

## INDEPENDENT AUDITORS' REPORT

To the Members of Svasti Microfinance Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Svasti Microfinance Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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, and profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of matter

We draw attention to note 45 to the financial statement, pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17<sup>th</sup> April 2020, the company has granted a three months moratorium and consequential asset classification benefit until May 31<sup>st</sup> 2020 to its borrowers. As at 31<sup>st</sup> March 2020, for determination of provisioning against receivable under financing activities, the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the provisions required for its loans are subject to uncertainties that are predominantly outside the control of the company and may be affected by the severity and duration of the pandemic and hence the actual results may vary from these estimates.

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

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' 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 standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards / (AS) prescribed 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.

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

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

### **Auditors' 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 auditors' 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial



controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

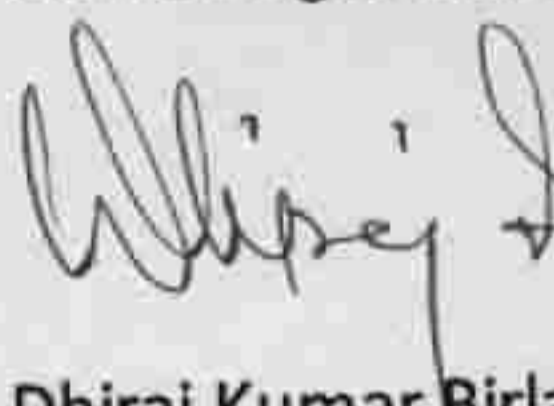

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' 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.
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 {and proper returns adequate for the purposes of our audit have been received from the branches not visited by us}.
  - (c) {The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.}
  - (d) 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.



- (e) The matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company};
- (f) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (g) On the basis of the written representations received from the directors as on 31 March 2020 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.
- (h) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements – Refer Note 44 and Note 25 to the financial statements;
  - ii. The Company has made provision, wherever required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020 - Refer Note 43 to the financial statements;
3. With respect to the matter to be included in the Auditors' Report under section 197(16), since, the Company is a private limited company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**Dhiraj Kumar Birla**  
Partner  
Membership No. 131178  
UDIN : 20131178AAAACY8258

Place: Mumbai  
Date: 29 May 2020

## Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Svasti Microfinance Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2020.

- (i) In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records including quantitative details and situation of fixed assets except for full particulars which is still in the process of being updated in the register.
  - (b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Fixed assets have not been physically verified by the management during the year as per the said program due to lockdown announced as stated in note 45 to the financial statements. Reconciliation of the assets verified during the year ended March 31, 2019 vis a vis fixed assets register is still in progress.
  - (c) There are no immovable properties held in the name of the Company.
- (ii) The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of giving loans and does not maintain any inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has complied with the provision of Section 185 and 186 of the Act.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii)
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including income-tax, Goods and Service Tax (GST) and any other material statutory dues as applicable with the appropriate authorities except for some delays in payment of provident fund, employee state insurance, tax deducted at source and professional tax.
  - b. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Service Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.



- c. There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Service Tax (GST) which have not been deposited on account of any dispute, except for;

Particulars of the Dues	Amount in Rs.	Period for which it related	Forum under which such disputes are pending
Income-tax Act, 1961	13,37,350	Assessment Year 2018-19	In the process of filing appeal with Commissioner of Income Tax (Appeal)
Income-tax Act, 1961	18,34,475	Assessment Year 2019-20	In the process of revising the tax return and exploring other options of appeal / dispute resolutions
Income-tax Act, 1961	73,84,643	Tax deducted at source defaults for various years upto March 31, 2020	In the process of correcting on the NSDL website

- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, term loans during the year were applied for the purposes for which those are raised, other than temporary deployment pending application of proceeds. No moneys raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, the Management has identified fraud relating to misappropriation of funds by certain employees which is estimated at Rs. 349,443 of which Rs Nil amount has been recovered on the Balance Sheet date and no fraud by the Company has been noticed or reported during the year.
- (xi) Section 197 is not applicable as the Company being a private limited company. Therefore clause 3(xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.



- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has complied with the provisions of Section 42 of the Act with respect to the preferential allotment/private placement of equity shares and preference shares made during the year. The amount raised have been partly used and balance were in the process of being used for the purposes for which the funds were raised.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 and the registration has been obtained.

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Dhiraj Kumar Birla

Partner

Membership No. 131178

UDIN : 20131178AAAACY8258

Place: Mumbai

Date: 29 May 2020

## **Annexure B**

**Referred to in paragraph 2(h) on 'Report on Other Legal and Regulatory Requirements' of our report of even date**

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

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Svasti Microfinance 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.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.





### **Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018



Dhiraj Kumar Birla

Partner

Membership No. 131178

UDIN : 20131178AAAACY8258

Place: Bhilwara

Date: 29 May 2020

**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Balance Sheet as at Mar 31, 2020**

	Particulars	Note No	As at Mar 31, 2020	As at March 31, 2019
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	3,86,58,050	2,97,69,170
	(b) Reserves and Surplus	3	1,00,42,49,794	52,53,47,348
(2)	<b>Non-current Liabilities</b>			
	(a) Long Term Borrowings	4	1,73,34,76,709	95,42,54,354
	(b) Long Term Provisions	5	2,54,96,323	1,37,35,619
	(c) Other Non Current Liabilities	6	-	-
(3)	<b>Current Liabilities</b>			
	(a) Trade Payables	7	-	-
	i) total outstanding dues of micro enterprises and small enterprises		-	-
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,66,28,556	2,63,21,317
	(b) Other Current Liabilities	8	98,43,19,950	1,07,21,67,152
	(c) Short Term Provisions	9	3,30,49,080	1,77,58,188
	<b>Total</b>		<b>3,83,58,78,462</b>	<b>2,63,93,53,148</b>
<b>II</b>	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10 A	1,51,72,692	1,17,34,800
	(ii) Intangible Assets	10 B	3,23,79,256	3,60,20,735
	(iii) Intangible Assets under development	10 C	91,92,296	-
	(b) Long Term Investments	11	-	15,00,000
	(c) Long Term Loans & Advances	12	2,33,96,609	5,08,21,856
	(d) Receivables under Financing Activities	13	1,23,13,44,536	65,69,59,000
	(e) Deferred Tax assets	34	92,47,756	41,12,602
	(f) Other Non Current Assets	14	4,85,04,058	8,77,27,675
(2)	<b>Current Assets</b>			
	(a) Current Investments	15	15,00,000	-
	(b) Cash and Bank Balances	16	47,28,18,156	33,44,77,535
	(c) Short Term Loans & Advances	17	6,51,02,060	4,05,74,073
	(d) Receivable under Financing Activities	18	1,78,98,10,138	1,33,90,88,806
	(e) Other Current Assets	19	13,74,10,905	7,63,36,066
	<b>Total</b>		<b>3,83,58,78,462</b>	<b>2,63,93,53,148</b>

**Significant Accounting Policies**

1b

The accompanying notes are an integral part of the financial statements

As per our report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Regn. No 0039905/S200018

Dhiraj Kumar Birla

Partner

Membership No: 131178

UDIN:20131178AAAACY8258

Place: Mumbai

Date : 29th May, 2020

Varsha Waghela  
Company Secretary

Membership No:A48689

P Arunkumar  
Executive Director  
& CEO

DIN: 01890656

Date : 29th May, 2020



B Narayanan  
Executive Director  
& CFO

DIN: 01216715

Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Statement of Profit & Loss for the year ended Mar 31, 2020

	Particulars	Note No	For the year ended Mar 31, 2020	For the year ended March 31, 2019
I.	Revenue from Operations	20	71,17,67,044	53,68,07,895
II.	Other Income	21	2,66,33,070	2,11,98,194
III.	<b>Total Revenue (I+II)</b>		<b>73,84,00,114</b>	<b>55,80,06,089</b>
IV.	<b>EXPENSES</b>			
	Employee Benefits Expenses	22	22,99,13,720	15,44,26,839
	Finance Cost	23	29,06,13,132	27,75,07,564
	Depreciation/ Amortization	10	1,35,84,368	1,00,26,933
	Other Expenses	24	5,98,19,636	6,46,82,806
	Provision on Receivables under Financing Activities	35	2,31,28,103	(4,13,114)
	<b>Total Expenses</b>		<b>61,70,58,959</b>	<b>50,62,31,028</b>
V.	<b>Profit before Tax (III-IV)</b>		<b>12,13,41,155</b>	<b>5,17,75,061</b>
VI.	<b>Tax expense:</b>			
	(1) Current tax			
	Normal Tax		3,87,48,921	1,77,55,078
	(2) Deferred tax	34	(51,35,154)	(27,52,253)
	(3) Tax for previous year		-	5,84,811
VII.	<b>Profit for the period</b>		<b>8,77,27,388</b>	<b>3,61,87,425</b>
	<b>Earnings per equity share (Face value Rs.10)</b>			
	(1) Basic	33	31.68	15.37
	(2) Diluted	33	26.15	13.90

Significant Accounting Policies

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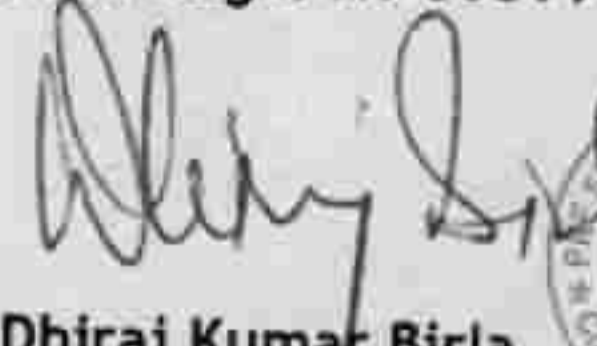
The accompanying notes are an integral part of the financial statements

As per our report of even date

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Regn. No 0039905/S200018

  
Dhiraj Kumar Birla  
Partner

Membership No: 131178

UDIN:20131178AAAACY8258

Place: Mumbai

Date : 29th May, 2020

Varsha Waghela  
Company Secretary

Membership No:A48689

P Arunkumar  
Executive Director  
& CEO

DIN: 01890656

Date : 29th May, 2020



B Narayanan  
Executive Director  
& CFO

DIN: 01216715

Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Cash Flow statement for the year ended March 31, 2020

Particulars	Amount in Rs.	
	For the year ended Mar 31, 2020	For the year ended March 31, 2019
<b>A Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before Tax	12,13,41,155	5,17,75,061
<b>Adjustments for:</b>		
Depreciation and amortisation	1,35,84,368	1,00,26,933
Interest income on Bank Deposits & Deposits with Lenders	(1,19,28,732)	(59,21,411)
Interest expenses on Loan taken from banks & financial institutions	25,44,73,965	25,88,18,206
Profit on sale of Mutual Funds	(56,12,052)	(78,54,144)
Processing fees amortised	1,25,82,129	1,00,48,353
Provision for Gratuity and Leave Encashment	96,13,018	52,05,927
Provision for other loans and Advances	14,79,409	94,32,644
Provision against loan receivables	2,31,28,103	(4,13,114)
<b>Operating fund flow before working capital changes</b>	<b>41,86,61,363</b>	<b>33,11,18,455</b>
<b>Changes in working capital:</b>		
Adjustments for (increase)/decrease in operating assets		
Current Assets and Non Current Assets		
Receivables under Financing Activities	(1,18,39,00,994)	(32,38,84,077)
Loans and Advances	41,82,997	(3,63,59,089)
Other Current and Non Current Assets	(8,35,603)	(8,51,95,598)
Current Liabilities	(2,53,41,483)	7,40,69,001
<b>Cash generated/(used) in operations</b>	<b>(78,72,33,720)</b>	<b>(4,02,51,308)</b>
Net income Tax (paid)/ Refunds	(4,52,25,677)	(1,36,82,435)
<b>Net cash (used)/generated from in operating activities (A)</b>	<b>(83,24,59,397)</b>	<b>(5,39,33,743)</b>
<b>B Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(2,25,73,078)	(1,44,29,109)
Sale of Fixed Assets	-	71,91,798
Purchase of investments	(2,30,50,00,000)	(2,11,50,00,000)
Proceeds from Sale of Investment	2,31,06,12,051	2,12,38,54,143
Change in Bank balances not considered as cash & cash equivalents	(7,74,86,360)	(1,68,44,867)
Interest Received on Fixed Deposits	69,84,314	25,58,355
<b>Net cash (used)/generated from in Investing activities (B)</b>	<b>(8,74,63,073)</b>	<b>(1,26,69,680)</b>
<b>C Cash Flow from Financing Activities</b>		
Issue of Equity Shares (Including share premium)	39,99,99,600	20,00,02,306
Proceeds from Borrowings from Banks and FIs	1,81,97,00,000	1,06,00,00,000
Repayment of Borrowings from Banks and FIs	(1,13,71,64,633)	(1,11,92,99,899)
Securitisation proceeds	15,87,94,126	37,53,78,822
Loan processing fees	(1,93,36,992)	(99,75,763)
Interest paid on borrowings	(24,12,15,370)	(24,67,17,176)
<b>Net cash (used)/generated from in Financing activities (C )</b>	<b>98,07,76,731</b>	<b>25,93,88,290</b>



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Cash Flow statement for the year ended March 31, 2020**

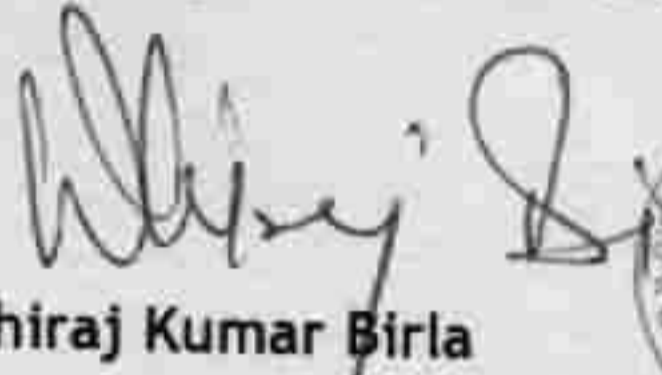
	Amount in Rs.	
	Particulars	For the year ended Mar 31, 2020
<b>D Net increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>6,08,54,261</b>	<b>19,27,84,867</b>
Cash & Cash Equivalents at the beginning of the year	29,32,12,699	10,04,27,832
Cash & Cash Equivalents at the end of the year	35,40,66,960	29,32,12,699
Breakup of Cash and Cash Equivalents:		
Cash in hand	67,12,804	2,00,08,015
Bank Balances - In Current Accounts	34,73,54,156	27,32,04,684
	<b>35,40,66,960</b>	<b>29,32,12,699</b>

**Notes:**

1) The above Cash flow statement has been prepared in accordance with the Indirect Method as set out in Accounting Standard (AS) 3, "Cash Flow Statements" of The Companies (Accounting Standards) Rules, 2006.

2) Cash and Cash equivalents include cash and bank balances.


As per our attached report of even date  
 For PKF Sridhar & Santhanam LLP  
 Chartered Accountants  
 Firm Regn. No 003990S/S200018


  
 Dhiraj Kumar Birla  
 Partner

Membership No: 131178  
 UDIN:20131178AAAACY8258  
 Place: Mumbai  
 Date : 29th May, 2020



For and on behalf of the Board  
 Svasti Microfinance Private Limited

  
 P Arunkumar  
 Executive Director  
 & CEO  
 DIN: 01890656  
 Date : 29th May, 2020

  
 B Narayanan  
 Executive Director  
 & CFO  
 DIN: 01216715

Varsha Waghela  
 Company Secretary

Membership No:A48689



Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293

Notes forming part of Financial Statements for the year ended Mar 31, 2020

10 Fixed Assets

Asset	Gross Block				Depreciation			Net Block	
	As on 01-04-2019	Additions	Deletions	As on 31-3-2020	As on 01-04-2019	For the period	Deletions	As on 31-3-2020	As on 31-03-2019
Tangible Assets (A)									
Leasehold Improvement	61,24,877	6,02,710	-	67,27,587	39,52,743	10,07,164	-	49,59,907	17,67,680
Furniture & Fixtures	42,35,517	35,58,143	-	77,93,660	13,25,666	14,77,411	-	28,03,077	21,72,134
Office Equipment	44,45,978	21,42,536	-	65,88,514	31,50,588	20,62,352	-	52,12,940	29,09,851
Computer	89,07,435	28,01,155	-	1,17,08,590	35,50,010	11,19,725	-	46,69,735	12,95,390
Vehicles	8,160	-	-	8,160	8,160	-	-	8,160	53,57,425
Tangible assets (A)	2,37,21,967	91,04,544	-	3,28,26,511	1,19,87,167	56,66,652	-	1,76,53,819	1,17,34,800
Intangible Assets (B)									
MERP	5,92,03,427	11,83,292	-	6,03,86,719	2,31,82,692	74,69,595	-	3,06,52,287	3,60,20,735
Office std 2019	-	30,92,946	-	30,92,946	-	4,48,122	-	4,48,122	-
Intangible assets under Development (C)									
MERP	-	91,92,296	-	91,92,296	-	-	-	-	-
Total (A+B+C) as on 31st March 2020	8,29,25,394	2,25,73,078	-	10,54,98,472	3,51,69,859	1,35,84,369	-	4,87,54,228	4,77,55,535
Total (A+B+C) as on 31st March 2019	7,56,88,083	1,44,29,109	71,91,798	8,29,25,394	2,51,42,926	1,00,26,933	-	3,51,69,859	5,05,45,157



Notes	Particulars	Amount in Rs.	
		As at Mar 31, 2020	As at March 31, 2019
2	Share Capital Authorized		
	44,89,585 Equity Shares of Rs.10 each (Previous year 45,80,045)	4,48,95,850	4,58,00,450
	7,40,415 Preference Shares of Rs.10 each (Previous year 6,49,955)	74,04,150	64,99,550
		5,23,00,000	5,23,00,000
	Issued, Subscribed and Fully Paid up Equity Shares		
	31,38,542(Previous year 24,94,455) Equity Shares of Rs.10 each with voting rights	3,13,85,420	2,49,44,550
	Less : Advance to MSOP Trust (Face Value of 5,000 shares allotted to Svasti MSOP Trust on subscription and 1,95,000 shares allotted as fully paid bonus shares)	(50,000)	(50,000)
	0.01% compulsory convertible cumulative preference shares 732,263 (Previous year 487,462) Compulsorily Convertible Preference Shares of Rs.10 each.	73,22,630	48,74,620
	Share Application money pending allotment	-	-
		3,86,58,050	2,97,69,170

**Footnote:**

- (i) The Company has issued two class of shares : Equity Shares and Preference Shares  
(ii) Terms and Rights of Equity Shares : Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.  
(iii) Terms of Compulsorily Convertible Preference Shares :  
(a) Prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same fiscal year  
(b) the payment of dividend on cumulative basis (c )Preference Shares are Compulsorily Convertible Shares in the ratio of 1:1  
(d)Voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters (e) Shareholders have right to convert the Preference Shares in to equity shares either (i) prior to listing of the Equity Shares of the Company at the option of Shareholder; or (ii) upon expiry of 19 years and 11 months from the date of issuance of the CCPS or at any time as mandated by applicable law; or (iii) at the option of Shareholder at any time prior to the expiry of the aforesaid period of 19 years and 11 months.  
(iv) No bonus shares were issued in the last 5 years  
(v) No shares has been allotted as fully paid pursuant to contracts without payment being received in cash in last 5 years.  
(vi) Details of equity shares held by each shareholder holding more than 5% shares

**Equity Shares**

Name of the shareholders	As at Mar 31, 2020		As at March 31, 2019	
	No of Shares held	% of Shares	No of Shares held	% of Shares
Bamboo Financial Inclusion Mauritius (formerly known as Blue Orchard Mauritius)	-	0.00%	4,86,445	19.50%
Michael and Susan Dell foundation	-	0.00%	3,65,704	14.66%
Svasti MSOP Trust	2,00,000	6.37%	2,00,000	8.02%
P Arunkumar	1,69,040	5.39%	1,69,040	6.78%
B Narayanan	1,69,040	5.39%	1,69,040	6.78%
Andaman Finance and Investment Private Limited	3,72,143	11.86%	3,72,143	14.92%
Rising Sun Holdings Private Limited	5,94,005	18.93%	3,72,140	14.92%
Nordic Microfinance Initiative Fund III KS	3,61,083	11.50%	-	0.00%
Ahmedali Husain Nalwala	3,90,425	12.44%	-	0.00%

- (vii) Details of Preference Shares held by each shareholder holding more than 5% shares

**Preference Shares**

Name of the shareholders	As at Mar 31, 2020		As at March 31, 2019	
	No of Shares held	% of Shares	No of Shares held	% of Shares
Nordic Microfinance Initiative Fund III KS	7,32,263	100.00%	4,87,462	100.00%

- (viii) Reconciliation for number of shares

**Equity Shares**

	As at Mar 31, 2020	As at March 31, 2019
No. of shares at the beginning of the year		
Shares allotted during the year	24,94,455	23,31,968
Bonus shares	6,44,087	1,62,487
Less: Buyback of shares	-	-
No. of shares at the end of the year	31,38,542	24,94,455



Notes	Particulars	Amount in Rs.	
		As at Mar 31, 2020	As at March 31, 2019
	<b>0.01% Compulsory Convertible Cumulative preference shares</b>		
		As at Mar 31, 2020	As at March 31, 2019
	No. of shares at the beginning of the year	4,87,462	-
	Shares allotted during the year	2,44,801	6,49,949
	Bonus shares	-	-
	Less: Conversion to Equity Shares	-	(1,62,487)
	No. of shares at the end of the year	7,32,263	4,87,462
	(ix) on 3rd October, 2019 Company has reclassified its existing Authorised Share Capital of Rs.5,23,00,000/- (Rupees Five Crore Twenty Three Lakhs Only) divided into 45,80,045 (Forty Five Lakhs Eighty Thousand Forty Five Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 6,49,955 (Six Lakhs Forty Nine Thousand Nine Hundred and Fifty Five Only) Preference Shares of Rs. 10/- (Rupees Ten Only) each to new Authorised Share Capital of Rs.5,23,00,000/- (Rupees Five Crore Twenty Three Lakhs Only) divided into 44,89,585 (Forty Four Lakhs Eighty Nine Thousand Five Hundred and Eighty Five Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 7,40,415 (Seven Lakhs Forty Thousand Four Hundred and Fifteen Only) Preference Shares of Rs. 10/- (Rupees Ten Only) each pursuant to a resolution passed by members.		
	(x) Shares reserved for issue under options		
	For details of shares reserved for issue under the Management stock option (MSOP) plan of the Company, please refer note 30.		
<b>3</b>	<b>Reserves and Surplus</b>		
	Securities Premium		
	Opening Balance		
	Add: Premium on issue of shares	47,42,94,799	28,07,91,983
	Less: Utilized for allotment of Bonus Shares	39,11,10,720	19,35,02,816
	Less: Advance Towards Purchase of Share	-	-
	<b>Closing Balance (A)</b>	<b>86,54,05,519</b>	<b>47,42,94,799</b>
	Statutory Reserve*		
	As per last Balance Sheet		
	Add: Transferred from Profit and Loss A/c	1,10,99,017	38,61,532
	<b>Closing Balance (B)</b>	<b>1,75,45,478</b>	<b>72,37,485</b>
		<b>2,86,44,495</b>	<b>1,10,99,017</b>
	Cash Flow Hedge Reserve		
	Opening Balance	-	-
	Add: Unrealised gains/(loss) of foreign Exchange	-	-
	Less: Reclassification to statement of profit and loss	(92,52,000)	-
	<b>Closing Balance (C)</b>	<b>93,16,338</b>	<b>-</b>
		<b>64,338</b>	<b>-</b>
	Profit and Loss A/c		
	As per last Balance Sheet		
	Add: Transferred from Statement of Profit and Loss	3,99,53,532	1,10,03,592
	Less: Transferred to Statutory Reserve	8,77,27,388	3,61,87,425
	<b>Closing Balance (D)</b>	<b>(1,75,45,478)</b>	<b>(72,37,485)</b>
		<b>11,01,35,442</b>	<b>3,99,53,532</b>
	<b>Total</b>	<b>1,00,42,49,794</b>	<b>52,53,47,348</b>
	(*Statutory Reserve represents the Reserve Fund created under Section 45IC of the Reserve Bank of India Act, 1934)		
<b>4</b>	<b>Long Term Borrowings</b>		
<b>A</b>	<b>Secured Loans</b>		
	Term Loan from Financial Institutions (Refer note 37 and 38)	1,08,48,57,943	82,20,34,189
	Less: Current Maturities of Term Loan from Financial Institutions (Term loans is secured by way of hypothecation of the Microfinance Loan receivables originated out of the borrowed funds on a first & exclusive charge basis. Refer Note 36 and 38 for further details)	(39,70,64,764)	(65,80,63,466)
		<b>68,77,93,179</b>	<b>16,39,70,723</b>
	Term Loan from Banks (refer note 37)	48,40,26,120	32,40,14,508
	Less: Current Maturities of Term Loan from Banks	(18,22,94,590)	(19,87,30,877)
		<b>30,17,31,530</b>	<b>12,52,83,631</b>
	External Commercial Borrowings from Financial Institutions (refer note 37)	24,89,52,000	-
	Less: Current Maturities of External Commercial Borrowings from Financial Institutions	-	-
		<b>24,89,52,000</b>	<b>-</b>
<b>B</b>	<b>Debentures</b>		
	Rated, Taxable, Senior, Secured, Non-Convertible Debentures of Rs.10,00,000/- each repayable in monthly installments (Refer Note 37D )	68,50,00,000	66,50,00,000
	Less: Current Maturities of Debentures	(29,00,00,000)	(10,00,00,000)
		<b>39,50,00,000</b>	<b>56,50,00,000</b>
<b>C</b>	<b>Unsecured Loans</b>		
	Subordinate (Tier II Loans) (Refer note 38B)	10,00,00,000	10,00,00,000
	<b>Total</b>	<b>1,73,34,76,709</b>	<b>95,42,54,354</b>
	(Debentures are secured by way of first ranking exclusive charge on the identified receivables with a cover of 1 time of the principal amount) Refer note 37 and 38		





Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Notes forming part of Financial Statements for the year ended Mar 31, 2020

Notes	Particulars	Amount in Rs.	
		As at Mar 31, 2020	As at March 31, 2019
5	<b>Long Term Provisions</b>		
	Provision for Tax (Net of TDS)	-	-
	Provision for Gratuity (Refer Note 29)	1,27,81,819	-
	Contingent Provision Against Standard Assets	1,27,14,504	28,81,628
	Provision for Non-Performing Assets	-	1,08,53,991
	<b>Total</b>	<b>2,54,96,323</b>	<b>1,37,35,619</b>
6	<b>Other Non Current Liabilities</b>		
	Gains from Securitization not accrued (Refer note 37B)	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
7	<b>Trade Payables</b>		
	- Micro and Small Enterprises*	-	-
	- Other than Micro Enterprises and Small Enterprises	-	-
	<b>Total</b>	<b>1,66,28,556</b>	<b>2,63,21,317</b>
		<b>1,66,28,556</b>	<b>2,63,21,317</b>
	*There are no suppliers included in sundry creditors who are registered as Micro or Small Enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".		
8	<b>Other Current Liabilities</b>		
	Current maturities of loans		
	Of term loan (secured) from financial institutions	39,70,64,764	65,80,63,466
	Of term loan (secured) from Banks	18,22,94,590	19,87,30,877
	Of Secured Non Convertible Debentures	29,00,00,000	10,00,00,000
	Statutory Liabilities		
	Employee dues	1,43,66,231	60,49,899
	Gains from Securitization not accrued (Refer note 37B)	38,49,894	1,09,31,060
	Managed Portfolio Collection Payable	-	13,17,235
	Securitisation Payable	1,95,24,123	3,05,54,041
	Interest Accrued on Loans & Debentures Not Due	2,91,39,077	4,57,81,724
	Interest Accrued on Loans & Debentures Due	3,22,00,253	1,89,41,658
	Others	-	-
		<b>1,58,81,018</b>	<b>17,97,192</b>
	<b>Total</b>	<b>98,43,19,950</b>	<b>1,07,21,67,152</b>
9	<b>Short Term Provisions</b>		
	Provision for Income Tax (Net of Income tax paid Rs. Nil, PY 1,52,61,554)	-	37,11,610
	Provision for compensated absences	26,09,370	12,72,136
	Provision for Gratuity	-	64,83,950
	Provision for non performing assets	1,19,58,654	-
	Contingent Provision Against Standard Assets	1,84,81,056	62,90,492
	<b>Total</b>	<b>3,30,49,080</b>	<b>1,77,58,188</b>
11	<b>Long Term Investment (Non-Trade, Unquoted)</b>		
	- valued at cost		
	Investment in Mutual Fund units	-	15,00,000
	<b>Total</b>	<b>-</b>	<b>15,00,000</b>
	Market Value Rs. Nil (As at 31st Mar 2019: 19,29,630)		
	Mutual Fund Unit name	Units	FV
	As at 31st March, 2019		
	ICICI Prudential Multiple Yield Fund series 10	1,50,000	10
12	<b>Long Term Loans &amp; Advances</b>		
	Income Tax paid and TDS (Net of Provision of Rs. 6,49,24,540, PY 25,03,823)	51,71,338	24,06,192
	MAT Credit Entitlement	-	-
	Cash Collateral on Borrowings with Lenders	75,00,000	2,27,50,936
	Deposits	51,81,904	15,11,000
	Capital advances	-	7,80,000
	Loans to Related Parties	-	2,00,00,000
	Prepaid Expenses	55,43,367	33,73,728
	<b>Total</b>	<b>2,33,96,609</b>	<b>5,08,21,856</b>
	13	<b>Receivables Under Financing Activities -Non Current</b>	
Unsecured and Considered Good		1,23,13,44,536	65,69,59,000
Unsecured and Considered Doubtful		-	-
	<b>Total</b>	<b>1,23,13,44,536</b>	<b>65,69,59,000</b>
14	<b>Other Non Current Assets</b>		
	Non current portion of fixed deposit*	3,43,21,729	5,59,41,465
	Processing Fees to be amortized	1,15,44,944	42,97,192
	Interest accrued on Fixed Deposit *	26,37,385	40,82,497
	Securitized Receivables - Collateral	-	2,34,06,521
	<b>Total</b>	<b>4,85,04,058</b>	<b>8,77,27,675</b>
	*All the Fixed Deposit are lien marked		



Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Notes forming part of Financial Statements for the year ended Mar 31, 2020

Notes	Particulars	Amount in Rs.	
		As at Mar 31, 2020	As at March 31, 2019
15	Short Term Investment (Non-Trade, Unquoted)		
	- valued at cost		
	Investment in Mutual Fund units	15,00,000	-
	Market Value Rs. 19,18,650 (As at 31st Mar 2019: Nil)		
	Mutual Fund Unit name	Units	FV
As at 31st March, 2020			
	ICICI Prudential Multiple Yield Fund series 10	1,50,000	10
		15,00,000	-
16	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Cash In Hand		
	Balances with Banks	67,12,804	2,00,08,015
	- in Current Accounts	34,73,54,156	27,32,04,684
	- in Short Term Deposit Accounts (original maturity of less than 3 months)		
	Other Balances with Banks	35,40,66,960	29,32,12,699
	Deposit Accounts*	15,30,72,925	9,72,06,301
	Less: Fixed Deposit maturing after one year	(3,43,21,729)	(5,59,41,465)
		11,87,51,196	4,12,64,836
	<b>Total</b>	<b>47,28,18,156</b>	<b>33,44,77,535</b>
*All the Fixed Deposits are lien marked			
17	Short Term Loans & Advances		
	Advances Recoverable in Cash or in Kind or for value to be received (Unsecured, Considered Good unless otherwise stated)		
	Advance to Employees		
	Considered Good	33,51,082	20,24,620
	Considered Doubtful	4,53,933	3,18,643
	Less: Provision for Doubtful Advance	(4,53,933)	(3,18,643)
		33,51,082	20,24,620
	Cash Collateral on borrowings with lenders	2,72,30,107	2,26,45,224
	Advances to Related Parties ( Net of Provision Rs. 3,281,860 PY 3,281,860)	2,00,00,000	3,19,173
	Security Deposits	14,51,000	30,19,245
	Prepaid Expenses	80,25,183	85,27,200
	Advance to Svasti MSOP Trust	10,000	10,000
	Others		
	Considered Good	50,34,688	40,28,611
	Considered Doubtful	6,94,269	6,94,269
	Less: Provision for Doubtful Advance	(6,94,269)	(6,94,269)
		50,34,688	40,28,611
<b>Total</b>	<b>6,51,02,060</b>	<b>4,05,74,073</b>	
18	Receivables under Financing Activities		
	Unsecured and Considered Good	1,76,67,83,420	1,32,48,19,444
	Unsecured and Considered Doubtful	2,30,26,718	1,42,69,362
	<b>Total</b>	<b>1,78,98,10,138</b>	<b>1,33,90,88,806</b>
<b>Total</b>	<b>1,78,98,10,138</b>	<b>1,33,90,88,806</b>	
19	Other Current Assets		
	Insurance Claim receivable (Net of Provision Rs. 40,78,004, Previous year Rs. 2,735,595)	2,73,72,840	2,55,56,219
	Processing Fees to be amortized	81,13,849	86,06,738
	Commission on Managed Portfolio receivable		
	Considered Good	1,34,58,119	1,24,24,190
	Considered Doubtful	5,25,359	5,25,359
	Less: Provision for doubtful receivable	(5,25,359)	(5,25,359)
		1,34,58,119	1,24,24,190
	Interest accrued on Fixed Deposit	89,55,057	25,65,527
	GST Input Tax Credit	63,57,345	35,69,159
	Securitized Receivables - Collateral	4,10,50,313	1,17,66,751
	Fair Value of Foreign Exchange derivative asset	93,16,338	-
	Others		
	<b>Total</b>	<b>2,27,87,044</b>	<b>1,18,47,482</b>
		<b>13,74,10,905</b>	<b>7,63,36,066</b>



Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Notes forming part of Financial Statements for the year ended Mar 31, 2020

Note	Particulars	For the year ended Mar 31, 2020	For the year ended March 31, 2019
<b>20</b>	<b>Revenue from Operations</b>		
	Interest on Loans	49,55,86,722	46,20,92,938
	Commission From Managed Portfolio	12,18,36,342	2,47,27,690
	Processing Fees Received	2,68,98,678	2,03,47,743
	Interest on Loans-Individual Loan	2,08,45,179	25,25,411
	Commission From Managed Portfolio-Individual Loan	12,48,252	20,63,023
	Processing Fees Received-Individual Loan	48,43,055	14,59,782
	Facilitation Fees	73,19,720	33,98,175
	Securitization Gains	3,31,89,096	2,01,93,133
	<b>Total</b>	<b>71,17,67,044</b>	<b>53,68,07,895</b>
<b>21</b>	<b>Other Income</b>		
	Profit on sale of Mutual Funds	56,12,052	78,54,144
	Interest on Cash Collateral Deposits for Loans from FIs and Banks	1,19,28,732	59,21,411
	Income from Non Lending Services	88,41,261	73,97,247
	Others	2,51,025	25,392
	<b>Total</b>	<b>2,66,33,070</b>	<b>2,11,98,194</b>
<b>22</b>	<b>Employee Benefits Expenses</b>		
	Salaries & Wages	19,50,13,205	13,05,94,912
	Employer's Contribution to Provident & Other Funds (Refe Note 29)	1,17,63,737	88,36,669
	Leave Encashment	13,37,234	1,31,393
	Gratuity (Refer Note 29)	82,75,784	50,74,534
	EDLI Contribution and Admin Charges	6,81,753	4,28,939
	Staff Welfare Expenses	1,28,42,007	93,60,392
	<b>Total</b>	<b>22,99,13,720</b>	<b>15,44,26,839</b>
<b>23</b>	<b>Finance Cost</b>		
	Loan Processing and Syndication Fees	3,06,08,205	1,63,53,479
	Interest Paid on loan taken from Banks & Financial Institutions	25,44,73,965	25,88,18,206
	Finance cost on securitisation	34,61,193	-
	Guarantee Fee	20,69,769	23,35,879
	<b>Total</b>	<b>29,06,13,132</b>	<b>27,75,07,564</b>
<b>24</b>	<b>Administrative and Other Expenses</b>		
	Advertisement	-	-
	Audit Fees		
	- for Statutory Audit	10,24,250	6,75,400
	- for Tax Audit	1,03,125	82,500
	- Others	4,33,000	1,77,100
	Director Sitting Fees	27,000	-
	Electricity Charges	23,73,671	13,53,723
	Internet Expenses	10,78,507	7,84,208
	Office Expenses	14,22,394	8,97,020
	Printing & Stationery	36,09,311	25,73,114
	Professional Fees	1,52,08,304	1,31,12,527
	Rent	1,49,73,590	1,05,82,213
	Rates and Charges	36,14,544	31,15,573
	Repairs and Maintenance		
	Building	-	-
	Others	24,12,386	17,59,978
	Telephone Charges	25,39,840	18,50,144
	Travel and Conveyance	41,07,977	25,19,163
	Interest on Income tax	-	-
	Provision for other loans and Advances	14,79,409	94,32,644
	Bad Debts Written off	41,29,746	1,53,30,343
	Other Expenses	12,82,582	4,37,156
	<b>Total</b>	<b>5,98,19,636</b>	<b>6,46,82,806</b>



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**25 Contingent liabilities**

Particulars	Amount in Rs.	
	As on March 31, 2020	As on March 31, 2019
First loss credit enhancement on securitization and direct origination transactions (Refer note 37)	12,26,21,283	8,47,11,801
First loss guarantee of portfolio originated on behalf of NBFCs / Banks	36,81,95,222	43,93,29,987
Income Tax claimed contested	31,71,834	-
<b>Total</b>	<b>49,39,88,339</b>	<b>52,40,41,788</b>

**26 Capital commitment (net of advances)**

As at 31st March, 2020 Rs. NIL. (31-Mar-2019: Rs. NIL).

**27 Segment Reporting**

In the opinion of the management, there is only one reportable segment. i.e. microfinance services. Accordingly, no separate disclosure is required to be made under Accounting Standard 17, Segment Reporting.

**28 Related Party Disclosures**

**A. List of Related Parties**

Nature of Relationship	Party
Key Management Personnel	P Arunkumar, Executive Director and CEO
Key Management Personnel	B Narayanan, Executive Director and CFO & CIO
Entities Holding Substantial Interest	Nordic Microfinance Initiative Fund III KS
Common Directors	Svasti Foundation
Common Directors	Svasti Financial Services Private Limited

**B. Transactions with Related Parties during the year (excluding directors remuneration\*)**

Transaction	Related Party	Amount in Rs.	
		Year Ended 31st March, 2020	Year Ended 31st March, 2019
Advance Given	B Narayanan	-	-
Advance Repaid	B Narayanan	-	-
Advance Given	P Arunkumar	-	-
Advance Repaid	P Arunkumar	-	-
Amount received	Svasti Foundation	-	-
Sharing of infrastructure service	Svasti Foundation	-	-

\* Refer note no. 36 for Directors remuneration.

Note : Above does not include Current account transactions & transactions in the nature of reimbursement of expenses

**28 Related Party Disclosures (Contn.)**

Balances as at year end

Nature of Balance	Related Party	Amount in Rs.	
		31st March, 2020	31st March, 2019
Receivable	Svasti Foundation*	31,61,759	31,61,759
Receivable	Svasti Financial Services Private Limited*	1,20,101	1,20,101
Receivable/(Payable)	B Narayanan	1,00,00,000	1,01,46,916
Receivable/(Payable)	P Arunkumar	1,00,00,000	1,01,72,256

\* provided Rs 3,281,860



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

29 Contribution to Employees' provident fund and Employee's State Insurance: Rs. 1,17,63,737/- (Previous year: Rs. 8,836,669)

(b) Defined benefit plan - Gratuity:

(1) Description of the Gratuity Plan:

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees. 'Gratuity liability is funded with Life Insurance Corporation of India (LIC)'

(2) Amount recognized in the Balance Sheet and movements in net liability:

Particulars	Amount in Rs.	
	As At 31-Mar-20	As At 31-Mar-19
Present Value of Funded Obligations	2,06,90,567	1,20,46,022
Fair Value of Plan Assets	79,08,747	55,62,072
<b>Net Liability / (Asset) recognized in the Balance Sheet</b>	<b>1,27,81,820</b>	<b>64,83,950</b>

The fair value of the plan assets does not include the Company's own financial instruments

(3) Expenses recognized in the Statement of Profit & Loss

Particulars	Amount in Rs.	
	Year ended 31-Mar-20	Year ended 31-Mar-19
Current Service Cost	24,67,974.00	15,32,057
Interest on Defined Benefit Obligation	8,89,425.00	5,08,908
Expected Return on Plan Assets	(4,82,796)	(3,32,403)
Net Actuarial Losses/ (Gains) Recognized in the year	54,01,181.00	33,65,972
Past Service Cost	-	-
Other Charges	-	-
<b>Total</b>	<b>82,75,784.00</b>	<b>50,74,534</b>

29 Employee benefits (Contn.)

(4) Reconciliation of Benefit Obligation & Plan assets for the Period

Change in Defined Benefit Obligation

Particulars	Amount in Rs.	
	As At 31-Mar-20	As At 31-Mar-19
Opening Defined Benefit Obligation	1,20,46,022	66,96,153
Current Service Cost	24,67,974	15,32,057
Interest Cost	8,89,425	5,08,908
Actuarial Losses / (Gain )	53,40,668	33,08,904
Past Service Cost	-	-
Actuarial Losses / (Gain ) due to Curtailment	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(53,522)	-
<b>Closing Defined Benefit Obligation</b>	<b>2,06,90,567</b>	<b>1,20,46,022</b>



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Change in Fair Value of Assets**

Particulars	Amount in Rs.	
	As At	As At
	31-Mar-20	31-Mar-19
Opening Fair Value of Plan Assets	55,62,072	34,60,717
Expected Return on Plan Assets	4,82,796	3,32,403
Actuarial Gain / ( Losses )	(60,514)	(57,068)
Assets Distributed on Settlements	-	-
Contributions by Employer	19,77,915	18,26,020
Assets Acquired on Acquisition / (Distributed on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(53,522)	-
Closing Fair Value of Plan Assets	79,08,747	55,62,072

**(5) Actuarial Assumptions at the Valuation date**

Particulars	31-Mar-20	31-Mar-19
Discount Rate	6.45%	7.40%
Expected Rate of Return on Plan Assets*	6.45%	7.40%
Salary Escalation Rate	10.00%	10.00%

\*This is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

**29 Employee benefits (Contn.)**

**(6) Descriptions of the Plan Assets**

Category of Assets	Amount in Rs.	
	2019-2020	2018-2019
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	0%	0%
Insurer Managed Funds	100%	100%
Others	0%	0%
Total	100%	100%

**(7) Experience Adjustments**

Particulars	Amount in Rs.				
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Experience (gain)/loss on obligation	27,96,583	10,74,612	8,75,698	6,64,167	(1,71,379)
Actuarial (gain)/loss on plan assets	(60,514)	(57,068)	(11,025)	(11,627)	(22,755)

The company Expects to contribute Rs. 19,77,915/- (Previous year 1,826,020/-) towards the gratuity fund in the next year.

(8) Current/Non current breakup	31-Mar-20	31-Mar-19
Current	-	64,83,950
Non current	1,27,81,819	-
Total	1,27,81,819	64,83,950

**Movement in compensated absences**

	31-Mar-20	31-Mar-19
Opening Liability	12,72,136	11,40,743
Add: Change / Charge for the period	13,37,234	1,31,393
Less: Payment Made	-	-
Closing Liability	26,09,370	12,72,136

Current/Non current breakup	31-Mar-20	31-Mar-19
Current	26,09,370	12,72,136
Non current	-	-
Total	26,09,370	12,72,136

**30 Employees Stock Option Plan**

The Company has an MSOP plan under which 5000 shares have been allotted to Svasti MSOP Trust at par. The Company has advanced Rs.50,000/- to the Svasti MSOP Trust towards the purchase of the said shares in October 2010. In addition, 1,95,000 equity shares of Rs.10 each allotted to the Trust on account of bonus issue on 01 December, 2010.

As on date there is no vesting schedule defined and no options to purchase have vested with any of the employees and all the shares remain only with Svasti MSOP Trust.



**Svasti Microfinance Private Limited**  
CIN: U65922TN1995PTC030293  
Notes forming part of Financial Statements for the year ended March 31, 2020

**31 Operating Leases**

The Company has taken on operating lease premises for a period ranging from 11 months to 36 months which are non-cancellable for the period as reflected in the agreement. The total lease payments for the current year, in respect of operating leases, included under rent, aggregates to Rs. 1,49,73,590/- (Nil Capitalised) (P.Y. Rs. 10,582,213/- Nil capitalised)

32 The future lease payments in respect of the non cancellable period referred above are as follows:

	Amount in Rs.	
	As at 31st March, 2020	As at 31st March, 2019
Not later than one year	45,49,107	28,44,757
Later than one year but not Later than five years	42,85,409	6,44,667
Later than 5 years	Nil	Nil

**33 Earnings per share**

	Amount in Rs.	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit After Tax	8,77,27,388	3,61,87,425
Weighted average number of equity shares outstanding		
-Excluding Preference shares	27,69,559	23,55,117
-Including Preference shares	33,55,343	26,02,632
Earnings per share (Face value of Rs. 10 per share)		
- Basic	31.68	15.37
- Diluted	26.15	13.90

**34 Deferred Tax**

Deferred Tax Asset Computation

Particulars	Amount in Rs.		
	Deferred Tax (Asset) / Liability as on 01st April, 2019	Current year credit/ (charge)	Deferred Tax (Asset) / Liability as on 31st March, 2020
<b>A. Deferred Tax Liability</b>			
Difference between book and tax depreciation	(37,69,910)	-(8,64,178)	(29,05,732)
Unamortized Business Expenses	(35,89,873)	(13,57,852)	(49,47,725)
Total (A)	(73,59,783)	(4,93,674)	(78,53,457)

Particulars	Amount in Rs.		
	Deferred Tax (Asset) / Liability as on 01st April, 2019	Current year credit/ (charge)	Deferred Tax (Asset) / Liability as on 31st March, 2020
<b>B. Deferred Tax Asset</b>			
Unabsorbed business losses	-	-	-
Provision for Employees Benefit-Leave Encashment	3,53,908	3,02,818	6,56,726
Provision for Employees Benefit - Gratuity, Receivables	18,03,835	9,15,292	27,19,127
Provision for Receivables	56,09,507	52,51,546	1,08,61,053
Provision for other loans and Advances	37,05,135	(8,40,828)	28,64,307
Other	-	-	-
Total(B)	1,14,72,385	56,28,828	1,71,01,213
<b>Net Deferred Tax (Asset) /Liability (A-B)</b>	<b>41,12,602</b>	<b>51,35,154</b>	<b>92,47,756</b>
Previous Year	13,60,349	27,52,253	41,12,602

**35 Asset Classification & Provisioning:**

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. The loans inclusive of unpaid interest, when the installment is overdue for a period of three months or more or on which interest amount remained overdue for a period of 90 days or more is treated as Non-performing assets. However, as per RBI instructions, the moratorium granted amidst the lockdown since month of March need not be considered in computation of NPA. Hence the classification of loan for NPA is as at Feb 2020.



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

Fixed Deposit of Rs. 12,26,21,283 (Previous year Rs. 8,47,11,801) is placed as cash collateral against the doubtful assets of Managed portfolio. Refer Note no. 25 for contingent liability details.

Classification of Loans and provision made for Standard / doubtful assets are as given below:

**35 Asset Classification & Provisioning (Contn.)**  
**(i) Joint Liability Group (JLG)**

Classification of Assets	Amount in Rs.	
	As at 31st March, 2020	As at 31st March, 2019
Standard assets	2,80,77,38,899	1,94,07,44,565
Non Performing asset*	95,58,858	26,75,316
Doubtful assets	1,04,81,293	1,15,94,046
Loss assets	-	-
<b>Total</b>	<b>2,82,77,79,050</b>	<b>1,95,50,13,927</b>

**(ii) Individual Business Loan**

Classification of Assets	Amount in Rs.	
	As at 31st March, 2020	As at 31st March, 2019
Standard assets	19,03,89,057	4,06,43,038
Non Performing asset	10,18,768	3,90,841
Doubtful assets	19,67,799	-
Loss assets	-	-
<b>Total</b>	<b>19,33,75,624</b>	<b>4,10,33,879</b>

**Movement of Provision on Portfolio-JLG**

Description	Amount in Rs.	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	1,95,50,141	2,03,91,320
Additions for the year*	2,28,39,569	(8,41,179)
Deletion for the year	-	-
<b>Closing Balance</b>	<b>4,23,89,710</b>	<b>1,95,50,141</b>

\* Includes additional provision of 5% as required by RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 20.

**Movement of Provision on Portfolio-Individual business loan**

Description	Amount in Rs.	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	4,75,972	47,907
Additions for the year	2,88,532	4,28,065
Deletion for the year	-	-
<b>Closing Balance</b>	<b>7,64,504</b>	<b>4,75,972</b>

**36 Directors' Remuneration**

Particulars	Amount in Rs.	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Executive Directors</b>		
Arunkumar P	67,50,000	52,59,988
B Narayanan	67,50,000	52,59,988
<b>Non-Executive Directors</b>		
Sitting Fees	27,000	-

Note: The above remuneration is inclusive of provisions of Bonus of Rs. 16,87,500 each. However, the above does not include the accrued Gratuity or accrued compensated absences, since they are not due and the company doesn't have policy of encashment of leave.

**37 Borrowings**

A. A. Term Loans, Debentures & Unsecured Loans: The Company has borrowed funds in the form of Term Loans, debentures and unsecured loans from NBFC FIs and banks for the purpose of the on-lending to its customers. The borrowing is secured against the book debts specifically identified as originated using these funds except unsecured loans. In addition, Corporate Guarantee, Personal Guarantee and both has been provided on borrowings with outstanding of Rs. 12,02,22,547, Rs. 1,03,66,99,146 and Rs. 7,84,69,293 as at 31 Mar 2020.





**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

B. Securitization of Portfolio Receivables: The Company has participated in 1 (Previous Year : 3) transaction during the year involving securitization of portfolio receivables from loans seasoned for at least 3 months. The portfolio has been sold to a Special Purpose Vehicle (SPV) created for handling the securitization transaction.

Each transaction entered into by the Company involves a "True Sale", i.e., involving the assignment of the total pool to the Issuer Trust, assigning thereby all the rights, title and interest of the Company (as Originator) in the Receivables to the Trust. The assignment shall be to the end and intent that the Issuer Trust shall thereafter be deemed to be the full and absolute legal and beneficial owner of the Total Pool.

The exposure of the Company to the assigned receivables subsequent to the True Sale is restricted to the Credit Enhancement provided by the Company to the Trust. Such credit enhancement has been provided by way of cash collateral.

The Company is to act as a servicing agent responsible for collection of all cash flows from the underlying receivables and remittance to the SPV until the underlying is repaid or the clean up call is exercised. The clean up call can be exercised by the company when not more than 10% of the pool principal from the pool remains unpaid.

The difference between the purchase consideration and the pool value after providing for processing fees and servicing cost has been considered as Gain from Securitization maximum of amounts arrived based on principle cash flow collected to total Principal cash flows or time proportion basis. The portion of the gains pertaining to principal cash flow to be recognised in the future has been disclosed in "Gain from Securitization not accrued" under "Other Current Liabilities". Gains from securitization of portfolio under premium structure are accrued higher of the amortization of the principal value of the portfolio securitized during the year after provision of processing fees and servicing cost and on time proportion basis as per RBI directions. In case of PAR type of securitisation transactions the difference between the Pool value and the purchase consideration is accounted as Over collateralisation and is disclosed under "other current assets" or "other non current assets" as per the maturity period.

**Disclosure as per RBI Guidelines**

Sr. no.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	No of SPVs sponsored by the NBFC for securitisation transactions	2	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	9,85,34,364	29,10,84,831
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures	-	-
	-First Loss	-	-
	-Others	-	-
	b) On-balance sheet exposures	-	-
	-First Loss	3,27,14,619	4,33,21,489
	-Others	-	-
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	-First Loss	-	-
	-Others	-	-
	ii) Exposure to third party securitisations	-	-
	-First Loss	-	-
	-Others	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	-First Loss	-	-
	-Others	-	-
	ii) Exposure to third party securitisations	-	-
	-First Loss	-	-
	-Others	-	-



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

The summary of all securitization transactions done are as under

	Amount in Rs.	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Purchase Consideration	15,87,94,126	37,53,78,822
Principal value of pool securitized	17,64,37,918	41,05,52,094
Gain from securitization recognized during the year	3,31,89,096	2,01,93,133
Gains from securitization to be recognized in future		
-Current	-	13,17,235
-Non Current	-	-
Service fee received	1,00,000	11,00,000
Processing Fees Paid	-	29,74,192
Cash Collateral provided as credit enhancement	3,27,14,619	4,33,21,489

C. Direct Origination: The Company continues to originate portfolio on behalf of 2 Financial Institutions (FI) (Previous year 1 Financial Institution). Outstanding balance as on 31 Mar 2020 Rs. 9,85,34,364/- (Previous year Rs. 29,10,84,831/-)

The Company is responsible for originating and servicing the loans originated on behalf of the FI against which the Company receives consideration.

**37 Borrowings (Contn.)**

A summary of the direct origination transactions for the year are as under:

	Amount in Rs.	
	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Portfolio originated	1,10,92,00,000	1,04,78,50,000
Income from origination of this loan portfolio	55,46,000	52,39,250
Income from servicing of this loan portfolio	11,62,90,342	1,94,88,440

D. Debentures: During the year company has issued 120 debentures (Previous Year 500 Debentures) of Rs. 10,00,000 each at par under private placement.

**38 A. Terms of Secured Loans/Debentures**

**A-1A Terms of Secured Loans from Financial Institutions**

	Amount in Rs.		
Rate of Interest	Installments	Balance Outstanding as at 31st March 2020	Balance Outstanding as at 31st March 2019
10% - 11%	24	9,62,13,183	-
11% - 12%	24	7,86,25,582	1,25,00,000
11% - 12%	36	1,26,93,654	2,99,50,579
12%-13%	24	15,12,94,813	5,30,17,396
12%-13%	36	1,87,34,080	3,53,18,528
13% - 14%	24	14,63,35,471	2,03,38,550
13% - 14%	26	1,88,46,154	5,73,66,674
13% - 14%	36	19,44,24,771	15,53,69,808
14%-15%	15	14,43,244	1,75,17,995
14%-15%	18	-	2,39,22,315
14%-15%	24	35,03,76,119	18,13,10,853
14%-15%	36	-	1,75,00,003
15%-16%	24	1,58,70,872	21,79,21,488
<b>Total</b>		<b>1,08,48,57,943</b>	<b>82,20,34,189</b>



Svasti Microfinance Private Limited  
CIN: U65922TN1995PTC030293  
Notes forming part of Financial Statements for the year ended March 31, 2020

**A-1B External Commercial Borrowings from Financial Institutions**

Rate of Finance Cost	Amount in Rs.	
	Balance Outstanding as at 31st March 2020	Balance Outstanding as at 31st March 2019
15%-16%	24,89,52,000	-
<b>Total</b>	<b>24,89,52,000</b>	<b>-</b>

The outstanding in foreign currency is 30,00,000 EURO. The above liability is fully hedged by the Cross currency Swap. The mark to market of the hedge is debit against the company at Rs. 93,16,338.

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

**(h) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

**A-2 Terms of Secured Loans from Banks**

Rate of Interest	Installments	Amount in Rs.	
		Balance Outstanding as at 31st March 2020	Balance Outstanding as at 31st March 2019
10% - 11%	36	10,00,00,000	-
12%-13%	40	-	1,11,11,114
13% - 14%	24	29,20,81,679	10,43,12,354
13% - 14%	36	9,19,44,441	12,50,00,000
14% - 15%	36	-	8,35,91,040
		<b>48,40,26,120</b>	<b>32,40,14,508</b>

Note: All the loans are secured by way of hypothecation of the Microfinance Loan receivables originated out of the borrowed funds on a first & exclusive charge basis. In addition, Corporate Guarantee, Personal Guarantee and both has been provided on borrowings with outstanding of Rs. Nil, Rs. 20,95,14,428 and Rs. 1,59,69,293 as at 31 Mar 2020 respectively.

**A-3 Terms of Secured Debentures**

Interest Rate / Repayment date	No. of Debentures	Amount in Rs.			
		As at 31 March 2020		As at 31 March 2019	
		Face Value	Outstanding	Face Value	Outstanding
14.75% / 09-Dec-19	100	-	-	10,00,000	10,00,00,000
13.40% / 14-Dec-20	290	10,00,000	29,00,00,000	10,00,000	29,00,00,000
12.50% / 15-March-22	65	10,00,000	6,50,00,000	10,00,000	6,50,00,000
12.92% / 20-March-22	210	10,00,000	21,00,00,000	10,00,000	21,00,00,000
14.60% / 30-Jun-22	120	10,00,000	12,00,00,000	-	-
			<b>68,50,00,000</b>		<b>66,50,00,000</b>

Note: All the debentures are secured by way of hypothecation of the Microfinance Loan receivables originated out of the borrowed funds on a first & exclusive charge basis. In addition, Promoters Directors have provided personal guarantees for borrowings having outstanding amount of Rs. 12,00,00,000 as on 31 Mar 2020.

**B. Terms of Unsecured Loans**

Rate of Interest	Installments	Amount in Rs.		
		Balance Outstanding as at 31st March 2020	Balance Outstanding as at 31st March 2019	Date of Repayment
14% - 15%	84	5,00,00,000	5,00,00,000	30-Mar-24
14% - 15%	84	5,00,00,000	5,00,00,000	01-Sep-25
<b>Total</b>		<b>10,00,00,000</b>	<b>10,00,00,000</b>	



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

The Company has raised unsecured term loan of Rs. Nil (Previous year 5 Crores) at rate of Nil (previous year 15.00%) with bullet repayment at the end of 7 years (Previous year 7 years) with bullet repayment on of Rs. 5 Crore on 30th March, 2024 and Rs. 5 crores on 1st Sep, 2025.

**39 Disclosure on Margin Cap**

Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012 . Margin of the Company as on 31 March 2020 is 9.07% (Previous Year 9.24%)

**40 Disclosure on derivative Instruments and unhedged foreign currency exposure**

- a) Derivative instrument outstanding : Nil (Previous year : Nil)  
b) Unhedged foreign currency exposure payable / receivable : Nil (Previous year : Nil)

**41 Earnings in foreign currency for the year ended 31st March, 2020: Nil (Previous year: Nil)**

**42 Expenditure in foreign currency for the year ended 31st March, 2020: Rs. 42,03,251/- (Previous year: Nil)**

**43 For the year ended 31 March 2020 the Company is not required to transfer any amount into the Investor Education & Protection Fund. (Previous year NIL).**

**44 There are no pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities. (Previous Year: Nil)**

**45** On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. It continues to spread across the country leading to a significant decline and volatility in the global and Indian financial markets and a significant decrease in local economic activities. On March 24, 2020, the Indian government announced a strict 21-day lockdown followed by further extensions of lockdown that have been extended until 31st May 2020 and various containment measures. The Company has made an overall assessment of the impact of the pandemic on its operations and its assets and receivables as at March 31, 2020. The Company's business is expected to be impacted by lower lending opportunities and higher credit losses in upcoming financial years. Subject to this, the Company expects to earn interest income from existing loan book during the coming year thereby recovering the fixed costs likely to be incurred. In accordance with the Reserve Bank Of India (RBI) guidelines relating to COVID-19 regulatory package dated April 2020, subsequently revised in May 2020, the Company has granted blanket moratorium of three months on the payment of all instalments falling due between March 1 2020 and May 31 2020 to its eligible borrowers, based upon a Board approved policy that in line with microfinance industry practices and the advisory of MFIN, the industry association of NBFC- MFIs. The Company expects that many of its borrowers may seek additional moratorium as announced by the revised RBI guidelines of May 2020. Due to the continuous lock down in large parts of the country, the Company has not been able to meet all its borrowers to discuss on additional moratorium requirements till closure of accounts. For all such accounts where the moratorium is granted, the asset classification will remain unchanged during the moratorium period as announced by the RBI. The Company makes provision for impairments as per RBI Regulations. As required by RBI Regulation the Company has made an additional provision of 5% of principal outstanding on all accounts that are in default in the books of the Company as on February 29, 2020. As a measure of prudence, the Company has provided additional 0.25% of its AUM to factor in the additional impact of the pandemic as at March 31, 2020. The Company, based on its initial estimates and assumptions, believes that it has made adequate provisions for the impact of the pandemic on the Financial Statements. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern.

**46 Comparatives**

Previous year figures have been regrouped / reclassified wherever required to confirm with current year grouping / classification.

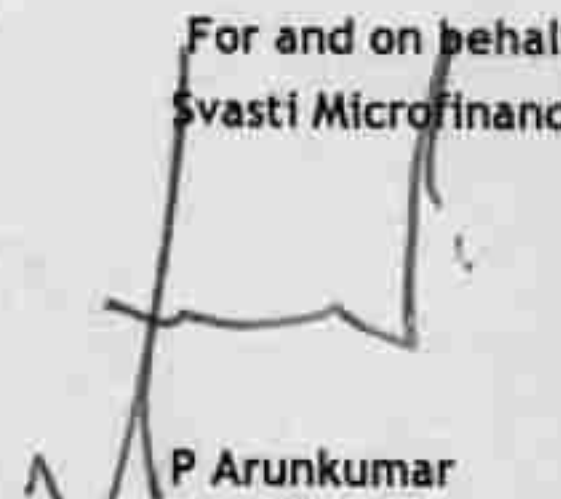
These notes are an integral part of the financial statements

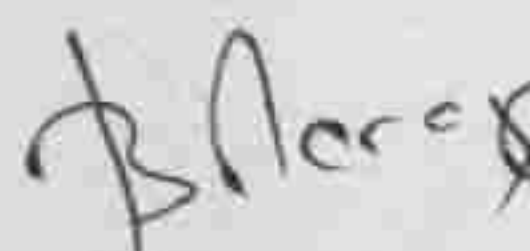
As per our report of even date  
For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm Regn. No 0039905/S200018


  
Dhiraj Kumar Birla  
Partner  
Membership No: 131178  
Place: Mumbai  
Date : 29th May, 2020



For and on behalf of the Board  
Svasti Microfinance Private Limited

  
P Arunkumar  
Executive Director  
& CEO  
DIN: 01890656  
Date : 29th May, 2020

  
B Narayanan  
Executive Director  
& CFO  
DIN: 01216715

  
Varsha Waghela  
Company Secretary  
Membership No:A48689



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Summary of Significant Accounting Policies**

**A. Background**

Svasti Microfinance Private Limited ("the Company") is a non-deposit taking Non-Banking finance company having Certificate of Registration number B-07-00625 issued on 18-Aug-2010 by Reserve Bank of India (RBI). The company has been reclassified from NBFC to NBFC-MFI effective 19-Apr-2017 pursuant to the application made for the same with RBI.

The Company's main object is to carry on the business of microfinance, provide finance to the weaker section of society, promote and facilitate financial inclusion in the society by making credit/other financial services easily accessible to people or entities in low-income sections of society.

**B. Summary of Significant Accounting Policies**

**i. Basis of preparation**

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 (the Act) as applicable. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India vide Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

**ii. Use of estimates**

The presentation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates and the difference between the actual results and estimates are recognized in the periods in which the results are known/materialize

**iii. Current / Non-current classification of assets / liabilities**

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised/ settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Significant Accounting Policies (Contn.)**

**iv. Tangible and Intangible Assets**

Tangible assets are stated at cost net of depreciation. The cost of an asset comprises its purchase price (net of tax credits) and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

Intangible assets are stated at cost net of amortization. Intangible assets comprise of software that has been purchased or developed in house. Cost of software developed in house comprises of personnel costs and administrative costs attributable to the development.

**v. Depreciation and Amortisation**

Depreciation / amortization has been provided on the basis of useful lives and residual value as prescribed in Schedule II of the Companies Act, 2013 except for following assets:

Asset Head	Useful Life (based on economic useful life)
Leasehold Improvement	Over the initial period of the lease or 5 years whichever is appropriate
Computers	5

All fixed assets costing individually upto Rs. 5,000/- is fully depreciated by the Company in the year of its capitalisation. Depreciation on additions is charged proportionately from the date of acquisition / installation.

Amortisation of the intangible assets (comprising of computer software) carried out based on the estimation of useful life of the asset as follows:

- a) Software purchased from outside - Over 3 years
- b) In-house developed MERP software - Over 8 years

**iv. Impairment of Assets**

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) The provision for impairment loss, if any, required; or
- b) The reversal, if any, required of impairment loss recognized in previous periods

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amounts.



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Significant Accounting Policies (Contn.)**

**v. Investments**

Investments are classified into current investments and long-term investments. Current investments are carried at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments

**vi. Loans and provision for Standard Assets and non-performing Assets**

Loans are classified into 'Performing and Non Performing' assets in terms of the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India as amended from time to time.

The Company makes provision for standard assets and non-performing assets as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions

**vii. Revenue Recognition**

Revenue from Interest on loans financed by the company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016..

Revenues from loan documentation received in the nature of processing fees are recognized as income at the time of receipt.

Gains from securitization of portfolio under premium structure are accrued higher of the amortization of the principal value of the portfolio securitized during the year after provision of processing fees and servicing cost and on time proportion basis as per RBI directions.

Income from securitization of portfolio under PAR structure is the excess interest spread, computed as the difference between the interest portion of the cash flows from the underlying pool and the interest on the payout

Income from the commission from managed portfolio, facilitation fee and non-lending business fee is accounted on accrual basis, considering terms of the respective contract.

Revenue from interest income on Fixed Deposits with Banks and financial institutions ("FI") is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognised as income in the year in which right to such dividend is established.



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Significant Accounting Policies (Contn.)**

Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

**viii. Grants**

Grants received towards acquisition of tangible and intangible assets are adjusted against the cost of the assets. Grants related to revenue are deducted from the related expenses.

**ix. Employee benefits**

**a) Short-term Employee Benefits:**

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

**b) Long-term employee benefits**

**Defined Contribution Plan:**

All eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated percentage of the covered employees salary. Contributions are made to Employees Provident Fund Organisation in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The Company has no liability for future provident fund benefits other than its annual contribution

**Defined Benefit Plan:**

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to separate schemes managed by Life Insurance Corporation of India. The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.





**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Significant Accounting Policies (Contn.)**

**x. Lease**

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on straight-line basis over the lease term.

**xi. Finance Costs**

The Company borrows from Banks and Financial Institutions for the purpose of on-lending to its microfinance clients. The costs associated with these borrowings are classified as Finance Costs. Finance Costs comprise of Interest, Processing Fees, stamp duty and other charges directly related to borrowings. Interest is provided on the loan balance as per the terms and conditions of the loan transaction. Processing Fees, stamp duty and other charges are amortized on straight-line basis over the tenure of the loan.

**xii. Earnings Per Share**

In determining the earnings per share the company considers the net profit / (loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**xiii. Income Taxes & Deferred Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Minimum Alternative Tax 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. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognized only if there is reasonable certainty that they will be realized in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Company has unabsorbed depreciation and carried



**Svasti Microfinance Private Limited**  
**CIN: U65922TN1995PTC030293**  
**Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020**  
**Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020**

**Note 1 Significant Accounting Policies (Contn.)**

forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that the same can be realized against future taxable profits. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.

**xiv. Provisions and Contingent Liabilities**

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

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

Contingent assets are neither recognized nor disclosed in the financial statements.

**xv. Employee Stock Option Plan**

The Company has setup an Employee Stock Option Trust for the benefit of its employees. All options granted in terms of the stock option plans accounted in accordance with the Guidance Note on Accounting for Employee Share Based Payment Plans issued by the Institute of Chartered Accountants of India (ICAI).

**xvi. Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

**xvii. Classification of Loan Portfolio**

All Loans and Advances are classified as standard, sub-standard, doubtful and loss assets in accordance with the existent Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007



**Svasti Microfinance Private Limited**  
CIN: U65922TN1995PTC030293  
Financial Statements as at and for the year ended 31<sup>st</sup> March, 2020  
Notes forming part of Financial Statements as at and for the year ended Mar 31, 2020

**Note 1 Significant Accounting Policies (Contn.)**

Classification	No. of Days overdue
Standard	0-90
Sub-Standard	91-179
Doubtful	180 or more

**Loss Assets are**

- an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Reserve Bank of India during the inspection of the non-banking financial company, to the extent it is not written off by the non-banking financial company; and
- an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

**xviii. Provision Policy for Portfolio Loans**

Loans are provided for as per the management estimates, subject to the minimum provision required as per the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 .

As per the current RBI provisioning norms, the aggregate loan provision to be maintained should be the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

**xix. Cash Flow Hedges**

The Group designates Cross currency interest rate swaps (CCRIS) as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs. The change in fair value of the of an hedge instrument is recognized and accounted as a separate component of equity as Hedging reserve.



**Annexure I to Director's Report**

**Extract of Annual Return**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U65922TN1995PTC030293
2.	Registration Date	23-Feb-1995
3.	Name of the Company	Svasti Microfinance Private Limited
4.	Category/Sub-category of the Company	Private Company
5.	Address of the Registered office & contact details	Old No. 107, New No. 187, Peters Road, Chennai – 600086
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited 46, Avenue 4, Street No.1, Banjara Hill, Hyderabad-600034  Big Share Services Pvt Ltd Address: E- 2, Ansa Ind Estate, Saki Vihar Road, Andheri(E), Sakinaka, Mumbai, Maharashtra 400072 Phone: 022 2847 5207

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Microfinance Loans	64990	87.26%

**III. PARTICULARS OF HOLDING, SUBIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the company	CIN/GLN	Holding/sub/associate	% of holding	Applicable section
1	Not Applicable				



IV. SHARE HOLDING PATTERN (Break up of Shareholding on Fully diluted basis)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoter s</b>								
(1) Indian								
a) Individual/ HUF	-	3,38,080	3,38,080	11.34	-	3,38,080	3,38,080	8.73
b) Central Govt	-	8,000	8,000	0.27	-	8,000	8,000	0.21
c) State Govt(s)								
d) Bodies Corp.								
e) Banks / FI								
f) Any other	-	2,00,000	2,00,000	6.71	-	2,00,000	2,00,000	5.17
<b>Total shareholding of Promoter (A)</b>	-	<b>5,46,080</b>	<b>5,46,080</b>	<b>18.32</b>	-	<b>5,46,080</b>	<b>5,46,080</b>	<b>14.11</b>
<b>B. Public Shareholding</b>								
1. Institutions								
a) Mutual Funds								
b) Banks / FI								
c) Central Govt								
d) State Govt(s)								
e) Venture Capital Funds								
f) Insurance Companies								
g) FIs	8,53,166	4,86,445	13,39,611	44.92	10,93,346	78,000	11,71,346	30.26
h) Foreign Venture Capital Funds								
i) Others (Specify)								
<b>Sub-total (B)(1):-</b>	<b>8,53,166</b>	<b>4,86,445</b>	<b>13,39,611</b>	<b>44.92</b>	<b>10,93,346</b>	<b>78,000</b>	<b>11,71,346</b>	<b>30.26</b>
2. Non-Institutions								
a) Bodies Corp.								



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
i) Indian	27,142	7,44,283	7,71,425	25.87	2,50,857	7,44,283	9,95,140	25.71
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10,000	15,000	25,000	0.84	84,306	14,947	99,253	2.56
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	85,000	1,59,881	2,44,881	8.21	8,47,996	1,44,960	9,92,956	25.65
c) Others (LLP)	54,920	-	54,920	1.84	66,030	-	66,030	1.71
Non Resident Indians								
Overseas Corporate Bodies								
Foreign Nationals								
Clearing Members								
Trusts								
Foreign Bodies - D R								
<b>Sub-total (B)(2):-</b>	<b>1,77,062</b>	<b>9,19,164</b>	<b>10,96,226</b>	<b>36.76</b>	<b>12,49,189</b>	<b>9,04,190</b>	<b>21,53,379</b>	<b>55.64</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	10,30,228	14,05,609	24,35,837	81.68	23,42,535	9,82,190	33,24,725	85.90
C. Shares held by Custodian for GDRs & ADRs								
<b>Grand Total (A+B+C)</b>	<b>10,30,228</b>	<b>19,51,689</b>	<b>29,81,917</b>	<b>100.00</b>	<b>23,42,535</b>	<b>15,28,270</b>	<b>38,70,805</b>	<b>100.00</b>



## (ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	P Arunkumar	169040	5.67	0	169040	4.37	0	-1.3
2	B Narayanan	169040	5.67	0	169040	4.37	0	-1.3
3	Svasti financial Services Private Limited	8000	0.27	0	8000	0.21	0	-0.06
4	Svasti MSOP Trust	200000	6.71	0	200000	5.17	0	-1.54
	Total	546080	18.32	0	546080	14.12	0	-4.2

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Arunkumar Padmanabhan</b>					
1	At the beginning of the year	169,040	5.67		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year			169,040	4.37
<b>Mr. Bhagavathi Subramaniam Narayanan</b>					
2	At the beginning of the year	169,040	5.67		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year			169,040	4.37
<b>Svasti Financial Services Private Limited</b>					
3	At the beginning of the year	8,000	0.27		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			



SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year			8,000	0.21
<b>Svasti MSOP Trust</b>					
4	At the beginning of the year	200,000	6.71		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year			200,000	5.17

(iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Nordic Microfinance Initiative Fund III KS</b>				
	At the beginning of the year	4,87,462	16.35		
	Allotment Dated 05-Nov-2019			2,44,801	0.21
	Transfer from Bamboo financial Inclusion Mauritius and Michael and Susan Dell Foundation dated 25-Sep-2019			3,61,083	11.69
	At the end of the year			10,93,346	28.25
2	<b>Rising Sun Holdings Private Limited</b>				
	At the beginning of the year	3,72,140	12.48		
	Allotment Dated 25-Oct-2019			1,35,000	1.75
	Allotment Dated 05-Nov-2019			86,865	1.12
	At the end of the year			5,94,005	15.35
3	<b>Andaman Finance and Investment Private Limited</b>				
	At the beginning of the year	3,72,143	12.48		
	No Change				
	At the end of the year			3,72,143	9.61
4	<b>Ahmedali Husain Nalwala</b>				
	At the beginning of the year	-	0		
	Transfer of shares from Bamboo financial Inclusion Mauritius Dated 31-Jan-2020			1,78,102	4.6
	Allotment Dated 25-Oct-2019			2,12,323	5.49
	At the end of the year			3,90,425	10.09





SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Svasti M5OP Trust				
	At the beginning of the year	2,00,000	6.71		
	No Change				
	At the end of the year			2,00,000	5.17
6	Mr. Rajendra Sah				
	At the beginning of the year	15,000	0.5		
	Transfer of shares from Michael and Susan Dell Foundation Dated 06-Nov-2019			70,743	1.71
	Allotment Dated 25-Oct-2019			20,000	0.52
	At the end of the year			1,05,743	2.73
7	Kayenne Ventures				
	At the beginning of the year	-	0		
	Allotment Dated 25-Oct-2019			78,000	2.02
	At the end of the year			78,000	2.02
8	Mr. Rajiv Dadlani				
	At the beginning of the year	10,000	0.34		
	Transfer of shares from Michael and Susan Dell Foundation Dated 06-Nov-2019			50,000	1.21
	Allotment Dated 25-Oct-2019			11,500	0.3
	At the end of the year			71,500	1.85
9	Mrs. Lakshmi Rao				
	At the beginning of the year	60,000	2.01		
	No Change				
	At the end of the year			60,000	1.55
10	Sprinter Capital LLP				
	At the beginning of the year	54,920	1.84		
	No Change				
	At the end of the year			54,920	1.42

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company



<b>1. Mr. Arunkumar Padmanabhan</b>				
At the beginning of the year	169,040	5.67		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			169,040	4.37
<b>2. Mr. Bhagavathi Subramaniam Narayanan</b>				
At the beginning of the year	169,040	5.67		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			169,040	4.37
<b>3. Mr. Manathattal Narayanan Venkatesan</b>				
At the beginning of the year			NIL	
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			NIL	
<b>3. Mr. Ramanathan Annamalai</b>				
At the beginning of the year			NIL	
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			NIL	
<b>3. Ms. Smriti Chandra</b>				
At the beginning of the year			NIL	
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			NIL	
<b>3. Ms. Varsha Waghela</b>				
At the beginning of the year			NIL	
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
At the end of the year			NIL	



V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			-	-
i) Principal Amount	1,81,10,48,697	10,00,00,000	-	1,91,10,48,697
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,77,29,329	12,12,329	-	1,89,41,658
Total (i+ii+iii)	1,82,87,78,026	10,12,12,329	-	1,92,99,90,355
Change in Indebtedness during the financial year			-	-
* Addition	1,81,97,00,000	-	-	1,81,97,00,000
* Reduction	1,12,79,12,634	-	-	1,12,79,12,634
Net Change	69,17,87,366		-	69,17,87,366
Indebtedness at the end of the financial year			-	-
i) Principal Amount	2,50,28,36,063	10,00,00,000	-	2,60,28,36,063
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,22,00,253	-	-	3,22,00,253
Total (i+ii+iii)	2,53,50,36,316	10,00,00,000	-	2,63,50,36,316

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		P Arunkumar	B Narayanan	Varsha Waghela	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,50,000	67,50,000	5,76,000	1,40,76,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0



	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	67,50,000	67,50,000	5,76,000	1,40,76,000
	Ceiling as per the Act	Not applicable			

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Total Amount (In Rs)
1	Independent Directors	0
	Fee for attending board committee meetings	25,000
	Commission	0
	Others, please specify (Reimbursement of Expenses)	2,000
	Total (1)	27,000
2	Other Non-Executive Directors	0
	Fee for attending board committee meetings	0
	Commission	0
	Others, please specify	0
	Total (2)	0
	Total (B)=(1+2)	27,000
	Total Remuneration	Managerial 27,000
	Overall Ceiling as per the Act	Not Applicable

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFD	CS	Total
	Gross salary	67,50,000	67,50,000	5,76,000	1,40,76,000
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0



3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	67,50,000	67,50,000	5,76,000	1,40,76,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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



For Svasti Microfinance Private Limited.

Authorized Signatory

Annexure II :  
Corporate Social Responsibility Report

S.No.	CSR project or activity identified	Sector in which project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where the project or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1)Direct Expenditure on projects or program (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent directly or through implementation agency
1	PM Care Fund	Health Care	All India	4,41,500	NIL	4,41,500	Directly by Company



For Svasti Microfinance Pvt.Ltd.

*[Signature]*  
Authorised Signatory

For Svasti Microfinance Private Limited.

*[Signature]*  
Authorised Signatory