,746
Less: Total Expenditure	3,115,652,325	1,547,735,419
<b>Profit / Loss Before Exceptional Items, Extraordinary Items and Tax</b>	<b>496,783,397</b>	<b>237,839,677</b>
Exceptional Item	-	-
Extraordinary Item	-	-
<b>Profit / (Loss) Before Tax</b>	<b>496,783,397</b>	<b>237,839,677</b>
Less: Current Tax	(129,520,000)	(73,355,782)
MAT Credit Entitlement -	-	-
Less: Deferred tax income/Expenses	(4,014,604)	2,120,652
Earlier Year deferred tax benefit/(Charge)	-	-
Earlier Year tax adjustment	-	-
<b>Profit/Loss for the year</b>	<b>363,248,793</b>	<b>166,604,547</b>

### 2. OPERATIONS AND FUTURE OUTLOOK AND STATE OF COMPANY'S AFFAIRS:

During the year under review, the Company has earned a total Income of Rs. 3,546,959,412/- (Rupees Three Hundred Fifty Four Crores Sixty Nine Lacs Fifty Nine Thousand Four Hundred and Twelve Only) and Net Profit of Rs. 363,248,793/- (Rupees Thirty Six Crores Thirty Two Lacs Forty Eight Thousand Seven Hundred and Ninety Three Only), as against a Net Profit of Rs. 166,604,547/- (Rupees Sixteen Crores Sixty Six Lacs Four Thousand Five Hundred and Forty Seven Only) in the Financial Year 2018-19.

3. **DIVIDEND:**

In view of planned business growth and in order to conserve resources, your Directors do not propose and recommend any dividend on the Equity Shares of the Company, for the year under review.

4. **TRANSFER TO RESERVES:**

During the year under review, your Company transferred Rs. 72,649,800/- (Rupees Seven Crores Twenty Six Lacs Forty Nine Thousand Eight Hundred Only) to Statutory Reserve pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

5. **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR:**

The Company is registered with Reserve Bank of India (RBI) as Non- Deposit accepting NBFC-MFI vide Registration No. N-13.02038 granted on February 05, 2013.

The Company attained business performance by reaching out to 1,032,242 active loan clients as on March 31, 2020. The active loan clients grew from 560,931 as on March 31, 2019 to 1,032,242 as on March 31, 2020.

This incredible growth was possible with excellent efforts of 3927 employees of the Company as on 31<sup>st</sup> March 2020, which was 2487 as on 31<sup>st</sup> March 2019, through 449 branches across 14 States. During the year under review, the Company opened 174 new branches.

6. **CHANGE IN NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business during the year under review.

7. **DEPOSITS:**

The Company had not accepted any public deposits during the year within the meaning of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.

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

Due to the pandemic COVID-19, all the field operations of the Company were suspended during the period of lockdown. In terms of the Reserve Bank of India Circular DOR.No.BP. BC.47/21.04.048/2019-20 and the advisory issued by the Microfinance Institutions Network, the Company took the measures to mitigate the disruptions on account of COVID-19 pandemic and to

ensure the continuity of viable businesses. Based on the RBI guidelines the Company has extended moratorium benefits to its customers.

The Company is planning to restart/ has slowly started opening of the operations taking care of the infrastructure requirements and creating advisory as per local laws. An emergency team has also been created to handle the health related exigencies arising out of COVID.

To sustain the business operations, the Company has availed/identified various avenues to avail liquidity and is in a comfortable position in this regard.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Barring any future COVID-19 related escalations, based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.

**9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no significant or material orders passed by any Courts or Regulators or Tribunals during the Financial Year 2019-20 that, in the opinion of the Board, have an impact on the going concern status and the operations of the Company in the future.

**10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary/Joint Venture/Associate Companies as on date of Balance Sheet and the date of Report.

**11. SHARE CAPITAL:**

**a. Authorised Share Capital:**

During the year under review, the Authorised Share Capital of the Company has been increased from Rs. 1,800,000,000/- (Rupees One Hundred Eighty Crores Only) divided into 180,000,000 (Eighteen Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 10,550,000,000/- (Rupees One Thousand Fifty Five Crores Only) divided into 755,000,000 (Seventy Five Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 30,000,000 (Three Crore) Preference Shares of Rs. 100/- (Rupees Hundred Only) each.

**b. Paid-up Share Capital:**



The paid-up capital of the Company as on 31<sup>st</sup> March, 2020 is Rs. 3,320,468,750/- (Rupees Three Hundred Thirty-Two Crores Four Lacs Sixty-Eight Thousand Seven Hundred and Fifty Only) divided into 252,046,875 (Twenty Five Crores Twenty Lacs Forty Six Thousand Eight Hundred and Seventy Five) Equity shares of Rs. 10/- (Rupees Ten Only) each and 8,000,000 (Eighty lacs) Preference Shares of Rs. 100/- (Rupees Hundred only) each. During the year under review, the Company has made following allotment:

Sr. No.	Security	Type of Issue	Date of allotment	No. of securities allotted	Issue Price Per Security	Amount (In Rs.)
1.	Equity Shares	Rights Issue	20.05.2019	40,000,000	Rs. 10/-	400,000,000/-
2.	Equity Shares	Rights Issue	30.09.2019	40,000,000	Rs. 10/-	400,000,000/-
3.	Preference Shares	Rights Issue	16.01.2020	2,500,000	Rs. 100/-	250,000,000/-
4.	Preference Shares	Rights Issue	10.02.2020	2,500,000	Rs. 100/-	250,000,000/-
5.	Preference Shares	Rights Issue	31.03.2020	3,000,000	Rs. 100/-	300,000,000/-

**c. Non-convertible Debentures:**

During the year under review, the Company has issued Non-convertible Debentures (NCD) on private placement basis aggregating to Rs. 15 Crores as per following details –

Date of allotment	Name of Allottee	No. of NCDs	Price per NCD	Coupon Rate	Maturity Date	Status
31.03.2020	Vivriti Samarth Bond Fund through its trustee, Vistra ITCL(India) Limited	15,000,000	Rs. 10/-	13.75%	31.03.2026	Unlisted

**12. ISSUE OF SHARES UNDER EMPLOYEE STOCK OPTION SCHEME:**

The Company has a stock option plan under 'Svatantra Microfin Employee Stock Options Plan 2017 ("ESOP 2017") for its employees. As on March 31, 2020, the following stock option grants were in operation:

Number of options granted during the year	473,753
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Total number of shares arising as a result of exercise of option during the year	Nil
Options lapsed during the year	17,517
Exercise price	Rs. 20.00/-
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force	942,859

Employee wise details of the options granted to:

**i. Key Managerial Personnel –**

Name	Designation	Options Granted	Exercise Price
Mr. Anujeet Varadkar	Chief Executive Officer (CEO)	48,119	20
Ms. Vrushali Vishal Mahajan	Chief Financial Officer (CFO)	35,433	20
Mr. Surinder Kumar Bhatia	Company Secretary (CS)	26,247	20

**ii. Any employee who receives a grant of option in any one year of option amounting to 5% or more of options granted during that year –**

In the Financial Year 2019-20	
Name of Employee	No. of options granted
Vineet Chatterjee	42,870
Anujeet Varadkar	48,119
Vrushali Vishal Mahajan	35,433
Kranti Sety	25,809
Surinder Kumar Bhatia	26,247
Pankaj Manikrao Aundhkar	31,059

- iii. **Employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant**

<b>In the Financial Year 2019-20</b>	
<b>Name of Employee</b>	<b>No. of options granted</b>
NIL	NIL

13. **DISCLOSURE REGARDING COST RECORDS:**

The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products of the Company, as such maintenance of cost records is not applicable for the company.

14. **STATUTORY AUDITORS:**

In terms of the Provisions of Section 139 and 141 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Statutory Auditors of the Company, **"Suresh Surana & Associates LLP, Chartered Accountants"** [Firm Registration No. 121750W/W-100010], were appointed in the Annual general Meeting of the Company held on 30<sup>th</sup> September, 2015 as Statutory Auditors of the company to hold office for a term of five years until the conclusion of the Annual General Meeting to be held in year 2020.

As per Companies (Audit and Auditors) Rules, 2014, The tenure of Statutory Auditors of the Company is left for one more Financial Year and accordingly, the appointment of **"Suresh Surana & Associates LLP, Chartered Accountants"** as Statutory Auditors of the Company for FY 2020-21 will be taken up in ensuing Annual General Meeting of the Company.

15. **AUDITOR'S REPORT:**

Suresh Surana & Associates LLP, Chartered Accountants [Firm Registration No. 121750W/W-100010], Statutory Auditors for the Company who conducted the audit for the financial year 2019-20 have submitted their report. The Notes on the Financial Statements refer to the report are self-explanatory and do not call for any further comments.

There are no qualifications or adverse remarks in the Auditor's Report which require any clarification/explanation.

**16. EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return in Form MGT-9 is annexed herewith as “**ANNEXURE A**” and is also available on the Company’s website at <https://svatantramicrofin.com/>.

**17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**a. Composition of Board of Directors:**

As on 31<sup>st</sup> March, 2020, the Board of the Company is duly constituted as per the Companies Act, 2013, with the following as its Members:

Mr. Kumar Mangalam Birla	-	Director
Mrs. Neerja Birla	-	Director
Ms. Ananyashree Birla	-	Chairperson & Director
Mr. Vineet Bijendra Chattree	-	Director

All the directors of the Company has diversified experience and specialized knowledge in various areas relevant to the Company.

**b. Changes in the Composition of Board of Directors:**

During the year under review, there is no change in composition of Board of Directors.

**c. Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson of the Board, who was evaluated on parameters such as level of engagement and contribution and independence of judgment to safeguard the interest of the Company and its minority shareholders. The reports were scrutinized by the Nomination & Remuneration Committee. The Directors expressed satisfaction with the evaluation process.

**d. Key Managerial Personnel:**

Mrs. Vrushali Vishal Mahajan was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 30<sup>th</sup> May, 2020. The following are the Key Managerial Personnel as on date of this report:

Mr. Anujeet Varadkar. - Chief Executive Officer

Mrs. Vrushali Vishal Mahajan - Chief Financial Officer

Mr. Surinder Kumar Bhatia - Company Secretary.

**18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year ended on 31<sup>st</sup> March, 2020, 20 (Twenty) Meetings of the Board of Directors of the Company were held. The attendance of the Board of Directors in these Meetings were as follows:

Sr. No.	No. of the Board Meeting	Date of the Board Meeting	No. of Directors Present
1.	1/2019-20	05.04.2019	4
2.	2/2019-20	19.04.2019	3
3.	3/2019-20	25.04.2019	3
4.	4/2019-20	20.05.2019	3
5.	5/2019-20	25.06.2019	3
6	6/2019-20	24.07.2019	3
7	7/2019-20	08.08.2019	3
8	8/2019-20	21.08.2019	3
9	9/2019-20	27.08.2019	3
10	10/2019-20	26.09.2019	3
11	11/2019-20	30.09.2019	3
12	12/2019-20	18.10.2019	3
13	13/2019-20	31.10.2019	3
14	14/2019-20	12.11.2019	3
15	15/2019-20	12.12.2019	3
16	16/2019-20	16.01.2020	2
17	17/2019-20	10.02.2020	2
18	18/2019-20	28.02.2020	2
19	19/2019-20	06.03.2020	2
20	20/2019-20	20.03.2020	2

Name of Directors	No of Board Meetings during FY 2019-20		
	Held	Eligible to attend	Attended
Mr. Kumar Mangalam Birla	20	20	2
Mrs. Neerja Birla	20	20	20
Ms. Ananyashree Birla	20	20	15
Mr. Vineet Bijendra Chatterjee	20	20	19

19. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a. **Conservation of energy, Technology absorption:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

b. **Foreign exchange earnings and Outgo:**

The Company neither had any foreign exchange earnings nor any outgo during the year under review.

20. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review the Company has extended Inter Corporate loan(s) amounting to Rs. 65,00,00,000/- (Rupees Sixty Five Crores) and complied with the necessary regulatory guidelines in this regards.

The Company has not made any investment(s) or provided guarantee(s) as covered under Section 186 of the Companies Act, 2013.

21. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered into with related parties as defined in the Companies Act 2013, during the year under review, were in the ordinary course of business and at an arm's length pricing basis. The details related to the same are annexed as "ANNEXURE B" in Form AOC-2.

The policy on Related Party Transactions, as approved by the Board, is displayed on the website of the Company i.e. <https://svatantramicrofin.com/>.

22. **PARTICULARS OF EMPLOYEES:**

The Company had 3927 employees as on March 31, 2020. The Company does not have any employee whose particulars are required to be furnished under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

In accordance with Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee consisting of the following Members:

Ms. Ananyashree Birla	Director
Mrs. Neerja Birla	Director
Mr. Vineet Bijendra Chattree	Director

The brief outline of the CSR Policy of the Company and the initiative undertaken by the Company on CSR activities are set out in "*ANNEXURE C*" and forms part of this Report.

**24. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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.

**25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER FOR DIRECTORS AND EMPLOYEES:**

Your Company has an effective Vigil Mechanism system/ Whistle Blower which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behavior and living Corporate Values. The Code of Conduct applies to all Svatantra's People, including Directors, Officers, and all employees

of the Company.

The Vigil Mechanism system/ Whistle Blower code is displayed on the Company's website at <https://svatantramicrofin.com/>.

**26. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review is presented in "*ANNEXURE D*", which is a part of this report.

**27. CREDIT RATING AND GRADING:**

During the year under review, the Credit Rating Agencies have assigned the following credit ratings to the Company:

S. No.	Particulars	Rating
1	MFI Grading	M1 (ICRA)
2	Bank loan rating	CRISIL A+ (Stable)
3	Subordinated Debt of Rs. 75 Crores	CRISIL A+ (Stable) ICRA A- (Stable)
4	Rs. 100 Crore Short Term Debt	CRISIL A1+

During the year, there are no migration of above mentioned ratings.

**28. RISK MANAGEMENT:**

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The committee will be responsible for reviewing the risk management plan, ensuring its effectiveness and verifying adherence to various risk parameters. The Company's Risk Management strategy is based on clear understanding of various risks, disciplined risk assessment and continuous monitoring. The Risk Management Committee reviews various risks with which the organization is exposed including Credit Risk, Interest Rate Risk, Liquidity Risk and Operational Risk. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis in *Annexure D*, which is a part of this report.

**29. INTERNAL FINANCIAL CONTROLS:**

A benchmark of internal control system, based on suitable criteria, is in place to enable the management to assess and state adequacy of and compliance with the system of internal control and operating



effectively. Internal control of the Company is a well-defined process designed to facilitate and support the achievement of business objectives. The system of internal control is integral to the activities of the Company and based on a consideration of significant risks in operations, compliance and financial reporting.

The Company has an effective internal control process effected by its people that supports the organization in several ways, enabling it to provide reasonable assurance regarding risk and to assist in the achievement of objectives.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanism, accuracy and completeness of the accounting record and timely preparation of reliable financial disclosures.

**30. COMPLIANCE OF APPLICABLE LAWS AND SECRETARIAL STANDARDS:**

The Board of Directors hereby declare that the Company is in compliance of the provisions of all applicable mandatory Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) and the Securities Law, RBI Act and other laws as applicable to the Company.

**31. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

No complaints were received during the financial year 2019-20.

**32. OTHER DISCLOSURES:**

**a. Details of Frauds reported by the Statutory Auditors under Section 143 (12) of the Companies Act, 2013 during the Financial Year:**

During the year under review, no frauds were reported by the Statutory Auditors, requiring intimation under Section 143 (12) of the Companies Act, 2013, for the Company and therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

**b. Sweat Equity Shares issued during the Year:**

The Company has not issued any Sweat Equity Shares during the Financial Year under review.

c. There has not been any revision in the financial statements.

33. **RBI GUIDELINES:**


The Company is registered with the Reserve Bank of India as a NBFC-MFI within the provisions of the NBFC (Reserve Bank of India) Directions, 1998. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.

34. **ACKNOWLEDGEMENTS:**

The Board of Directors of the Company takes this opportunity to express its deep and sincere gratitude for the support and co-operation from the Borrowers, Banks, Financial Institutions, Investors, and Employees of the Company, for their consistent support and encouragement to the Company. The Board of Directors also places on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company and thanks them for yet another excellent year. Their dedication and competence has ensured that the Company continues to be a significant player in the Microfinance industry.

FOR SVATANTRA MICROFIN PRIVATE LIMITED



  
ANANYASHREE BIRLA  
(CHAIRPERSON)  
DIN: 06625036

Date: 25<sup>th</sup> June, 2020  
Place: Mumbai

<b>"Annexure A"</b>
<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2020</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014</b>

<b>I</b>	<b>REGISTRATION &amp; OTHER DETAILS:</b>
----------	--

i	CIN	U74120MH2012PTC227069
ii	Registration Date	17-02-2012
iii	Name of the Company	SVATANTRA MICROFIN PRIVATE LIMITED
iv	Category/Sub-category of the Company	Company limited by Shares/Indian Non Govt Company
v	Address of the Registered office & contact details	Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400013 Tel No.: +91 22 61415900
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Private Limited 19-20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol, Andheri (East), Mumbai – 400059 Contact: +91 22 42270400

<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>
All the business activities contributing 10% or more of the total turnover of the company shall be stated	

SL No	Name & Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the company
1	MICROFINANCE	64990	100%

<b>III</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>
------------	---

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
-	N.A.	N.A.	N.A.	N.A.	N.A.

[illegible]

a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
- Foreign Trust	0	0	0	0.00	0	0	0	0.00	0.00
- Private Equity Fund	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	0	0	0	0.00	0	0	0	0	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0.00
c) Others									
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	0	0	0	0.00	0	0	0	0.00	0.00

<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	0	17,20,46,875	17,20,46,875	100.00	25,20,46,875	0	25,20,46,875	100.00	46.50

IV (b)		SHAREHOLDING PATTERN (Preference Share capital Break up as % to total Preference)							
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	80,00,000	0	80,00,000	100	100.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	0	0	0	0.00	80,00,000	0	80,00,000	100.00	100.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	0	0	0.00	80,00,000	0	80,00,000	100.00	100.00

<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
- Foreign Trust	0	0	0	0.00	0	0	0	0.00	0.00
- Private Equity Fund	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	0	0	0	0.00	0	0	0	0	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0.00
c) Others									
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	0	0	0	0.00	0	0	0	0.00	0.00

<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	0	0	0	0.00	80,00,000	0	80,00,000	100.00	100.00

IV (c) SHARE HOLDING OF PROMOTERS								
Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	
	Equity							
1	Infocyber India Private Limited	3,11,28,500	18.09	0	0	0.00	0	-100.00
2	IGH Holdings Private Limited	3,43,87,031	19.99	0	21,00,001	0.83	0	-93.89
3	TGS Investment and Trade Private Limited	4,09,69,500	23.81	0	0	0.00	0	-100.00
4	Birla Group Holdings Private Limited	4,36,36,125	25.36	0	0	0.00	0	-100.00
5	Umang Commercial Company Private Limited	2,19,25,719	12.74	0	0	0.00	0	-100.00
6	Ms. Ananyashree Birla	0	0.00	0	20,78,46,874	82.46	0	82.46
7	Mrs. Neerja Birla	0	0.00	0	21,00,001	0.83	0	0.83
8	Svatantra Holdings Private Limited	0	0.00	0	4,00,00,000	15.87	0	15.87



	<b>Total</b>	<b>17,20,46,875</b>	<b>100.00</b>	<b>0</b>	<b>25,20,46,876</b>	<b>100.00</b>	<b>0</b>	<b>46.50</b>
<b>Preference</b>								
1	Svatantra Holdings Private Limited	0	0.00	0	80,00,000	100.00	0	100.00
	<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>80,00,000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>

IV (d)	CHANGE IN PROMOTERS' SHAREHOLDING							
Sl. No.		Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	Equity							
	<b>Infocyyber India Private Limited</b>							
	<b>At the beginning of the year</b>	3,11,28,500	18.09	01.04.2019	-			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20.05.2019	5,00,000	Rights Issue Allotment	3,16,28,500	14.92
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			10.06.2019	3,16,28,500	Share Transfer	0	0.00
	<b>At the End of the year</b>			31.03.2020	-			0.00
	<b>IGH Holdings Private Limited</b>							
	<b>At the beginning of the year</b>	3,43,87,031	19.99	01.04.2019	-			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20.05.2019	80,00,000	Rights Issue Allotment	4,23,87,031	19.99
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			07.06.2019	4,02,87,030	Share Transfer	21,00,001	0.99

	At the End of the year			31.03.2020	21,00,001			0.83
	<b>TGS Investment and Trade Private Limited</b>							
	At the beginning of the year	4,09,69,500	23.81	01.04.2019	-			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20.05.2019	17,50,000	Rights Issue Allotment	4,27,19,500	20.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			07.06.2019	4,27,19,500	Share Transfer	0	0.00
	At the End of the year			31.03.2020	-			0.00
	<b>Birla Group Holdings Private Limited</b>							
	At the beginning of the year	4,36,36,125	25.36	01.04.2019	-			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20.05.2019	1,95,50,000	Rights Issue Allotment	6,31,86,125	29.80
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			10.06.2019	6,31,86,125	Share Transfer	0	0.00
	At the End of the year			31.03.2020	-			0.00
	<b>Umang Commercial Company Private Limited</b>							
	At the beginning of the year	2,19,25,719	12.74	01.04.2019	-			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			20.05.2019	1,02,00,000	Rights Issue Allotment	3,21,25,719	15.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			07.06.2019	3,21,25,719	Share Transfer	0	0.00
	At the End of the year			31.03.2020	-			0.00

<b>Ms. Ananyashree Birla</b>								
At the beginning of the year	0	0.00	01.04.2019	-				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			10.06.2019	20,78,46,874	Share Transfer	20,78,46,874		98.02
At the End of the year			31.03.2020	20,78,46,874				82.46
<b>Mrs. Neerja Birla</b>								
At the beginning of the year	0	0.00	01.04.2019	-				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			06.06.2019	21,00,000	Share Transfer	21,00,000		0.99
At the End of the year			31.03.2020	21,00,000				0.83
<b>Svatantra Holdings Private Limited</b>								
At the beginning of the year	0	0.00	01.04.2019	-				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			30.09.2019	4,00,00,000	Rights Issue Allotment	4,00,00,000		15.87
At the End of the year			31.03.2020	4,00,00,000				15.87
<b>Preference</b>								
<b>Svatantra Holdings Private Limited</b>								
At the beginning of the year	0	0.00	01.04.2019	-				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			16.01.2020	25,00,000	Rights Issue Allotment	25,00,000		31.25
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			10.02.2020	25,00,000	Rights Issue Allotment	25,00,000		31.25
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			31.03.2020	30,00,000	Rights Issue Allotment	30,00,000		37.50

(e.g. allotment / transfer / bonus/ sweat equity etc):							
At the End of the year			31.03.2020	80,00,000			100.00
							168.75

IV (e)	SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRs & ADRs)							
Sl. No.	Name	Shareholding		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of shares at the beginning of the year	% of total shares of the company				No. of Shares	% of total shares of the Company
-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

IV (f)	SHAREHOLDING OF DIRECTOR & KMP								
Sl. No.	Name	Shareholding		Date	Increase/ Decrease		Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning of the year	% of total shares of the Company					No. of Shares	% of total shares of the Company
1	Ms. Ananyashree Birla	0	0	10.06.2019	207846874	0	Share Transfer	207846874	82.46
2	Mrs. Neerja Birla	0	0	06.06.2019	2100000	0	Share Transfer	2100000	0.83

V	INDEBTEDNESS			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,21,18,66,564	75,00,00,000	-	10,96,18,66,564
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,71,37,040.84	7,18,58,835	-	11,89,95,875.84
Total (i+ii+iii)	10,25,90,03,604.84	82,18,58,835	-	11,08,08,62,439.84
Change in Indebtedness during the financial year				

Additions	16,131,728,013	150,000,000		16,281,728,013
Reduction	6,486,078,821	(59,486)		6,486,019,335
<b>Net Change</b>	<b>9,645,649,192</b>	<b>150,059,486</b>		<b>9,795,708,678</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19,80,23,98,539	90,00,00,000	-	20,70,23,98,539
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,22,54,258	7,19,18,321		17,41,72,579
<b>Total (i+ii+iii)</b>	<b>19,904,652,797</b>	<b>971,918,321</b>		<b>20,876,571,118</b>

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:				
A.	Remuneration to Managing Director, Whole time director and/or Manager: NIL				
B.	Remuneration to Other Directors: NIL				
C.	Remuneration to Key Managerial Personnel other than Managing Director/Manager/ Whole-Time Director:				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	Anujeet Varadkar - Chief Executive Officer (CEO)	Vrushali Vishal Mahajan - Chief Financial Officer (CFO)	Surinder Kumar Bhatia - Company Secretary (CS)	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	52,35,749	44,81,243	27,38,308	1,24,55,300
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others	-	-	-	-
	Total	52,35,749	44,81,243	27,38,308	1,24,55,300

\*The ESOPs granted in the FY 19-20 to CEO, CFO and CS are 48119, 35433 and 26247 respectively.

<b>VII</b>	<b>PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES</b>
------------	---

Type	Section of the Companies Act, 1956/ 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

FOR SVATANTRA MICROFIN PRIVATE LIMITED



*[Signature]*  
ANANYASHREE BIRLA  
CHAIRPERSON  
DIN: 06625036

Date: 25<sup>th</sup> June, 2020  
Place: Mumbai

**ANNEXURE B****FORM NO. AOC - 2**

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

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

**Svatantra Microfin Private Limited**

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

**NOT APPLICABLE**

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

(a) Name(s) of the related party and Nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements /transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
Vodafone Idea Limited  Mr. Kumar Mangalam Birla – Common Director	Purchase of SIM cards	On-going	As per the plans prescribed by Vodafone	N.A.	N.A.

**FOR SVATANTRA MICROFIN PRIVATE LIMITED**



*ANANYASHREE BIRLA*  
**ANANYASHREE BIRLA  
(CHAIRPERSON)**

**DIN: 06625036**

**Date:** *25<sup>th</sup> June, 2020*  
**Place:** Mumbai

**ANNEXURE C**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken:**

Pursuant to Section 135(1) of the Companies act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the board of directors has constituted a CSR Committee. The Board has also framed a CSR policy in compliance with the provisions of Companies Act 2013.

In line with CSR Policy and in accordance with Schedule VII of the Act, the Company proposes to undertake suitable projects in the field of education, women empowerment, humanitarian relief, sanitation, preventive healthcare.

The objective of the company's CSR policy is to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of the nearby society.

**2. The composition of the CSR committee:**

Ms. Ananyashree Birla	Director
Mrs. Neerja Birla	Director
Mr. Vineet Bijendra Chattree	Director

**3. Average net profit of the company for last three financial years for the purpose of computation of CSR:**  
Rs. 30,674,754 (Rupees Three Crores Six Lakhs Seventy Four Thousand Seven Hundred and Fifty Four only)

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

The Company is required to spend Rs. 613,495 (Rupees Six Lakhs Thirteen Thousand Four Hundred and Ninety Five only)

**5. Details of CSR spent during the financial year:**

- a) Total amount spent during the financial year: NIL
- b) Amount unspent: Rs. 613,495 (Rupees Six Lakhs Thirteen Thousand Four Hundred and Ninety Five only)
- c) Manner in which the amount is spent during the financial year is detailed below: Not Applicable.

**6. In case the company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof. The company shall provide the reasons for not spending the amount in Board report:**

The CSR Committee had detailed discussions with various CSR partner to actively support and channelize the activities/projects/programs to be undertaken by the Company in line with its CSR objectives. As the committee could not identify any suitable CSR partner for this purpose, it could not expend the required CSR expenditure for FY 2019-20.



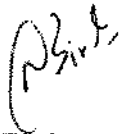
Due to paucity of time, the CSR Committee resolved to not make any recommendation to the Board during the Financial Year 2019-20, for the CSR activities to be undertaken by the company and the amount of expenditure to be incurred on CSR activities.

The Company has presently identified to partner with BAL RAKSHA BHARAT for save the children cause for CSR funding.

**7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**FOR SVATANTRA MICROFIN PRIVATE LIMITED**



**ANANYASHREE BIRLA**  
**(CHAIRPERSON - CSR COMMITTEE)**  
**DIN: 06625036**



**VINEET BIJENDRA CHATTREE**  
**DIRECTOR**  
**DIN: 07962531**

**Date:** 25<sup>th</sup> Jun, 2020  
**Place:** Mumbai

## **ANNEXURE D**

### **MANAGEMENT AND DISCUSSION ANALYSIS REPORT**

#### **ECONOMIC OVERVIEW**

The Indian economy registered a slowdown in 2019-20 with GDP growth at 4.4% (based on ICRA ratings) falling from 6.8% in 2018-19, however the growth remained in the highest decile (Figure 1) among Emerging Market and Developing Economies (EMDEs). The stress on the financial sector and weak rural demand are some of the contributing factors for this sluggish growth.

The economic shock of the COVID-19 pandemic inevitably has invited comparisons to the global financial crisis of 2008-09. These crises are similar in certain respects but very different in others. As in 2008-09, governments have intervened with monetary and fiscal policy to counter the downturn and provide temporary income support to businesses and households. But restrictions on movement and social distancing to slow the spread of the epidemic has led to the shortage of labour supply, transport and travel, which are directly affected in many ways. Many sectors have been impacted adversely during shut down, including hotels, restaurants, non-essential retail trade, tourism and significant shares of manufacturing. Under these circumstances, any forecast depends upon the progress of the disease and relies on estimates rather than reported data.

In response to the COVID-19 pandemic, the Reserve Bank of India (RBI) has undertaken liquidity support measures and cut the repo rates sharply. The RBI has cut the repo-rate by 110 basis points since April 2019 to ease credit flow in the economy. The government further announced a fiscal package of INR 20 lakh crore, which is 10% of the country's GDP. The package, called "Self Reliant India package", was structured around embarking on a path to become self-sufficient.

The Reserve Bank of India ("RBI") on April 17, 2020 announced a targeted long-term repo operations (TLTRO) of INR 50,000 crore that will benefit non-banking finance companies (NBFCs) and micro- finance institutions (MFIs), a move that will help small and medium-sized businesses. The funds availed by banks under TLTRO 2.0 should be invested in investment-grade bonds, commercial paper, and non-convertible debentures of NBFCs, with at least 50 percent of the amount going to small and mid-sized NBFCs and MFIs, the central bank said in a statement. The RBI has also announced a INR 50,000 crore Special Liquidity Scheme to enable National Bank for Agriculture & Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and National Housing Bank to meet the needs of Non-Banking Finance Companies (NBFCs) and housing finance companies (HFCs) by way of refinance, to improve their liquidity position in order to avoid any potential systemic risks to the financial sector.

#### **MICROFINANCE IN INDIA**

Microfinance is essential for driving the growth of a large section of the underserved population and bringing an entire array of financial services within the reach of borrower. The presence of multiple players in the microfinance landscape and mature models of microlending, with a significant portion of its population in the low-income band, India represents a huge opportunity for the microfinance sector. Though government schemes and established financial institutions have enhanced access to microcredit for nearly 67% of the Indian

population living in rural areas, the significant geographic concentration of MFIs within a few districts of the country (34% of the districts with microfinance presence contribute 80% of the portfolio) indicates the potential for achieving higher microfinance penetration.

The microfinance sector has seen promising growth on the back of the rapidly growing Indian economy. The sector has been instrumental in offering formal credit to underserved low-income households and micro, small and medium enterprises (MSMEs), thereby increasing the contribution of these segments to India's overall GDP. In FY19, the microfinance sector displayed 40% growth in terms of loan portfolio. With advancements in technology, development of regulatory policies, new partnerships and launch of diverse products, the sector is expected to maintain the existing level of growth in the near future. Even amongst pandemic agri sector was the only sector that exhibit positive growth and continued to have positive outlook. This is likely to provide sustained growth momentum for lower impact on microfinance sector.

## **COMPANY OVERVIEW**

Svatantra Microfin Private Limited is a registered NBFC-MFI which operates in a Joint Liability Group lending model. Established in 2012, the Company focuses on reaching out to unbanked and providing financial services to women entrepreneurs – 100% of its clients comprise women living in rural areas. The Company's responsibilities extend beyond financial support to educating clients on financial literacy.

The Company has demonstrated the success and scalability of its business model by providing micro-credit over 1 Million women customers as on March 31, 2020. As per the financial as on March 31, 2020, the company has reported total income of Rs. 361.24 Crores and PAT of Rs. 36.32 Crores. The Company has been rated CRISIL A+ for its borrowings. The CRAR of the Company as per the Provisional financials on March 31, 2020 was 19.45% against the minimum regulatory requirement of 15% for NBFC MFI.

Till date the company has disbursed more than Rs. 4600 Crores to microfinance borrowers through JLG. The company's Gross Loan Portfolio as on March 31, 2020 is Rs. 2601.58 Crores with the network of 449 Branches in more than 220 districts.

Svatantra has a strong pedigree of promoters, board members & management team who are involved in building a successful enterprise. Till date the promoters of the company have invested capital amount to Rs. 332.00 Crores and the Net-worth of the company as on March 31, 2020 is Rs. 370.86 Crores.

## **OPERATIONAL PERFORMANCE**

The Company registered a stellar performance in 2019-20. From an operational perspective, the Company has taken important strides which promise to make its profitable growth sustainable.

The Company extended its footprint across 4 new states, thereby establishing its presence in 14 Indian states. It increased its branch network by 174 branches which has helped in strengthening its customer base to 1,032,242 as on March 31, 2020.

The portfolio of the company stood at Rs. 2601.58 Crores as on March 31, 2020.

## FINANCIAL PERFORMANCE

Amount in Rs.

<b>PARTICULARS</b>	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
<b>Income</b>		
<b>Revenue from operation</b>	<b>3,546,959,412</b>	<b>1,760,843,350</b>
Other Income	65,476,310	24,731,746
Less: Total Expenditure	3,115,652,325	1,547,735,419
<b>Profit / Loss Before Exceptional Items, Extraordinary Items and Tax</b>	<b>496,783,397</b>	<b>237,839,677</b>
Exceptional Item	-	-
Extraordinary Item	-	-
<b>Profit / (Loss) Before Tax</b>	<b>496,783,397</b>	<b>237,839,677</b>
Less: Current Tax	(129,520,000)	(73,355,782)
MAT Credit Entitlement -	-	-
Less: Deferred tax income/Expenses	(4,014,604)	2,120,652
Earlier Year deferred tax benefit/(Charge)	-	-
Earlier Year tax adjustment	-	-
<b>Profit/Loss for the year</b>	<b>363,248,793</b>	<b>166,604,547</b>

## OUTLOOK FOR 2019-20

The microfinance institutions (MFIs), which are currently feeling the pinch of the COVID-19 with their operations being suspended during the nationwide lockdown, do remain concerned about the near-term growth of the industry. However, the short-to-medium-term impact of the COVID-19 outbreak and the subsequent measure of the lockdown to combat the pandemic seems to be more on the urban sector as compared to agriculture-based rural activities.

## RISK AND CONCERNS

Risk management at Svatantra is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable.

The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk management framework goes beyond traditional boundaries and seeks to involve all key managers of the Company.

The Board of Directors stands at the apex of the governance, supporting the risk management framework. The Board oversees the implementation of the Risk Management Plan principally through the Board Risk Management Committee (BRMC).

The Board comprises of eminent directors with rich expertise and experience in the financial services space and are well versed with the possible risks which could adversely impact the Company's performance.

The Company has put in adequate checks by complying with the regulations framed by RBI which are applicable to the Company. It also has an effective risk management department which is bound to work in an effective manner in order to mitigate risks.

Whereas each department focuses on its specific area of activity, the risk management department operates in cooperation with all other departments, utilizing all significant information sourced by the other departments in order to manage risks.

The Company is regulated by Reserve Bank of India which has stipulated certain regulations to be followed by each and every NBFC.

#### **INTERNAL CONTROL AND ITS ADEQUACY**

At Svatantra, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices and statutes considering the organization's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including scientific and development risks, partner interest risks, commercial and financial risks.

Svatantra has built the management reporting and internal control systems in place, that enable it to monitor performance, strategy, operations, business environment, procedures, funding, risk and internal control. The internal auditors carry out extensive audits throughout the year across all locations penetrating all functional areas and submit their reports to the Audit Committee.

#### **HUMAN RESOURCE**

At Svatantra, people power is the bedrock for its success. For the intellectual capital resident within the organization have formulated the contours of its differentiated business strategy and have played a defining role in transforming business strategies into on-ground realities.

The Company obtained coveted Best places to work certification and was recognized amongst the 25 in BFSI sector for its human resource processes and policies.

It also strives to retain its experienced team rich in domain expertise through people centric policies. The Company's knowledge building comprises of a detailed learning and development calendar comprising multidiscipline training programs (technical knowledge and soft skills). This calendar captures the development needs of employees through performance appraisals and business needs based on sectoral trends.

There has been a significant increase in the number of branches of the Company during the year which was resulted in increase in the number of employees as on March 31, 2020 at 3927 as compared to 2487 in the previous year.

The company also has a strong culture of celebrations. All occasions are celebrated with great zeal and excitement.

**FOR SVATANTRA MICROFIN PRIVATE LIMITED**



A handwritten signature in black ink, appearing to read "Ananyashree Birla".

**ANANYASHREE BIRLA  
(CHAIRPERSON)**

**DIN: 06625036**

**Date:** 25<sup>th</sup> June, 2020  
**Place:** Mumbai

**SVATANTRA MICROFIN PRIVATE  
LIMITED**

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2020**

Suresh Surana & Associates LLP

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LLP Identity No. AAB-7509

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**SVATANTRA MICROFIN PRIVATE LIMITED**

**Report on the audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Svatantra Microfin Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

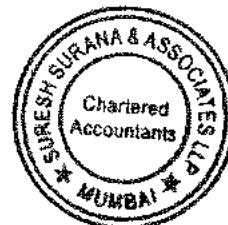
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit and the cash flows for the year ended on that date.

**Basis of Opinion**

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

**Emphasis of Matter**

We draw attention to Note 54 of the financial statements which describe the management's assessment of the impact of the COVID-19 pandemic on the financial statements of the Company and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.





**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

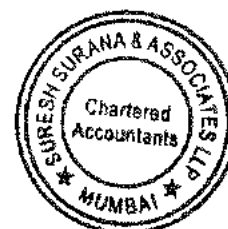
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

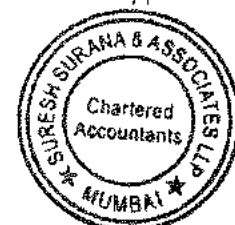
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

## 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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



# Suresh Surana & Associates LLP

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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;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, according to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year. As the Company is private company, provisions of Section 197 read with Schedule V of the Act is not applicable;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. (Refer note-26 to the financial statements)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No. 121750WW-100010

*M. Khandekar*

Madhukar Khandekar  
Partner

Membership No.: 13912

UDIN: 20013912AAA AKV 5622

Place: Mumbai

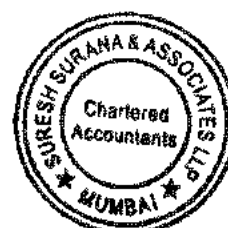
Date: 25 JUN 2020



**ANNEXURE-"A" TO INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, the fixed assets have been physically verified by the management according to the regular programme of periodical verification in a phased manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, there are no immovable properties of the Company and accordingly, the requirements under Clause 3 (i)(c) of the Order are not applicable to the Company.
- (ii) Considering the nature of business, the Company does not have any inventory. In view of this, paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of provisions of Section 185 and 186 of the Act and accordingly, the requirements under Paragraph 3 (iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed there under apply.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Act are not applicable to the Company for the year under audit.
- (vii) a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, goods and service tax, cess, and any other statutory dues with the appropriate authorities. There are no undisputed amount payable in respect of provident fund, employee state insurance, income tax, service tax, goods and service tax, cess, and any other statutory dues in arrears of outstanding statutory dues as at 31 March 2019 for a period of more than six months from the date they became payable except labour welfare fund of Rs. 10,755 and professional tax of Rs.15,600 which is outstanding on the last day of the financial year for more than six months from the date they became payable. Subsequent to the balance sheet date, the Company has paid labour welfare fund and professional tax dues. As informed, statutory dues in the nature of sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- b) According to information and explanations given to us, there are no dues on account of income tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.



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- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the banks and financial institutions or dues to debenture holders. The Company does not have any loans from government.
- (ix) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practice in India and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year except for instances of cash embezzlements by certain employees of the Company aggregating to an amount of Rs. 6.65 Lakhs and out of which, an amount of Rs.2.35 Lakhs has been recovered.
- (xi) As the Company is Private Limited Company, provisions of Section 197 read with Schedule V of the Act are not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act 1934, and the registration certificate has been obtained.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No: 121750WW-100010

*M Khandekar*  
Madhukar Khandekar

PARTNER

Membership No.13912

UDIN: 20013912AAAAKV 5622

Place: Mumbai

Date: 25 JUN 2020



**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of 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 Svatantra Microfin Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The 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.

**Auditors' 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") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 further 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Suresh Surana & Associates LLP

Chartered Accountants

Firm's Reg. No.: 121750W/W-100019

*MP Khandekar*



Madhukar Khandekar

PARTNER

Membership No. 13912

UDIN: 20013912AAAAKV5622

Place: Mumbai

Date: 25 JUN 2020

**Suresh Surana & Associates LLP**  
Chartered Accountants

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**Auditors' Additional Report**

To  
The Board of Directors  
Svatantra Microfin Private Limited  
20th Floor, Sunshine Towers,  
Senapati Bapat Marg,  
Elphinston Road, Mumbai- 400013

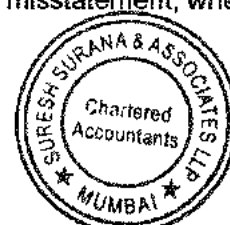
**Report on the Financial Statements**

We report that the statutory audit of **Svatantra Microfin Private Limited** ("the Company") was conducted by us in pursuance of the provisions of the Companies Act, 2013 and we have annexed hereto a copy of our Audit Report dated 25 June 2020, along with a copy of each of the audited balance sheet, as of 31 March 2020, statement of profit and loss and the statement of cash flows of the Company for the year ended on 31 March 2020 along with the documents declared by the relevant Act to be part of, or annexed to, the statement of profit and loss and the balance sheet.

In addition to the said report made under Section 143 of the Companies Act, 2013 ('the Act') on the financial statements of the Company for the year ended 31 March 2020 and as required by Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('The Directions'), issued by the Reserve Bank of India ('RBI') vide notification No. DNBS PPD.03/66.15.001/2016-17/ dated 29 September 2016 pursuant to the powers conferred in terms of Sub-Section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we report on the matters specified in paragraphs 3 and 4 of the said Directions, to the extent applicable, as follows:

**Management's Responsibility for the financial statements**

The Company's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Registered Office:  
309-308, Technocrats Knowledge Park, Mahakali Caves Road  
Andheri (E), Mumbai - 400 083, India. T +91 (22) 6191 5555



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

**Auditor's Responsibility**

Pursuant to the requirements of the Directions, it is our responsibility to examine the books of account and records of the Company and report on the matters specified in the Directions, to the extent applicable to the Company.

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

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

**Conclusion**

Based on our examination of the financial statements as at and for the year ended 31 March 2020, books of account and records of the Company as produced for our examination and according to the information and explanations given to us, we further report that:

**1. Para 3(A)**

- I. The Company is engaged in the business of Non-Banking Financial Company as defined under clause (i) of Section 45-I(c) of the Reserve Bank of India Act, 1934. The Company has obtained a Certificate of Registration numbered N-13.02036 from Mumbai R.O. of the Reserve Bank of India (RBI) dated 05 February 2013 for registration as a "Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI)" as provided in sub-section (1) of Section 45-IA of the Reserve Bank of India Act, 1934.
- II. On the basis of the financial statements for the year ended 31 March 2020 audited by us and as per Paragraph 5 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, we hereby report that the Company is entitled to continue to hold such Certificate of Registration in terms of its financial asset /income pattern as on 31 March 2020.
- III. Based on the net owned fund requirement as laid down in Paragraph 5 of Master Direction - Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company is meeting the required net owned fund requirement.



**2. Para 3(B)**

As indicated in Clause 1 above, since the Company has Certificate of Registration as "Non-Banking Financial Company Not Accepting Public Deposits", the matters referred to in Para 3(B) of the Directions are not applicable to the Company.

**3. Para 3(C)**

- I. The Board of Directors has passed a resolution in the meeting of Board of Directors held on 05 April 2019 for the non-acceptance of any public deposits.
- II. The Company has not accepted any Public Deposit during the year.
- III. The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in the preparation of financial statements for the year ended 31 March 2020.
- IV. The Company being a Systemically Important Non- Deposit taking NBFC as defined in Paragraph 3 (xxi) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
  - a) The Capital adequacy ratio as disclosed in the return submitted to the RBI in form NBS-7 has been correctly arrived at and such ratio is in compliance with the minimum capital to risk asset ratio ('CRAR') prescribed by RBI. and
  - b) Presently, there is no requirement of furnishing the annual statement of capital funds, risk assets/exposures and risk assets ratio (NBS 7) to RBI. The Company has furnished to the RBI, the statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) within the stipulated period.
- V. Based on the criteria set forth by the RBI in Paragraph 3(xx) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has been correctly classified as NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the year ended 31 March 2020.

**4. Para 3(D)**

Since as per RBI, the Company is required to hold Certificate of Registration, the matters referred to in Para 3(D) of the Directions are not applicable to the Company.



# Suresh Surana & Associates LLP

Chartered Accountants

## Restrictions of use

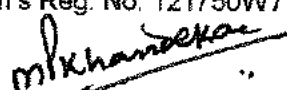
We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

This report is issued pursuant to our obligations under Non-banking Financial Companies Auditors' report (Reserve Bank) Directions, 2016 to submit a report on additional matters as stated in the Directions to the RBI. Our report should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No: 121750W / W-100010

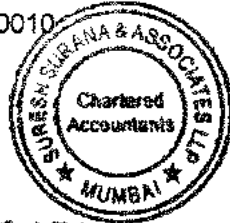
  
(Madhukar Khandekar)

PARTNER

Membership No.: 13912

UDIN: 20013912AAAAKV5622

Mumbai,



Dated: 25 JUN 2020

**Svatanttra Microfin Private Limited**

**Balance Sheet as at 31 March 2020**

Particulars	Note No.	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	3	3,320,468,750	1,720,468,750
(b) Reserves and surplus	4	388,169,733	24,920,940
		<b>3,708,638,483</b>	<b>1,745,389,690</b>
<b>Non-Current Liabilities</b>			
(a) Long term borrowings	5	9,619,730,977	5,733,858,296
(b) Long term provisions	6	138,398,708	15,874,104
		<b>9,758,129,685</b>	<b>5,749,732,400</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	7	931,246,090	925,066,077
(b) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	36,515,449	36,242,066
(c) Other current liabilities	9	10,863,036,039	4,540,015,817
(d) Short-term provisions	10	93,352,117	217,516,790
		<b>11,924,149,695</b>	<b>5,718,842,750</b>
<b>TOTAL</b>		<b>26,390,917,863</b>	<b>13,213,964,840</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Property, plant and equipment	11A	82,136,369	60,736,908
(ii) Intangible assets	11B	19,435,530	16,203,458
(iii) Capital work-in-progress	11C	4,101,289	6,742,272
		<b>105,673,188</b>	<b>75,582,638</b>
(b) Long-term loans and advances	12	10,541,198,823	4,456,207,097
(c) Other non-current assets	13	80,555,878	126,767
(d) Deferred tax asset (net)	14	62,562,928	66,577,534
		<b>10,684,317,629</b>	<b>4,522,911,398</b>
<b>Current Assets</b>			
(a) Cash and cash equivalents	15	4,203,951,501	1,057,949,930
(b) Short-term loans and advances	16	9,957,724,749	7,366,289,086
(c) Other current assets	17	439,250,796	191,131,787
		<b>14,600,927,046</b>	<b>8,615,370,803</b>
<b>TOTAL</b>		<b>26,390,917,863</b>	<b>13,213,964,840</b>

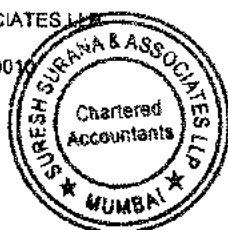
**Summary of significant accounting policies**

**2**

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Reg. No.: 121750W / W-10001

*M. P. Khandekar*  
(Madhukar Khandekar)  
Partner  
Membership no. 13912  
Place : Mumbai  
Date : **25 JUN 2020**



ON BEHALF OF THE BOARD OF DIRECTORS OF  
SVATANTRA MICROFIN PRIVATE LIMITED

*Neeraj Birla*  
Neeraj Birla  
DIRECTOR  
DIN No. 01020533

*Vineet Chatterjee*  
Vineet Chatterjee  
DIRECTOR  
DIN No. 07962531

*Arjun Varadkar*  
Arjun Varadkar  
CHIEF EXECUTIVE OFFICER

*Vrushali Mahajan*  
Vrushali Mahajan  
CHIEF FINANCIAL OFFICER

*Surinder Kumar Bhatia*  
Surinder Kumar Bhatia  
COMPANY SECRETARY  
Membership No. 17227

Place : Mumbai  
Date : **25 JUN 2020**

Place : Mumbai  
Date : **25 JUN 2020**



**Svatantra Microfin Private Limited**

**Statement of Profit and Loss for the year ended 31 March 2020**

Particulars	Note No.	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
<b>Income</b>			
Revenue from operations	18	3,546,959,412	1,760,843,350
Other income	19	65,476,310	24,731,746
<b>Total revenue</b>		<b>3,612,435,722</b>	<b>1,785,575,096</b>
<b>Expenses</b>			
Employee benefits expense	20	948,382,429	492,474,572
Finance costs	21	1,611,731,622	781,895,909
Depreciation/amortisation expense	22	44,270,252	25,409,196
Other expenses	23	384,122,512	199,286,101
Contingent provision against Standard assets, Provision for Non-performing assets and Write-off	24	127,145,510	48,669,641
<b>Total expenses</b>		<b>3,115,652,325</b>	<b>1,547,735,419</b>
<b>Profit before tax</b>		<b>496,783,397</b>	<b>237,839,677</b>
<b>Tax expenses</b>			
Current tax		(129,520,000)	(73,355,782)
Deferred tax Income/(expenses)		(4,014,604)	2,120,652
<b>Profit after tax</b>		<b>363,248,793</b>	<b>166,604,547</b>
<b>Earnings Per Share</b>	25		
Basic		1.59	1.17
Diluted		1.59	1.16
Nominal value per share		10	10

**Summary of significant accounting policies**

**2**

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No.: 121750W / W-1000000

*mkhandekar*  
(Madhukar Khandekar) \*\*

Partner

Membership no. 13912

Place : Mumbai

Date : 25 JUN 2020



ON BEHALF OF THE BOARD OF DIRECTORS OF  
SVATANTRA MICROFIN PRIVATE LIMITED

*Neerja Birla*

Neerja Birla  
DIRECTOR  
DIN No. 01020533

*Vineet Chatterjee*

Vineet Chatterjee  
DIRECTOR  
DIN No. 07962531

*Arjeet Varadkar*

Arjeet Varadkar  
CHIEF EXECUTIVE OFFICER

*Vrushalk Mahajan*

Vrushalk Mahajan  
CHIEF FINANCIAL OFFICER

*Surinder Kumar Bhatia*  
Surinder Kumar Bhatia  
COMPANY SECRETARY  
Membership No. 17227

Place : Mumbai  
Date : 25 JUN 2020

Place : Mumbai  
Date : 25 JUN 2020



## Statement of Cash flows for the year ended 31 March 2020

Particulars	For the year ended 31 March 2020 (Rs.)	For the year ended 31 March 2019 (Rs.)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	496,783,387	237,839,677
Adjustments for:-		
Depreciation/amortisation expense	44,270,262	25,409,196
Contingent provision against Asset	(23,317,347)	44,629,866
Portfolio loan written off	150,482,857	4,039,775
Interest income	(5,396,051)	(2,309,329)
Profit on sale of current investments	(51,826,002)	(11,238,084)
Loss on sale of fixed assets	126,524	-
Interest expenses	1,506,260,100	703,463,251
Operating profit before working capital changes	2,117,384,720	1,001,834,361
Adjustments for working capital changes:		
(Increase)/decrease in trade and other payables	442,175,986	111,968,722
(Increase)/decrease in trade and other receivables	(9,139,659,519)	(6,174,621,920)
Cash generated from operations	(6,580,118,813)	(5,060,818,847)
Income taxes paid/(refund)	(142,796,740)	(82,953,709)
Net cash generated from/(utilised in) operating activities	(A) (6,722,915,553)	(5,143,772,556)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work-in-progress	(75,291,581)	(55,956,441)
Proceed on sale of fixed Asset	40,396	105,208
Interest income	2,893,731	2,309,329
Purchase of investments	(25,922,500,000)	(9,234,500,100)
Sale of investments	25,974,326,002	9,245,738,184
Net cash generated from/(utilised in) investing activities	(B) (20,531,457)	(42,303,820)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital	800,000,000	397,031,250
Proceeds from issue of 5% Compulsorily Convertible Non-Cumulative Preference Shares	800,000,000	-
Proceeds from long term of borrowings	15,350,550,000	7,760,000,000
Repayments of long term of borrowings	(5,616,196,038)	(1,563,239,979)
Proceed / (Repayment) of short term borrowings	6,178,013	209,666,183
Interest paid	(1,451,083,397)	(612,752,527)
Net cash generated from/(utilised in) financing activities	(C) 9,889,448,582	6,190,704,907
Net (decrease) / increase in cash and cash equivalents (A+B+C)	3,146,001,572	1,004,628,531
Cash and cash equivalents at the beginning of the year	1,057,949,929	53,321,398
Cash and cash equivalents at the end of the year	4,203,951,501	1,057,949,929

## Note:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on "Cash Flow Statements" as notified by Central Government of India.
- Cash and Cash equivalent for the purpose of cash flow statement comprises cash on hand and cash at bank excluding fixed deposit with original maturity of more than three months.

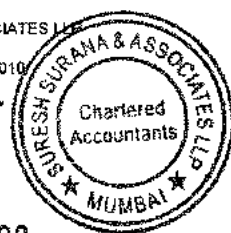
## Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants  
Firm's Reg. No.: 121750W / W-100010

*Madhukar Khandekar*  
(Madhukar Khandekar)  
Partner  
Membership no. 13912  
Place : Mumbai  
Date : 25 JUN 2020



ON BEHALF OF THE BOARD OF DIRECTORS  
SVATANTRA MICROFIN PRIVATE LIMITED

*Neeraj Birla*  
Neeraj Birla  
DIRECTOR  
DIN No. 01020533

*Vineet Chatterjee*  
Vineet Chatterjee  
DIRECTOR  
DIN No. 07962531

*Anuj Varadkar*  
Anuj Varadkar  
CHIEF EXECUTIVE OFFICER

*Vrushali Mahajan*  
Vrushali Mahajan  
CHIEF FINANCIAL OFFICER

*Surinder Kumar Bhatia*  
Surinder Kumar Bhatia  
COMPANY SECRETARY  
Membership No. 17227

Place : Mumbai  
Date : 25 JUN 2020

Place : Mumbai  
Date : 25 JUN 2020



Notes to the financial statements for the year ended 31 March 2020

**1 Company Information**

Svatantra Microfin Private Limited ('the Company') is a private limited company incorporated in India on 17 February 2012 under the Companies Act, 1956 having its registered office at Mumbai. The Company is registered with Reserve Bank of India (RBI) as a "Non Banking Financial Company- Micro Finance Institution".

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of accounting and preparation of financial statements**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India in compliance with the provisions of the Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Reserve Bank of India (RBI) guidelines to the extent applicable to a Systemically Important Non- Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and Non-Banking Finance Company- Micro Finance Institution (NBFC-MFI). The financial statements are presented in Indian Rupees rounded off to the nearest rupee.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised appropriately.

**2.3 Fixed assets and depreciation/Amortization expenses**

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of tangible fixed assets comprises of the purchase price, taxes, duties, freight (net of discount and rebates) and any other directly attributable expenditure of bringing the assets to their working condition for their intended use.

The Company provides depreciation using straight line method on the basis of useful life of fixed assets specified by Schedule II to the Companies Act, 2013.

Individual assets costing Rs. 5,000 or less are fully depreciated on pro-rata basis.

Leasehold improvements are amortised over a period of 5 years .

**Intangible assets**

Intangible assets are carried at cost of acquisition less amortisation. The cost of intangible asset comprises of license fees and cost of implementation / system integration services. Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Software is amortised on a straight line basis over its estimated useful life or 5 years, whichever is lower.

**Capital Work in progress**

Fixed asset under construction / development and asset acquired but not ready for their intended use are disclosed as capital work-in-progress.

**2.4 Revenue recognition**

a) Interest income on portfolio loans is recognized on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPA's) where it is recognised, upon realisation, as per prudential norms of RBI.

b) Loan processing fee income is recognised at the time of loan disbursed to the borrower.

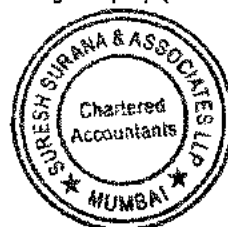
c) Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate applicable.

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

e) Income on direct assignment

The Company enters into arrangements for sale of loan receivables through direct assignment and securitization. The said assets are de-recognised upon transfer of significant risks and rewards to the purchaser and on meeting the true sale criteria.

The Company retains the contractual right to receive share of future monthly interest i.e. Excess Interest Spread ('EIS') on the transferred assets which is the difference between the pool IRR and the yield agreed with the portfolio buyer. Interest on retained portion of assigned portfolio is recognised on accrual basis except in case of non-performing assets wherein Interest income is recognised on receipt basis as per NBFC prudential norms. This is in line with RBI Master Direction - Non-Banking Financial Company - Systemically Important NonDeposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated 01 September 2016.



**2.5 Accounting for taxes on income:**

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

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual/reasonable certainty that these would be realised in future and are reviewed for the appropriateness of the respective carrying values at each balance sheet date.

The Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**2.6 Investments**

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

**2.7 Preliminary expenses**

Preliminary expenses are charged to the statement of profit and loss in the year in which it is incurred.

**2.8 Retirement benefits**

**i) Defined contribution plans:**

The Company contributes to Employee's Provident Fund (a defined contribution plan) towards post employment benefits, which is administered by the respective Government authorities and the Company has no further obligation beyond making its contribution.

**ii) Defined benefits plans:**

**Gratuity**

The Company has a Defined Benefit Plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses are recognized immediately in the statement of profit and loss. Gratuity is funded with an approved trust.

**Employee leave encashment**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at year end which is calculated using projected unit credit method and charged to the statement of profit and loss.

**2.9 Employee Stock Option Scheme ('ESOP')**

The Company has formulated an Employees Stock Option Scheme ("Scheme"). The Scheme provides that subject to continued employment with the Company, employees of the Company are granted an option to acquire equity shares of the Company that may be exercised within a specified period. The Company follows the Intrinsic value method for computing the compensation cost for all options granted which will be amortized over the vesting period.

Measurement and disclosure of the employee share-based payment schemes are done in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

The difference between the fair value of the stock option granted and the exercise price, if any, is expensed as "Employee Compensation" over the period of vesting.

**2.10 Cash settled share based payments (Phantom Stock Plan)**

Phantom stock units granted to a consultant under the Cash-settled Share-based payment plan (Phantom Stock Plan) is recognised based on intrinsic value method. Intrinsic value of the phantom stock unit is determined in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India.

**2.11 Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight-line basis over the lease term.





**2.12 Borrowing costs**

Borrowing cost includes interest, processing fees and other costs incurred in connection with the arrangement of borrowings. All borrowing costs are expensed in the period they occur.

**2.13 Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**2.14 Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Provisioning policy for loan portfolio**

Asset classification	Provisioning %
Standard assets	1
Non performing assets	
* Overdue for more than 90 days but less than 180 days	50
* Overdue for 180 days or more	100

Provision on standard assets has been made in line with the NBFC-ND-NSI Prudential Norms.

The overall provision for portfolio loans are determined as prescribed in the NBFC-MFI Directions. These Directions require the total provision for portfolio loans to be higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments for 180 days or more.

Such provision created in order to comply with the NBFC-MFI Directions is classified and disclosed in the Balance Sheet as contingent provision for standard assets.

All loans which are overdue for 730 days or more or in the opinion of the management, any amount which is not recoverable are written off.

**2.15 Asset classification norms**

Standard assets means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

Non performing assets means an asset for which, interest/ principal has remained overdue for a period of 90 days or more.

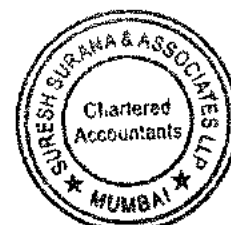
Portfolio loans under assignment are de-recognised in the balance sheet when they are assigned subject to the Minimum Retention Criteria(MRC). MRC portion of assigned loan are shown under Loans and Advances. Assignment.

**2.16 Earnings per share**

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**2.17 Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.



## 3 SHARE CAPITAL

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Authorised</b>		
755,000,000 (Previous year 180,000,000) Equity shares of Rs.10 each, fully paid	7,550,000,000	1,800,000,000
30,000,000 (Previous year Nil) Preference shares of Rs.100 each, fully paid	3,000,000,000	-
<b>Total authorised capital</b>	<b>10,550,000,000</b>	<b>1,800,000,000</b>
<b>Issued, subscribed and fully paid-up</b>		
252,046,875 shares (Previous year 172,046,875 shares) Equity shares of Rs. 10 each fully paid up	2,520,468,750	1,720,468,750
8,000,000 shares (Previous year Nil) 5% Compulsorily Convertible Non-Cumulative Preference Shares of Rs. 100 each fully paid up	800,000,000	-
<b>Total issued, subscribed and fully paid up share capital</b>	<b>3,320,468,750</b>	<b>1,720,468,750</b>

## a) Reconciliation of number and amount of shares outstanding:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	172,046,875	1,720,468,750	132,343,750	1,323,437,500
Shares issued during the year	80,000,000	800,000,000	39,703,125	397,031,250
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>252,046,875</b>	<b>2,520,468,750</b>	<b>172,046,875</b>	<b>1,720,468,750</b>

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Rs.	Number	Rs.
5% Compulsorily Convertible Non-Cumulative Preference Shares				
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	8,000,000	800,000,000	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>8,000,000</b>	<b>800,000,000</b>	<b>-</b>	<b>-</b>

## b) Terms / rights attached to each class of shares

Equity shares

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

Preference shares

The Company has issued 8,000,000, 5% Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) having a par value of Rs.100 per share with following term below:

1. The CCPS shall carry a fixed rate of dividend of 5% (Five Percent) on the capital paid up thereon calculated on a proportionate basis from the date of allotment.
2. The payment of dividend on CCPS will be on non-cumulative basis.
3. The CCPS shall be compulsorily convertible into such number of Equity Shares on expiry of 10 (Ten) years from the date of allotment at price valued by a Chartered Accountant having minimum 10 years' of experience at that point of time.
4. The CCPS shall not be redeemable, since it is compulsorily convertible.
5. The CCPS will carry preferential rights vis-à-vis Equity Shares of the Company with respect to the payment of Dividend and repayment of Capital during winding up.
6. The CCPS shall be non-participating in the surplus funds & assets and profits on winding up which may remain after the entire capital has been repaid.
7. The CCPS shall carry voting rights as per the provisions of Memorandum and Articles of the Company.
8. The CCPS shall rank pari passu in all respects, subject to the provisions of the Memorandum and Articles of Association of Company.
9. All other terms, conditions and right of the preference shareholders shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Companies Act, 2013.

## c) Pursuant to the Board resolution dated 20 May 2019 and 30 September 2019 during the year, the Company has allotted 80,000,000 (Previous year 39,703,125 issued pursuant to the Board resolution dated 10 December 2018) fully paid-up equity shares having face value of Rs.10 each on a right issue basis to the following parties:

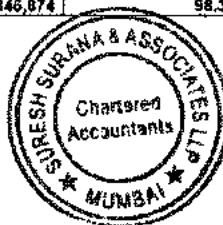
	No. of shares Allotted for the year ended 31 March 2020	No. of shares Allotted for the year ended 31 March 2019
TGS Investment and Trade Private Limited	1,750,000	9,454,500
Infocyper India Private Limited	500,000	7,183,500
Svatantra Holdings Private Limited	40,000,000	-
IGH Holdings Private Limited	8,000,000	7,935,489
Birla Group Holdings Private Limited	19,550,000	10,069,875
Umang Commercial Company Private Limited	10,200,000	3,059,781
<b>Total</b>	<b>80,000,000</b>	<b>39,703,125</b>

Pursuant to the Board resolution dated 16 January 2020, 10 February 2020 and 31 March 2020 during the year, the Company has allotted 8,000,000 fully paid-up preference shares having face value of Rs.100 each to the following parties:

	No. of shares Allotted for the year ended 31 March 2020	No. of shares Allotted for the year ended 31 March 2019
Svatantra Holdings Private Limited	8,000,000	-
<b>Total</b>	<b>8,000,000</b>	<b>-</b>

## d) Shareholders' holding more than 5% equity shares in the Company :-

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Ms. Ananyashree Birla	207,846,874	82.46%	-	-
Svatantra Holdings Private Limited	40,000,000	15.87%	-	-
IGH Holdings Private Limited	-	-	34,387,031	19.95%
TGS Investment and Trade Private Limited	-	-	40,959,500	23.81%
Infocyper India Private Limited	-	-	31,128,500	18.09%
Birla Group Holdings Private Limited	-	-	43,636,125	25.36%
Umang Commercial Company Private Limited	-	-	21,925,719	12.74%
<b>Total</b>	<b>247,846,874</b>	<b>98.33%</b>	<b>172,046,875</b>	<b>100.00%</b>



## 4 RESERVES AND SURPLUS

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Securities premium</b>		
As per last Balance Sheet	400,000	400,000
<b>Closing Balance</b>	<b>400,000</b>	<b>400,000</b>
<b>Statutory Reserve *</b>		
As per last Balance Sheet	37,736,291	4,415,382
Add: Transferred from Statement of Profit and Loss	72,649,800	33,320,909
<b>Closing Balance</b>	<b>110,386,091</b>	<b>37,736,291</b>
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Opening balance	(13,215,351)	(146,498,989)
Profit / (loss) for the year	363,248,793	168,604,547
Less: Transfer to Statutory Reserve	72,649,800	33,320,909
<b>Closing Balance</b>	<b>277,383,642</b>	<b>(13,215,351)</b>
<b>Total (a+b+c)</b>	<b>388,169,733</b>	<b>24,920,940</b>

\*Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45 - 1C of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purpose specified by the RBI.

## 6 LONG TERM BORROWINGS

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Secured</b>		
Term Loan		
-from banks*	6,955,105,062	3,986,350,156
-from non banking financial companies (NBFCs) **	1,409,975,915	997,508,140
-from other financial institution****	354,650,000	-
11.70% Unsecured redeemable non-convertible debentures***	750,000,000	750,000,000
13.50% Unsecured redeemable non-convertible debentures***	150,000,000	-
<b>Total</b>	<b>9,619,730,977</b>	<b>5,733,858,296</b>

\* Secured by pari-passu first charge by way of hypothecation of all receivables of the Company, in the favour of security trustee. Loans availed having tenure of 12 months to 84 months with a moratorium period of 1 months to 12 months and the same are repayable in monthly and quarterly instalment, repayment starting after completion of respective moratorium period with interest rate ranging from 8.90% to 12.25% (previous year 9.30% to 12.50%).

\*\* Secured by pari-passu first charge by way of hypothecation of all receivables of the Company, in the favour of security trustee. Loans availed having tenure of 12 months to 48 months with a moratorium period of 3 months to 6 months and the same are repayable by monthly, quarterly and by way of bullet payment starting after completion of respective moratorium period with interest rate of 9.40% to 12.20% (previous year 9.40% to 12.20%).

\*\*\*\* Loan availed of 50,00,000 USD was taken from Arbos FS Ltd (First lender) and same has been taken over by RBL bank Limited by way of Deed of Accession for INR Loan. The Company will be paying to RBL Bank Limited in INR and RBL bank Limited will pay to the first lender. The loan is secured by pari-passu first charge by way of hypothecation of all receivables of the Company, in the favour of security trustee. The tenure of the loan is 36 months with a bullet principal repayment and interest payable on half yearly basis @ Libor (Libor on second London Banking day) plus 4%

\*\*\* The Company has made issue of 750 unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.1,000,000 each at coupon rate of 11.70% p.a. to Tata Capital Financial Services Limited. The said debentures of Rs. 75 crores are redeemable on 30 November 2023 at face value of Rs. 1,000,000 each. As on 31.03.2020, the said debentures are held by the following parties:

Name of the debenture holders	As at 31 March 2020 Debentures Held (No.)	As at 31 March 2019 Debentures Held (No.)
Tata Capital Financial Services Ltd	150	150
Franklin India Short Term Income Plan	300	300
Franklin India Income Opportunities Fund	300	300

\*\*\* The Company has made issue of 15,00,000 unsecured, subordinated, fully paid up, rated, unlisted, taxable, transferable, redeemable, non-convertible debentures of Rs.10 each at coupon rate of 13.75% p.a. to Vivviti Samarth Bond Fund. The said debentures of Rs. 15 crores are redeemable on 31 March 2026 at face value of Rs. 10 each. As on 31.03.2020, the said debentures are held by the following parties:

Name of the debenture holders	As at 31 March 2020 Debentures Held (No.)	As at 31 March 2019 Debentures Held (No.)
Vivviti Samarth Bond Fund	15,00,000	-



**Svatantra Microfin Private Limited**

Notes to the financial statements for the year ended 31 March 2020

**6 LONG TERM PROVISIONS**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Provision for Portfolio Loan	101,324,732	-
Gratuity (Funded) (refer note no. 28)	14,280,526	6,851,693
Leave encashment (Unfunded)	22,793,450	9,022,411
<b>Total</b>	<b>138,398,708</b>	<b>15,874,104</b>

**7 SHORT TERM BORROWINGS**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Secured Term Loan		
-from banks	400,000,000	400,000,000
-from non banking financial companies (NBFCs)	100,000,000	225,000,000
Cash credit from a bank*	431,246,090	300,068,077
<b>Total</b>	<b>931,246,090</b>	<b>925,068,077</b>

Refer note 5 and 5.1 above

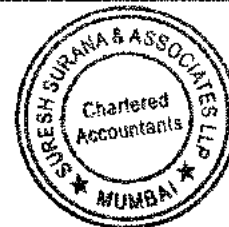
\* Secured by pari-passu first charge by way of hypothecation of all receivables of the Company. Interest rate 9.85% to 11.00% (previous year 9.65% to 10.75%).

**8 TRADE PAYABLES**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	36,515,449	36,242,066
<b>Total</b>	<b>36,515,449</b>	<b>36,242,066</b>

Following disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been made to the extent information available with the Company :

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The 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 Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-



**Svatantra Microfin Private Limited**

Notes to the financial statements for the year ended 31 March 2020

**9 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Current maturities of long term borrowings- from Banks (Refer Note 5 and 5.1)	8,891,041,649	3,664,556,312
Current maturities of long term borrowings- from NBFCs (Refer Note 5 and 5.1)	1,260,379,623	638,381,879
Interest accrued but not due on borrowings	174,172,579	118,995,876
Statutory dues	22,460,983	20,653,574
Employees dues payable	28,972,582	20,696,796
Payable towards Direct Assignment and Securitization ( Refer Note 35.1)	466,008,443	75,865,523
Creditor for capital goods	-	863,857
<b>Total</b>	<b>10,863,036,039</b>	<b>4,540,015,817</b>

**10 SHORT TERM PROVISIONS**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Provision for Portfolio Loan	90,494,918	217,100,764
Additional provision against standard assets	1,963,766	-
Leave encashment (Unfunded)	545,215	291,885
Other provisions ( Refer Note 29 b)	248,218	124,141
<b>Total</b>	<b>93,352,117</b>	<b>217,516,790</b>

On 17 April 2020 Reserve Bank of India issued notification vide document no.RBI/2019-20/220 DOR, NO. BP, BC.6321.04.048/2019-20, announced the COVID19 regulatory package to make general provision of 10% of loan outstanding (not less than 5% by quarter on 31st March 2020 and another 5% by quarter ending on 30 June 2020). Accordingly additional provision of Rs. 19,63,766 has been made.

**12 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Portfolio Loans - Joint Liability Group loans</b>		
Unsecured, considered good* (Refer Note 53)	10,127,311,757	4,431,853,860
Unsecured, considered doubtful** (Refer Note 53)	5,161,487	1,182,974
Security deposits	10,900,150	5,994,300
Prepaid expenses	8,706	1,762,627
Capital advances	3,623,529	-
Employee loans	1,177,088	2,200,989
Receivables toward Direct Assignment and Securitization - Minimum Retention (Refer Note 35)	367,693,171	1,568,153
Advance income tax (net of provision for tax Rs. 202,875,782 ; previous year Rs. 74,636,229)	24,922,935	11,646,194
<b>Total</b>	<b>10,541,198,823</b>	<b>4,456,207,097</b>

\* Represents standard assets in accordance with Company's asset classification norms policy

\*\* Represents non performing assets in accordance with Company's asset classification norms policy

**13 OTHER NON-CURRENT ASSETS**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
<b>Other Bank balances</b>		
- in fixed deposit accounts with original maturity of more than 12 months	80,555,878	126,787
<b>Total</b>	<b>80,555,878</b>	<b>126,787</b>



## 14 DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Deferred tax assets		
Contingent provision	44,700,008	59,076,768
Preliminary expenses	4,128,597	2,364,399
Provision for retirement benefits	9,483,920	4,465,476
(A)	58,322,525	65,926,643
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,240,403	650,891
(B)	4,240,403	650,891
Deferred tax asset (net) (A + B)	62,562,928	66,577,634

## 15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Cash and cash equivalents		
- Cash on hand	1,431,015	1,211,799
- Balance with banks		
- In current accounts	3,202,470,302	1,056,687,946
- In fixed deposit accounts with original maturity of less than three months	1,000,050,184	50,184
Total	4,203,851,501	1,067,949,929

## 16 SHORT TERM LOANS AND ADVANCES

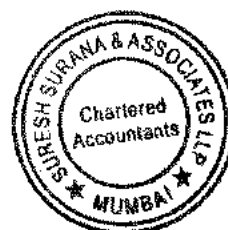
Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Portfolio Loans		
Joint Liability Group loans		
Unsecured, considered good* (Refer Note 53)	8,551,367,630	6,922,799,451
Unsecured, considered doubtful** (Refer Note 53)	238,125,603	282,223,721
Loan to corporates		
Loans to body corporate	650,000,000	-
Advance recoverable in cash or kind or for value to be received	90,620,421	38,634,258
Prepaid expenses	57,589,785	40,880,819
Balance with government authorities	4,394,365	1,635,572
Security deposits	5,338,776	4,493,976
Employee loans	3,799,191	1,321,820
Receivables toward Direct Assignment and Securitization - Minimum Retention (Refer Note 35)	356,489,077	74,299,369
Total	9,957,724,749	7,366,289,086

\* Represents standard assets in accordance with Company's asset classification norms policy

\*\* Represents non performing assets in accordance with Company's asset classification norms policy

17 OTHER CURRENT ASSETS  
(Unsecured, considered good)

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Interest accrued but not due		
- on portfolio loans	437,240,489	191,125,933
- on fixed deposits	2,010,297	5,854
Total	439,250,786	191,131,787



## 5.1 : Term of Repayment of Term Loan

Original Maturity	Interest Rate	Due Within 1 Year		Due between 1 - 2 Years		Due between 2 - 3 Years		Due between 3 - 4 Years		Due between 4 - 5 Years		Due between 5 - 6 Years		Due between 6 - 7 Years		Total
		No. Of Installments	Amount	No. Of Installments	Amount	No. Of Installments	Amount	No. Of Installments	Amount	No. Of Installments	Amount	No. Of Installments	Amount	No. Of Installments	Amount	
Within 1 Year	9.50% to 10.00%	1	100,000,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000,000
		1	100,000,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000,000
		3	200,000,000	-	-	-	-	-	-	-	-	-	-	-	-	200,000,000
	9.00% to 10.50%	4	24,044,613	-	-	-	-	-	-	-	-	-	-	-	-	24,044,613
		5	20,833,333	-	-	-	-	-	-	-	-	-	-	-	-	20,833,333
		12	163,696,384	-	-	-	-	-	-	-	-	-	-	-	-	163,696,384
	9.51% to 10.00%	1	50,000,000	-	-	-	-	-	-	-	-	-	-	-	-	50,000,000
		6	27,500,000	-	-	-	-	-	-	-	-	-	-	-	-	27,500,000
		22	204,347,826	-	-	-	-	-	-	-	-	-	-	-	-	204,347,826
	10.01% to 10.50%	10	66,960,522	-	-	-	-	-	-	-	-	-	-	-	-	66,960,522
		4	109,090,809	3	126,483,636	-	-	-	-	-	-	-	-	-	-	235,574,445
		44	321,870,239	10	74,183,962	-	-	-	-	-	-	-	-	-	-	396,054,201
1-3	10.51% to 11.00%	8	250,000,000	8	250,000,000	-	-	-	-	-	-	-	-	-	-	500,000,000
		10	227,272,727	12	272,727,273	-	-	-	-	-	-	-	-	-	-	500,000,000
		62	1,823,333,333	44	1,151,500,516	18	232,501,273	-	-	-	-	-	-	-	-	3,207,335,117
	11.01% to 11.50%	48	873,813,043	7	84,782,509	-	-	-	-	-	-	-	-	-	-	958,595,552
		12	150,434,783	5	54,347,628	-	-	-	-	-	-	-	-	-	-	184,782,411
		24	313,043,478	11	143,478,261	-	-	-	-	-	-	-	-	-	-	456,521,739
	11.51% to 12.00%	45	683,818,041	27	509,065,539	12	383,700,000	-	-	-	-	-	-	-	-	1,576,583,580
		5	833,333,333	7	1,186,666,667	-	-	-	-	-	-	-	-	-	-	2,020,000,000
		12	272,727,273	8	181,818,182	-	-	-	-	-	-	-	-	-	-	454,545,455
3-5	12.01% to 12.50%	32	685,311,665	24	435,200,011	2	90,000,000	-	-	-	-	-	-	-	-	1,210,511,676
		12	81,818,182	7	47,727,273	-	-	-	-	-	-	-	-	-	-	129,545,455
		4	250,000,000	1	62,500,000	-	-	-	-	-	-	-	-	-	-	312,500,000
	12.51% to 13.00%	12	463,030,364	6	231,818,182	-	-	-	-	-	-	-	-	-	-	694,848,546
		12	136,893,696	5	56,818,182	-	-	-	-	-	-	-	-	-	-	183,711,878
		11	114,583,342	-	-	-	-	-	-	-	-	-	-	-	-	114,583,342
	13.01% to 13.50%	24	265,419,135	23	257,048,251	12	430,407,799	-	-	-	-	-	-	-	-	952,875,185
		6	62,500,000	2	15,583,024	-	-	-	-	-	-	-	-	-	-	78,083,024
		4	25,000,000	4	25,000,000	1	6,250,000	-	-	-	-	-	-	-	-	56,250,000
	13.51% to 14.00%	4	50,000,000	4	50,000,000	4	50,000,000	-	-	-	-	-	-	-	-	150,000,000
		4	25,000,000	4	25,000,000	1	6,250,000	-	-	-	-	-	-	-	-	56,250,000
		4	12,500,000	3	9,432,120	-	-	-	-	-	-	-	-	-	-	21,932,120
More than 5	14.01% to 14.50%	4	17,500,000	1	4,371,557	-	-	-	-	-	-	-	-	-	-	21,871,557
		4	12,500,000	2	6,249,542	-	-	-	-	-	-	-	-	-	-	18,749,542
		4	166,666,667	4	166,666,667	2	63,333,333	-	-	-	-	-	-	-	-	416,666,667
	14.51% to 15.00%	36	375,000,648	23	249,362,500	14	160,000,000	-	-	-	-	-	-	-	-	784,363,148
		6	50,000,000	6	50,000,000	4	25,000,000	-	-	-	-	-	-	-	-	125,000,000
		2	265,714,300	2	265,714,300	2	265,714,286	-	-	-	-	-	-	-	-	837,142,886
	15.01% to 15.50%	4	35,714,286	4	35,714,286	4	35,714,286	-	-	-	-	-	-	-	-	107,142,858
		24	45,000,000	24	45,000,000	24	45,000,000	-	-	-	-	-	-	-	-	135,000,000
		12	15,000,000	12	15,000,000	8	7,500,000	-	-	-	-	-	-	-	-	37,500,000
	15.51% to 16.00%	12	15,000,000	12	15,000,000	8	7,500,000	-	-	-	-	-	-	-	-	37,500,000
		12	15,000,000	12	15,000,000	8	7,500,000	-	-	-	-	-	-	-	-	37,500,000
		12	15,000,000	12	15,000,000	8	7,500,000	-	-	-	-	-	-	-	-	37,500,000



Svatantra Microfin Private Limited  
Notes to the financial statements for the year ended 31 March 2020

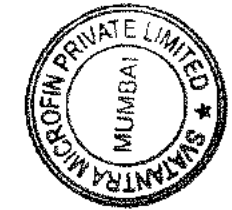
11 FIXED ASSETS

	11 A - Property, plant and equipment					11 B - Intangible Assets	
	Office equipments	Furniture and fixtures	Leasehold improvements	Computers	Total	Computer Software	Total
<b>Gross Block</b>							
As at 31 March 2018	15,207,720	8,273,718	7,557,850	19,184,794	50,224,082	25,620,951	25,620,951
Additions	17,856,066	10,315,335	727,422	14,805,392	43,704,234	7,607,230	7,607,230
Deductions/Adjustments	163,292	-	-	-	163,292	-	-
As at 31 March 2019	32,900,514	18,589,053	8,285,272	33,990,186	93,765,024	33,228,181	33,228,181
Additions	31,730,814	16,620,515	98,591	19,992,503	68,442,423	8,626,283	8,626,283
Deductions/Adjustments	230,776	-	-	-	230,776	-	-
As at 31 March 2020	64,400,552	35,209,568	8,383,863	53,992,689	161,976,671	41,854,464	41,854,464
<b>Depreciation/amortisation</b>							
As at 31 March 2018	3,776,371	4,614,854	5,163,005	10,100,178	23,654,408	9,047,320	9,047,320
Charge for the year	5,443,998	5,381,538	1,572,286	7,033,971	19,431,793	5,977,403	5,977,403
Deductions/Adjustments	58,084	-	-	-	58,084	-	-
As at 31 March 2019	9,162,285	9,996,392	6,735,291	17,134,149	43,028,117	15,024,723	15,024,723
Charge for the year	14,999,086	9,462,435	537,821	11,876,699	36,876,041	7,394,211	7,394,211
Deductions/Adjustments	63,856	-	-	-	63,856	-	-
As at 31 March 2020	24,097,515	19,458,827	7,273,112	29,010,848	79,840,302	22,418,934	22,418,934
<b>Net Block</b>							
As at 31 March 2020	40,303,037	15,750,741	1,110,751	24,971,841	82,136,369	19,435,530	19,435,530
As at 31 March 2019	23,738,229	8,592,661	1,549,981	16,856,037	50,736,908	18,203,458	18,203,458

11C Capital work in progress

Particulars	As at Mar-20 (Rs.)	As at Mar-19 (Rs.)
Software	4,101,289	6,742,272
<b>Total</b>	<b>4,101,289</b>	<b>6,742,272</b>

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Accounting Standard (AS) - 28 "Impairment of Assets".





**Svatantra Microfin Private Limited**
**Notes to the financial statements for the year ended 31 March 2020**
**18 REVENUE FROM OPERATIONS**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Interest income on portfolio loans	2,704,587,213	1,558,885,999
Interest income on body corporate loans	1,219,178	-
Income from Direct Assignment ( Refer Note 35)	452,654,739	45,579,180
Processing fees	247,620,467	113,071,564
Commission	140,877,815	43,306,607
<b>Total</b>	<b>3,546,959,412</b>	<b>1,760,843,350</b>

**19 OTHER INCOME**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Interest income on		
- Bank deposits	4,898,174	1,957,917
- Staff loans	496,887	351,412
Miscellaneous income	5,527,615	1,788,939
Recovery against loans written off	2,727,632	9,395,394
Profit on sale of current investments	51,826,002	11,238,084
<b>Total</b>	<b>65,475,310</b>	<b>24,731,746</b>

**20 EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Salaries and allowances	809,317,820	421,135,852
Contribution to provident and other funds	64,690,929	35,983,174
Staff welfare	74,373,680	35,365,546
<b>Total</b>	<b>948,382,429</b>	<b>492,474,572</b>

**21 FINANCE COSTS**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Interest expenses	1,506,280,100	703,463,251
Other borrowing costs	105,471,522	78,432,658
<b>Total</b>	<b>1,611,731,622</b>	<b>781,895,909</b>

**22 DEPRECIATION / AMORTISATION EXPENSE**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Depreciation on property, plant and equipment	36,876,041	19,431,793
Depreciation on intangible assets	7,394,211	5,977,403
<b>Total</b>	<b>44,270,252</b>	<b>25,409,196</b>



**23 OTHER EXPENSES**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Advertisement expenses	546,956	392,808
Rates and taxes	3,730,583	171,465
Rent	66,428,807	39,484,058
Communication expenses	22,396,636	12,036,520
Travelling and conveyance expenses	111,044,066	66,280,569
Training expenses	13,560,499	1,049,736
Recruitment expenses	632,517	427,870
Insurance expenses	171,597	1,000,922
Miscellaneous expenses	12,356,365	3,829,639
Printing and stationery	17,120,723	9,586,851
Legal and professional fees	37,127,903	22,256,867
Website development expenses	1,071,826	918,702
Electricity and water expenses	9,217,621	5,815,740
Membership and subscription	4,624,218	2,279,601
Repairs and maintenance	25,393,879	13,292,454
Share issue expenses	12,769,000	4,197,032
Loss on sale of assets	126,524	-
Cash management charges (CMS)	41,200,724	8,954,722
Bank charges	3,680,464	6,240,043
Auditors' remuneration		
- Audit fees	1,682,006	1,226,250
- Tax audit fees	234,350	218,000
- For other services	27,250	27,250
<b>Total</b>	<b>384,122,512</b>	<b>199,286,101</b>

**24 CONTINGENT PROVISION AGAINST STANDARD ASSETS, PROVISION FOR NON PERFORMING ASSETS AND WRITE-OFF**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Provision on standard asset	2,600,000	-
Provision for non-performing assets	(27,881,113)	44,629,866
Additional 5% provision on standard assets	1,983,766	-
Portfolio Loan and other write-off	150,462,857	4,039,775
<b>Total</b>	<b>127,145,510</b>	<b>48,669,641</b>

**25 EARNINGS PER SHARE**

Particulars	For the year ended 2019-20 (Rs.)	For the year ended 2018-19 (Rs.)
Profit / (loss) after tax as per statement of profit and loss (Rs.)	383,248,793	166,604,547
Weighted average number of equity shares outstanding at the year end (Nos.)	227,633,493	142,703,619
Basic and diluted earnings per share (Rs.)**	1.594	1.167
Number of shares under Employees stock options scheme (Nos.)	942,859	486,623
Weighted Average number of equity shares (including dilutive ESOP shares) outstanding at the year end (Nos.) [A] + [B]	228,776,352	143,190,242
Diluted earnings per share**	1.588	1.164
Nominal value of share (Rs.)	10	10

Note: The Company has allotted 80,000,000 (previous year 39,703,125) equity shares of Rs.10 each paid up, as right shares and accordingly, earnings per share for the previous year has been presented.

\*\*5% Compulsory convertible non cumulative preference share (CCPS) shall be compulsorily convertible into such number of equity shares on expiry of 10 (ten) years from the date of allotment at the price valued by a Chartered Accountant having minimum 10 years of experience at that point of time. hence CCPS is not considered while calculating diluted EPS.



**26 a) CONTINGENT LIABILITIES:**

Contingent liability relating to determination of provident fund liability, based on a recent Supreme Court judgement, is not determinable at present, due to uncertainty on the impact of the judgement in absence of further clarification relating to applicability. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any, which, based on the number of employees, is not expected to be significant.

**b) CAPITAL AND OTHER COMMITMENTS:**

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,857,341	2,070,000
<b>Total</b>	<b>1,857,341</b>	<b>2,070,000</b>

**27 RELATED PARTY DISCLOSURES****i) Related parties and their relationships****Investing party in respect of which the Company is an Associate:**

- (1) TGS Investment and Trade Private Limited  
(2) Birla Group Holdings Private Limited

**Key management personnel**

Kumar Mangalam Birla (Director)  
Neeraj Birla (Director)  
Ananyashree Birla (Director)  
Vineet Chatree (Additional Director)  
Anujeeet Varadkar (Chief Executive Officer)  
Vrushali Vishal Mahajan (Chief Financial Officer) (w.e.f. 2nd June, 2020)  
Surinder Kumar Bhatia (Company Secretary)

**Others**

- (1) Svatantra Holdings Private Limited  
(2) Vodafone Idea Limited

a The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.

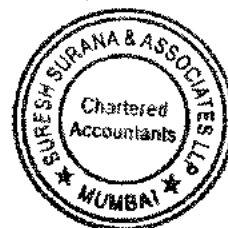
b The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the relatives.

**ii) Transactions with related parties:****Details of related party transactions are as follows:**

Particulars	For the year ended 2019-20	For the year ended 2018-19
	(Rs.)	(Rs.)
<b>Equity share capital issued :-</b>		
TGS Investment and Trade Private Limited	17,500,000	94,545,000
Svatantra Holdings Private Limited	400,000,000	-
IGH Holdings Private Limited	80,000,000	79,354,690
Birla Group Holdings Private Limited	195,500,000	100,698,750
<b>Preference share capital issued :-</b>		
Svatantra Holdings Private Limited	800,000,000	-
<b>Services received :-</b>		
Vodafone Idea Limited (arm length price)	6,279,477	5,816,612
<b>Remuneration to Key managerial person:-</b>		
Anujeeet Varadkar	5,235,748	4,103,232
Vrushali Vishal Mahajan	4,481,243	-
Surinder Kumar Bhatia	2,738,308	2,212,821

**Note:**

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel are not ascertainable and, therefore, not included above.



## Notes to the financial statements for the year ended 31 March 2020

## 28 Employee Benefits:

Consequent to the adoption of Accounting Standard 15 (AS 15 Revised 2005) on employee benefits, the following disclosures have been made as required by the standards:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contribution to the respective funds is due. There are no other obligations other than the contribution payable to the respective trusts.

Valuations in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date.

## a) Defined contribution plan

Contributions to defined contribution plans recognized as expense for the period are as under:

Particulars	For the year ended 2019-20	For the year ended 2018-19
	(Rs.)	(Rs.)
Contribution to provident fund	49,050,737	25,788,896

## b) Defined benefit plan

Gratuity and leave encashment liabilities is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

(Amount in Rs.)

Particulars	Gratuity	
	(Funded)	(Funded)
	For the year ended 2019-20	For the year ended 2018-19
<b>CHANGE IN PRESENT VALUE OF OBLIGATIONS</b>		
Present value of obligation at beginning of year	12,642,024	5,788,234
Interest cost	975,509	430,339
Current service cost	13,145,469	5,912,551
Benefits paid	(77,228)	-
Past service cost	-	-
Actuarial gain / (loss) obligations	(6,263,355)	510,900
Present value of obligation at end of year	20,422,419	12,642,024
<b>Change in fair value plan assets</b>		
Fair value of plan assets as at beginning of year	5,790,331	-
Expected return on plan assets	446,805	-
Contributions	-	5,790,331
Benefits paid	(44,957)	-
Actuarial gain/(loss) on plan assets	(50,296)	-
Fair value of plan assets	6,141,893	5,790,331
<b>AMOUNT RECOGNISED IN THE BALANCE SHEET</b>		
Net Liability recognised in balance sheet	20,422,419	12,642,024
Fair value of plan assets (Funded status)	6,141,893	5,790,331
Liability recognised in the balance sheet	14,280,526	6,851,693
Current portion	-	0
Non current portion	14,280,526	6,851,693
<b>EXPENSES RECOGNISED IN STATEMENT OF PROFIT &amp; LOSS</b>		
Current service cost	13,145,469	5,912,551
Interest cost	975,509	430,339
Expected return on plan asset	(446,805)	-
Actuarial (gain) / loss recognized in the year	(6,213,069)	510,900
Past service cost	-	-
Expense recognized in statement of profit and loss included under 'Employee benefits expenses' (refer note 20)	7,461,104	6,853,790
<b>ACTUARIAL ASSUMPTIONS</b>		
	% p.a.	% p.a.
Mortality rate	IAIM (2006-08) UIL	IAIM (2006-06) UIL
Discount rate (%)	5.50%	7.70%
Inflation rate (%)	7.00%	7.00%
Rate of return (expected) on plan assets	5.50%	7.70%



- **Liquidity event** - a listing of equity shares on the recognized stock exchange
- **Strategic Sale** event conferring a right of first refusal to the Current Shareholders.
- **Offer of purchase of shares from Option Grantees having Vested Options** made by an investor.
- **Cash Settlement or Buy-back** event whereby the Company raises an offer for redemption of the
- **Any other event**, which Board may designate as a liquidity event

The Company has adopted the intrinsic value method as permitted by the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of stock options granted.

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the full value at the date of grant in accordance with Black-Scholes model:

Particulars	31 March 2020	31 March 2019
Profit after tax	243,210,723	190,600,847
Less: Additional Employee Stock cost as per fair value method	6,174,067	2,475,008
Profit after taxation as per fair value method	345,974,836	163,725,809
Basic Earning per share (EPS)		
Number of shares	227,833,493	142,703,619
Basic EPS (in Rs.)	1,566	1,143
Diluted Earning per share (EPS)		
Number of shares	227,833,493	142,703,619
Add: Number of Dilutive potential equity shares*	942,859	460,023
Total No. of shares for calculating Diluted EPS	228,776,352	143,160,242
Diluted EPS (in Rs.)	1,552	1,126

divided by 5.5 in N.Y.	1.52	1.428
In the previous financial year, the potential equity had an anti dilutive impact and hence, not considered for calculating diluted EPS		

The following assumptions were used for calculation of net value of parents:

Particulars	Grand I	Grand II	Grand III
For grants vesting in Year 1	6.82%		
For grants vesting in Year 2	4.77%	7.94%	6.51%
For grants vesting in Year 3	6.90%		
For grants vesting in Year 3 & 5		5.00	5.00
Contingent consideration			
(Expected Life (Years))		3.53	
For grants vesting in Year 3 & 5			
For grants vesting in Year 3			
Expected volatility	0.01%	30.00%	30.00%
Expected Year 2 dividend Yield	0.00%	0.00%	0.00%



b) Cash settled share based payments (Phantom Stock Plan)

The Company has announced Cash-settled Share-based Payment Plan (Phantom Stock Plan). Under the Scheme, 26,217 phantom stock units have been granted on 1 July, 2019 and the same will vest as per following schedule.

No. % of Grant	Vesting Schedule
Nil	On the date of grant
35%	At the end of 12 months from the date of grant
25%	At the end of 24 months from the date of grant
34%	At the end of 36 months from the date of grant

In financial year 2019-2020, the Company has announced Cash-settled Share-based Payment Plan (Phantom Stock Plan). Under the Scheme, 48,314 phantom stock units have been granted on 15 September 2019 by the Board of Directors in its meeting held on 31 August 2019 and the same will vest as per following schedule.

No. % of Grant	Vesting Schedule
55.0%	On the date of grant
37%	At the end of 12 months from the date of grant
36%	At the end of 24 months from the date of grant
25%	At the end of 36 months from the date of grant

Pursuant to the above Scheme, the eligible person is entitled to get cash compensation upon exercise of the phantom stock unit within contractual period of 10 years from the date of grant.

(iii) Details of the expenses recognised during the year and outstanding phantom stock units of the Company under the phantom stock plan are as under:

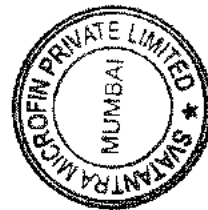
Date of Grant	15-Sep-19	15-Jul-19	Total
Numbers outstanding as on 31 March 2020	48,314	26,217	74,531
Numbers vested as on 31 March 2020	21,366	-	21,366
Exercise Price Per Phantom Stock Unit (Rs.)	15.01	20.00	17.71
Share Price as on 31 March 2020 (Rs.)	21.71	21.71	21.71
Fair Value Phantom Stock Unit (Rs.)	12,840	11,483	24,323
Amount charged to statement of profit & loss (included in Note 23 Legal and professional fees) (Rs.)	104,327	18,450	122,777
Liability as on 31 March 2020 (included in Note 10 Short term provisions)	228,768	18,450	247,218

Details of variables used for fair valuation are given in the table below.

Variables Assumptions	15-Sep-19	15-Jul-19
Date of Grant	15-Sep-19	15-Jul-19
Share price as on specified date (Rs.)	21.71	21.71
Exercise price	15.91	20.00
Risk Free Interest rate	5.88%	5.88%
Expected volatility	50.07%	50.07%
Term to maturity	5 Years from valuation date	5 Years from valuation date

Phantom Stock Scheme: Profit and Loss & EPS

Particulars	As at 31 March 2020	As at 31 March 2019
Profit after tax	363,218,763	186,684,547
Add: Cash based compensation expenses included in statement of profit and loss	128,077	124,141
Less: Additional Stock cost as per fair value method	(223,482)	(275,931)
Profit after taxation as per fair value method	362,449,388	186,453,186
Basic Earning per share (EPS)	227,833,483	142,789,918
Number of shares	1,591	1,168
Basic EPS (in Rs.)	1,591	1,168



**30 SEGMENT INFORMATION**

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. domestic.

**31 LEASES**

The Company has entered into the operating lease for office premises.

Future minimum lease payments under non- cancellable operating lease as follows:

Particulars	As at 31 March 2020 (Rs.)	As at 31 March 2019 (Rs.)
Payable not later than one year	5,040,000	-
Payable later than one year and not later than five years	-	-

The amount of minimum lease payments with respect to the above lease recognised in the statement of profit and loss for the year is Rs. 65,426,807 (previous year Rs. 39,484,058). Above disclosure is for leases entered after 1 April 2001, as per Accounting Standard (AS)- 19 'Leases'.



## Notes to the Financial Statements for the year ended 31 March 2020

The following table sets out the disclosure as required by the notification no. DNBS. 200 /CGM(PK)-2008 dated 1 August 2008 and DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 issued by RBI.

## 32 Capital

Particulars	Current Year 2019-20	Previous Year 2018-19
i) CRAR (%)	20.19	19.68
ii) CRAR - Tier I capital (%)	17.27	13.43
iii) CRAR - Tier II capital (%)	2.92	6.25
iv) Amount of subordinated debt raised as Tier-II capital (Rs. In Crores)	90.00	75.00
v) Amount raised by issue of Perpetual Debt Instruments	-	-

## 33 Investments

There are no investments as of current and previous year end.

## 34 Derivatives

The Company did not have any transactions in Derivatives.

## 35 Disclosures relating to Direct Assignment and Securitization

## 35.1 Disclosures relating to Assignment transaction

During the year, the Company has entered into Direct Assignment ("DA") with a public sector bank ("Assignee") for direct assignment of its portfolio loans provided to various persons from time to time ("Receivables"). This has been duly approved by Board of Directors of SMPL in their meeting held on 29 December 2018. Pursuant to this, following transactions have taken place during the year :

Rs. In crores

S/No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Total Sanctioned Receivables	784.80	222.22
2	No of accounts (Nos.)	3,07,110	65,002
3	Receivables assigned during the year	784.80	99.59
4	Minimum retention reserve for the Company	54.33	9.95
5	Payment made by Assignee for their purchased share	711.69	89.64
6	Income from DA	40.44	4.55
7	Additional consideration realized in respect of accounts transferred in earlier years	-	-
8	Aggregate gain / loss over net book value	-	-

Further, pursuant to this transaction following closing balances are outstanding in the books of SMPL:

Rs. In crores

S/No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Payables toward DA	37.97	8.14
2	Minimum retention reserve	17.54	7.58

## 35.2 Disclosures relating to Securitization transaction

During the year, the Company has entered into Securitization ("Pass Through Certificate") with a public sector bank for Securitization of its portfolio loans provided to various persons from time to time ("Receivables"). This has been duly approved by Board of Directors of SMPL in their meeting held on 26 September 2019 and 28 February 2020. Pursuant to this, following transactions have taken place during the year :

Rs. In crores

S/No.	Particulars	As at 31 March 2020
1	Total Sanctioned Receivables	153.58
2	No of accounts (Nos.)	79,573
3	Receivables assigned during the year	153.58
4	Securitization reserve for the Company	18.11
5	Payment made by Assignee for their purchased share	135.46
6	Income from Securitization	4.82
7	Additional consideration realized in respect of accounts transferred in earlier years	-
8	Aggregate gain / loss over net book value	-

Further, pursuant to this transaction following closing balances are outstanding in the books of SMPL as on 31 March 2020:-

Rs. In crores

S/No.	Particulars	As at 31 March 2020
1	Payables toward Securitization transaction	10.63
2	Over Securitization	18.11





**36 Details of non-performing financial assets purchased / sold**

The Company has not purchased / sold non-performing financial assets in the current and previous year.

**36.1 Disclosure on Liquidity Risk****Background:**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 31, 2020 is as under:

**i) Funding Concentration based on significant counterparty**

Sr. No.	Number of Significant Counterparties	Rs. in crores	% of Total Deposits	% of Total Liabilities
1	26	2,018.45	N.A.	93.09%

**Notes:**

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-DS's total liabilities and 10% for other non-deposit taking NBFCs

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

**ii) Top 20 large deposits (amount in Crore and % of total deposits) - Not Applicable****iii) Top 10 borrowings**

Rs. in crores	% of Total Borrowings
1,371.13	86.23%

**Note:**

Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines

**iv) Funding Concentration based on significant instrument / Product**

Sr No.	Name of the Instrument/Product	Rs. in crores	% of Total Liabilities
1	Term Loan	1,654.88	86.01%
2	NCD	75.00	3.48%
3	ECB	35.47	1.54%
4	Cash Credit	43.12	1.99%
		2,018.45	93.09%

**Note:**

A "Significant instrument/product" is defined as a single instrument accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities.

**v) Stock Ratios**

Sr. No.	Stock Ratio	%
1	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-
2	Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
3	Other short-term liabilities as a % of total liabilities	54.99%
4	Other short-term liabilities as a % of total assets	46.96%

**Note:**

Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

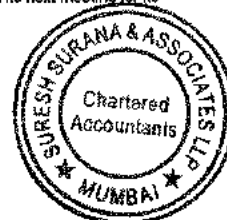
**vi) Institutional set-up for Liquidity Risk Management**

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

The meetings of RMC will be held on quarterly basis. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which address concerns regarding Asset Liability mismatches of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held at regular intervals. The Secretary of the committee shall place the minutes of the meeting before the RMC and the Board of Directors in its next meeting for its perusal/ratification.



37 Asset Liability Management  
Maturity pattern of certain items of Assets and Liabilities

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	148	258	538	1,013	-	-	1,957
Investments	-	-	-	-	-	-	-	-	-
Stock of securities	-	-	-	-	-	-	-	-	-
Borrowings	83	88	108	258	591	854	86	22	2,070
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

**Note:**

Advance represents Portfolio Loans- Joint Liability Group Loans, excluding receivables assigned under Direct Assignment and Securitization agreement.



**Svatantra Microfin Private Limited****Notes to the Financial Statements for the year ended 31 March 2020****38 Exposures****38.1 Exposures to Real Estate Sector**

The Company has no exposure to the real estate directly or indirectly in the current and previous year.

**38.2 Exposures to Capital Market**

The Company has no exposure to the capital market directly or indirectly in the current and previous year.

**39 Details of financing of parent company products**

The disclosure is not applicable as the Company does not have any holding/parent Company.

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

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) has not exceeded the prudential exposure limits during the year by the Company.

**41 Unsecured Advances**

Refer "Note 12" and "Note 16" of Financial statements.

**42 Miscellaneous****42.1 Registration obtained from other financial sector regulators**

The Company is registered with the following other financial sector regulators:

- (i) Ministry of Corporate Affairs
- (ii) Reserve Bank of India

**42.2 Disclosure of penalties imposed by RBI and other regulators**

No penalty imposed by RBI and other regulators during the current and previous year.

**42.3 Related Party Transactions**

(i) All material transactions with related parties are disclosed in "Note 27" of the Financial Statements.

(ii) The Company has the policy on dealing with Related Party Transactions on its website and it is disclosed on its website [www.svatantramicrofin.com](http://www.svatantramicrofin.com).

**42.4 Ratings assigned during the year**

During the current year, the credit rating agencies have assigned the following credit ratings to the Company:

Particulars	Current Rating	Previous rating
a) MFI Grading-	M1 (ICRA)	M2+ (ICRA)
b) Bank loan rating	CRISIL A+(stable)	ICRA A-(stable)
c) Subordinated Debt of INR 95 Crores	CRISIL A+(stable)	CARE A-(stable)
	ICRA A-(stable)	ICRA A-(stable)
d) INR 100 Crore Short Term Debt	CRISIL A1+	-

During the year, there are no migration of above mentioned ratings.

**42.5 Remuneration of Directors**

During the year, the Company has not paid any remuneration to its directors.

**42.6 Net Profit or Loss for the year, prior period items and changes in accounting policies**

There are no prior period items and change in accounting policies except as reported in the Financial Statements.

**42.7 Revenue Recognition**

There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**42.8 Accounting Standard 21 -Consolidated Financial Statements (CFS)**

The Company does not have any subsidiary company and hence, the CFS is not applicable.



## 43 Additional Disclosures

## 43.1 Provisions and Contingencies

(Rs. In Crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		Current Year 2019-20	Previous Year 2018-19
(i)	Provisions for depreciation on investment	Nil	Nil
(ii)	Provision towards standard asset	0.26	-
(iii)	Provision for non-performing assets	(2.79)	4.48
(iv)	Additional 5% provision on standard assets	0.20	-
(v)	Provision made towards Income tax (including Deferred tax and Earlier period tax adjustments)	13.35	7.12
(vi)	Other Provision and Contingencies (Employee Benefits)	3.01	1.33

## 43.2 Draw Down from Reserves

There have been no drawdown from Reserves.

## 43.3 Concentration of Deposits, Advances, Exposures and NPAs

43.3 (a)	Concentration of Deposits (for deposit taking NBFCs)	Rs. in Crores
	Total Deposits of twenty largest depositors	Not Applicable
	Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Not Applicable

43.3 (b)	Concentration of Advances	Rs. in Crores
	Total Advances to twenty largest borrowers	85.11
	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.33%

43.3 (c)	Concentration of Exposures	Rs. in Crores
	Total Exposure to twenty largest borrowers / customers (Including interest accrued and due)	65.23
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	3.33%

43.3 (d)	Concentration of NPAs	Rs. In Crores
	Total Exposure to top four NPA accounts	0.019

43.3 (e)	Sector-wise NPAs	% of NPAs to Total Advances in that Sector
	Agriculture & allied activities	1.08%
	MSME	1.87%
	Corporate borrowers	0%
	Services	0.43%
	Unsecured personal loans	1.87%
	Auto Loans	0%
	Other personal Loans	0%

## 43.4 Movement of NPAs

(Rs. In Crores)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Net NPAs to Net Advances (%)	0.29%	0.58%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	28.34	20.93
(b) Additions during the year	11.03	7.81
(c) Reduction/write off during the year	15.05	0.40
(d) Closing balance	24.33	28.34
(iii) Movement of NPAs (Net)		
(a) Opening balance	6.63	3.68
(b) Additions during the year	-	2.95
(c) Reductions/write off during the year	(1.22)	-
(d) Closing balance	5.41	6.63
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening balance	21.71	17.25
(b) Additions during the year	12.25	4.86
(c) Reduction/write off during the year	15.05	0.40
(d) Closing balance	18.92	21.71



**Svatantra Microfin Private Limited**

**Notes to the financial statements for the year ended 31 March 2020**

**43.5 Overseas Assets**

During the year, there are no overseas assets in the Company.

**43.6 Off-Balance Sheet SPVs sponsored**

During the year, there are no off-balance sheet SPVs sponsored by the Company.

**43.7 Customer Complaints**

Particulars	Current Year 2019-20	Previous Year 2018-19
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	21	10
No. of complaints redressed during the year	21	10
No. of complaints pending at the end of the year	-	-

**44 The net interest margin (NIM)**

Particulars	Current Year 2019-20	Previous Year 2018-19
Average Interest (a)	18.28%	19.17%
Average effective cost of borrowing (b)	11.05%	10.38%
Net Interest Margin (a-b)	7.23%	8.79%



## 45 Disclosure of frauds reported during the year ended 31 March 2020

(Rs. in Lakhs)					
Nature of Fraud	No. of cases	Amount of fraud	Recovery	Pending Settlement	Amount written-off
A) Person Involved					
Staff	155	6.85	2.35	4.30	Nil
Customers	Nil	Nil	Nil	Nil	Nil
Staff and Customers	Nil	Nil	Nil	Nil	Nil
Outsider	Nil	Nil	Nil	Nil	Nil
B) Type of Fraud					
Misappropriation and Criminal Breach of Trust	155	6.85	2.35	4.30	Nil
Fraudulent Encashment/ Manipulation of books of accounts	Nil	Nil	Nil	Nil	Nil
Unauthorized Credit/ Facility extended	Nil	Nil	Nil	Nil	Nil
Negligence and cash shortages	Nil	Nil	Nil	Nil	Nil
Cheating and Forgery	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil

## 46 Loan portfolio and provision for standard and non-performing assets as at 31 March 2020

Asset classification	Portfolio loans outstanding (Gross) (Rs.)		Provision for standard and non-performing assets (Rs.)			Portfolio loans outstanding (Net) (Rs.)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019	Provision made during the year	Provision written back during the year	As at 31 March 2020	As at 31 March 2019
Loan Portfolio (Standard/ Non-Performing)	18,921,986,377	11,638,060,006	217,100,764	-	25,281,113	18,730,146,726	11,420,959,242

## Loan portfolio and provision for standard and non-performing assets as at 31 March 2019:

Asset classification	Portfolio loans outstanding (Gross) (Rs.)		Provision for standard and non-performing assets (Rs.)			Portfolio loans outstanding (Net) (Rs.)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018	Provision made during the year	Provision written back during the year	As at 31 March 2019	As at 31 March 2018
Loan Portfolio (Standard/ Non-Performing)	11,638,060,006	5,706,417,404	172,470,898	44,629,868	-	11,420,959,242	5,533,946,506



Notes to the financial statements for the year ended 31 March 2020

- 47 In the opinion of the management, the current assets, non-current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.
- 48 Balances of certain trade receivables, trade payables, short term loans and advances and long term loans and advances are subject to confirmation and reconciliation if any. The management does not expect any material difference affecting the financial statements on such reconciliation / confirmation.
- 49 The Company is registered with the Reserve Bank of India (RBI) as a "Non Banking Financial Company- Micro Finance Institution" vide Certificate of Registration dated February 05, 2013.
- 50 "In terms of Para II of the Non Banking Financial Company Micro Finance Institutions (Reserve Bank) Directions, 2011 as notified vide notification no. DNBR.(PD) CC.No. 047/03.10.119/2015-16 dated July 1, 2015, (as amended up to April 20, 2016) a Micro Finance Institution (MFI) is required to have not less than 85% of its 'Net Assets' in the nature of 'Qualifying Assets'. As at March 31, 2020, the Company is in compliance with this condition as its 'Qualifying Assets' is not less than 85% of its 'Net Assets'.
- 51 During the current financial year, the Company has maintained an aggregate margin cap of not more than 10% on loans disbursed by it.
- 52 The disclosure required in terms of paragraph 18 of Chapter IV-prudential regulations under Section II-Prudential Issues of Master Direction- Non-Banking Financial Company-Non-systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2018 is given in "Annexure F".
- 53 In the previous year, Reserve Bank of India (RBI) vide notification no. DBR.No.BP.BC.37/21.04.048/2016-17 and DBR.No.BP.BC.49/21.04.048/2016-17 dated November 21, 2016 and December 28, 2016 respectively, has provided relaxation of additional 90 days over the current specified period of 60 days for classification of dues payable between November 1, 2016 and December 31, 2016 into non-performing asset. Accordingly, the Company had delayed classification of non-performing asset.
- 54 In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, the Government of India declared a national lock down on 24 March 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID- 19. The COVID -19 pandemic has significantly impacted economic activities, businesses, individuals across the spectrum in the Country. Reserve Bank of India (RBI)'s guidelines dated 27 March, 2020 enabled banks, lending institutions and NBFCs to offer a moratorium upto 3 months on repayment of EMIs, payment of interest on line of credit falling due between 01 March, 2020 and 31 May, 2020 to all eligible borrowers, which has been extended for a further period of 3 months via RBI circular dated 23 May, 2020.
- The Company based on its Board approved policy, has engaged with its active customers as at 29 February, 2020, and offered the moratorium as per their need. As on 31 March, 2020, the staging of these accounts is on the basis of days past due status as on 29 February, 2020 in line with the aforesaid RBI circulars. As per the Company's assessment, this by itself has not resulted into any significant increase in the credit risk.
- The Company recognizes the need to make reasonable estimation of the impact of this pandemic on the repayment ability of its borrowers. The Company has analyzed its portfolio on the basis of various parameters to ascertain the impact of Covid-19 and basis of its estimates, assumptions and judgments has taken necessary provisions in its financial statements. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 may affect the underlying assumptions and estimates used to prepare the financial statements, which may be different from that considered as at the date of approval of this financial statement. The Company will continue to closely monitor any material changes to future economic conditions and suitable effect will be given in the respective future period.
- 55 Previous year's figures have been re-arranged or re-grouped wherever considered necessary to conform to the current year's presentation.

Signature 1 to 55



As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES LLP  
Chartered Accountants

Firm's Reg. No.: 121750W/W-100010

*Madhukar Khandekar*  
(Madhukar Khandekar)  
Partner

Membership no. 13912

Place : Mumbai

Date : 25 JUN 2020



ON BEHALF OF THE BOARD OF DIRECTORS OF  
SVATANTRA MICROFIN PRIVATE LIMITED

*Neeraj Birla*  
Neeraj Birla  
DIRECTOR  
DIN No. 01020533

*Vinod Chaitree*  
Vinod Chaitree  
DIRECTOR  
DIN No. 07962531

*Anjeel Varadkar*  
Anjeel Varadkar  
CHIEF EXECUTIVE OFFICER

*Vrushali Mahajan*  
Vrushali Mahajan  
CHIEF FINANCIAL OFFICER

*Surinder Kumar Bhatia*  
Surinder Kumar Bhatia  
COMPANY SECRETARY  
Membership No. 17227

Place : Mumbai  
Date : 25 JUN 2020

Place : Mumbai  
Date : 25 JUN 2020

Svalantra Microfin Private Limited

Schedule to the Balance Sheet of a non deposit taking non banking financial company as on 31 March 2020  
Disclosure in terms of Paragraph 18 of Systematically Important Non Banking Financial (Non-Deposit Accepting or holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2018

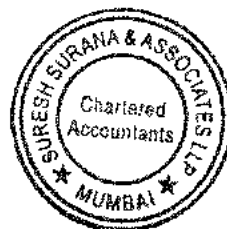
Particulars		(Amount Rupees in Lakhs)	
<b>Liabilities side</b>		<b>Amount outstanding</b>	<b>Amount Overdue</b>
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid		
(a)	Debentures		
	Secured	9,000	NIL
	Unsecured (Other than falling within the meaning of public deposits*)	NIL	NIL
(b)	Deferred credits	Nil	Nil
(c)	Term loans	190,165.02	Nil
(d)	Inter - corporate loans and borrowings	Nil	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Public Deposits*	Nil	Nil
(g)	Other Loans: Cash Credit	4,312.46	Nil
*Refer note no. 1 below			
(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	Nil	Nil
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c)	Other public deposits	Nil	Nil
* Please see Note 1 below			
<b>Asset side</b>		<b>Amount outstanding ( Rupees in Lakhs)</b>	
3	Break up of loans and advances including bills receivables other than those included in (4) below		
	(a) Secured		
	(b) Unsecured	195,719.66	
4	Break up of leased assets and stock on hire and hypothecation loans counting towards AFC activities		
(i)	Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	Not applicable	
	(b) Operating lease	Not applicable	
(ii)	Stock on the hire including hire charges under sundry debtors :		
	(a) Assets on hire	Not applicable	
	(b) Repossessed assets	Not applicable	
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Not applicable	
	(b) Loans other than (a) above	Not applicable	





5	Break up of Investments	Amount outstanding (Rupees in Lakhs)
	<b>Current Investments</b>	
1	<b>Quoted</b>	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
2	<b>Unquoted</b>	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
	<b>Long term investments</b>	
1	<b>Quoted</b>	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil
2	<b>Unquoted</b>	
	(i) Shares	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government securities	Nil
	(v) Others (please specify)	Nil

6	Borrowers group wise classification of financed as in (3) and (4) above: Please see Note 2 below			
	Category	Amount Net of Provisions (Rupees in Lakhs)		
1	Related parties	Secured	Unsecured	Total
(a)	Subsidiaries	Nil	Nil	Nil
(b)	Companies in the same group	Nil	Nil	Nil
(c)	Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	193,801.47	193,801.47
	<b>Total</b>	<b>Nil</b>	<b>193,801.47</b>	<b>193,801.47</b>



7	Investor Group Wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Catego	Amount outstanding ( Rupees in Lakhs)	
		Market value/ break up of fair value or NAV	Book value (net of provision)
1	Related parties*		
(a)	Subsidiaries	Nil	Nil
(b)	Companies in the same group	Nil	Nil
(c)	Other related parties	Nil	Nil
2	Other than related parties	Nil	Nil
	Total	Nil	Nil

\* As per Accounting Standard of ICAI (Refer note no. 3 below)

8	Sr. No.	Particulars	As at 31.3.2020 (Amount Rupees in Lakhs)
	(i)	Gross non-performing assets	
	(a)	Related parties	-
	(b)	Other than related parties	2,432.87
	(ii)	Net non-performing assets	
	(a)	Related parties	
	(b)	Other than related parties	514.67
	(iii)	Assets acquired in satisfaction of debts	-

**Notes:**

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
SVATANTRA MICROFIN PRIVATE LIMITED



*Neerja Birla*

Neerja Birla  
DIRECTOR  
DIN No. 01020533

*Anurag Varadkar*  
Anurag Varadkar  
CHIEF EXECUTIVE OFFICER

*Surinder Kumar Bhatia*  
Surinder Kumar Bhatia  
COMPANY SECRETARY  
Membership No. 17227

*Vineet Chatterjee*  
Vineet Chatterjee  
DIRECTOR  
DIN No. 07962531

*Vrushali Mahajan*  
Vrushali Mahajan  
CHIEF FINANCIAL OFFICER



Place : Mumbai  
Date : 25 JUN 2020

Place : Mumbai  
Date : 25 JUN 2020