

INDEPENDENT AUDITOR'S REPORT

To the Members of Save Microfinance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Save Microfinance Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36 to the accompanying financial statements, which describes the extent to which the COVID-19 pandemic may impact the Company's operations and its financial metrics which are dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report but does not include the financial statements and our auditor's report thereon.

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

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



Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 21055596AAAACH2888

Place of Signature: Kolkata

Date: June 28, 2021



ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAVE MICROFINANCE PRIVATE LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company. Accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

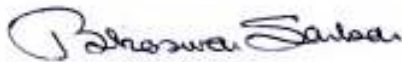
(d) In respect of sub clauses (vii) (a) to (c) above, the Company did not have any dues towards sales tax, service tax, custom duty, service tax, excise duty and value added tax during the year.

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management and audit procedures performed by us, money raised by the Company by way of term loans were applied, on an overall basis, for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its employees or officers has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Act, are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting requirements under clause 3(xiv) are not applicable and hence not commented upon.
- (xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 21055596AAAACH2888



Place of Signature: Kolkata
Date: June 28, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAVE MICROFINANCE PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these 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 with reference to these financial statements, 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 these financial statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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;



S.R. BATLIBOI & CO. LLP

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(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to these 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.

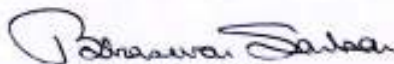
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 21055596AAAACH2888

Place of Signature: Kolkata

Date: June 28, 2021



SAVE MICROFINANCE PRIVATE LIMITED
Balance Sheet as at March 31, 2021

	Notes	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	1,03,63,63,630	15,00,00,000
Reserves and surplus	4	9,06,64,109	55,32,489
		1,12,70,27,739	15,55,32,489
Non-Current liabilities			
Long-term borrowings	5	77,81,71,341	49,20,05,985
Long-term provisions	6	3,10,91,279	1,22,15,081
		80,92,62,620	50,42,21,066
Current liabilities			
Trade payables	7	-	-
- Total outstanding dues of micro enterprises and small enterprises and;			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,02,82,681	25,68,754
Other current liabilities	8	53,78,10,031	26,57,76,437
Short-term provisions	6	39,53,984	80,85,884
		55,20,46,696	27,64,31,075
Total		2,48,83,37,055	93,61,84,630
II. Assets			
Non-Current assets			
Property, plant and equipments	9.A.	1,02,63,607	81,45,575
Intangible assets	9.B.	6,71,042	2,60,043
Intangible asset under development		3,71,700	-
Deferred tax assets (net)	10	61,65,357	47,75,360
Long term loans and advances	11	64,97,80,399	22,42,03,060
Other non-current assets	12	67,35,000	92,35,000
		67,39,87,105	24,66,19,038
Current assets			
Cash and bank balances	13	38,91,28,387	13,09,89,503
Short term loans and advances	11	1,37,84,60,378	53,98,39,572
Other current assets	12	4,67,61,185	1,87,36,517
		1,81,43,49,950	68,95,65,592
Total		2,48,83,37,055	93,61,84,630

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

2

For S.R.Batliloi & Co. LLP

ICAI Firm Registration No.301003E/EJ00005

Chartered Accountants


per Bhaswar Sarkar
Partner
Membership No.: 055596




Ajeet Kumar Singh
Director
DIN 01857072

For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED


Pankaj Kumar
Director
DIN 01839501


Ajay Kumar Sinha
Director
DIN 01817959

Date: June 28, 2021
Place: **KOLKATA**


Mahendra Singh Chouhan
Company Secretary

Date: June 28, 2021
Place: New Delhi




Gourav Sirohi
Chief Financial Officer

SAVE MICROFINANCE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
I. Income			
Revenue from operation	14	23,82,02,907	14,56,17,926
Other income	15	38,37,820	31,99,953
Total income		24,20,40,727	14,88,17,879
II. Expenses			
Employee benefit expenses	16	7,19,49,260	4,04,54,567
Depreciation and amortisation expense	17	46,89,636	29,64,083
Finance costs	18	11,01,17,139	6,86,62,942
Other expenses	19	3,66,55,404	1,79,61,130
Provisions and write-offs	20	1,23,78,813	1,52,93,744
Total expenses		23,57,90,252	14,53,36,466
Profit before Tax (iii) = (i)-(ii)		62,50,475	34,81,413
Tax expense (iv)			
- Current tax		27,18,587	50,79,200
- Deferred tax credit		(13,89,997)	(42,03,823)
- Tax reversal for earlier year		(1,23,372)	-
Total tax expenses		12,05,218	8,75,377
Profit for the Year (iii)-(iv)		50,45,257	26,06,036
Earning per share (EPS)	21		
Basic and Diluted (Rs.)		0.16	0.17
Nominal value of share		10/-	10/-

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP

ICAI Firm Registration No.301003E/E300005
Chartered Accountants


per Bhaswar Sarkar
Partner
Membership No.: 055596



**For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED**


Ajeet Kumar Singh
Director
DIN 01857072


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Ajay Kumar Sinha
Director
DIN 01817959

Date: June 28, 2021
Place : **KOLKATA**


Mahendra Singh Chouhan
Company Secretary

Date : June 28, 2021
Place : New Delhi




Gourav Sirohi
Chief Financial Officer

SAVE MICROFINANCE PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	(Rs.)	(Rs.)
A. Cash flow from operating activities :		
Profit before tax	62,50,475	34,81,413
Adjustments for:		
Depreciation and amortisation expense	46,89,636	29,64,083
Provisions and write-off	1,23,78,813	1,52,93,744
Gain on sale of Mutual funds (net)	(33,79,633)	(5,88,874)
Interest Income on deposits	(4,06,611)	(24,91,733)
Interest Income on income tax refund	(4,073)	-
Liabilities no longer required	(47,503)	(1,19,346)
Operating profit before working capital changes	1,94,81,104	1,85,39,287
Movements in working capital:		
Increase in other current assets	(2,55,70,733)	(2,10,44,813)
Increase in loans and advances	(1,26,01,06,748)	(53,20,31,610)
Increase / (decrease) in provisions	(2,29,730)	23,44,108
Increase in trade payables	77,13,927	4,84,203
Increase/(decrease) in other current liabilities	(2,19,22,532)	5,71,87,981
Cash used in operations	(1,28,06,34,712)	(47,45,20,844)
Direct taxes paid (net of income tax refund)	(40,87,324)	(51,50,000)
Net cash flow from operating activities (A)	(1,28,47,22,036)	(47,96,70,844)
B. Cash flow from investing activities :		
Acquisition of Property, Plant and Equipment including capital advances	(69,68,743)	(84,03,644)
Acquisition of Intangible assets	(6,21,624)	(53,690)
Purchase of investments (Mutual Fund)	(81,91,25,737)	(29,00,00,000)
Sale of investments (Mutual Fund)	82,25,05,370	29,05,88,874
Interest received on Deposits	4,52,676	22,40,216
Net Cash flow from investing activities (B)	(37,58,058)	(56,28,244)
C. Cash flow from financing activities :		
Proceeds from long-term borrowings from a Holding Company	95,94,76,236	17,94,50,000
Repayment of long-term borrowings of a Holding Company	-	(1,85,00,000)
Proceeds from long-term borrowings from NBFCs	83,20,00,000	33,49,98,230
Repayment of long-term borrowings of NBFCs	(23,63,07,258)	(7,71,72,569)
Share issue expense	(85,50,000)	-
Net Cash flow from financing activities (C)	1,54,66,18,978	41,87,75,661
Net increase / (decrease) in cash and cash equivalents (A+B+C)	25,81,38,884	(6,65,23,427)
Cash and cash equivalents at the beginning of the year	13,09,89,503	19,75,12,929
Cash and cash equivalents at the end of the year	38,91,28,387	13,09,89,503
Components of cash and cash equivalents		
Cash on hand	16,343	15,846
With banks- on current account	11,11,05,428	7,09,73,657
Deposits with original maturity of less than 3 months	27,80,06,616	6,00,00,000
Total cash and cash equivalents (note 13)	38,91,28,387	13,09,89,503

Cash flow from operating activities include interest received of Rs. 18,08,90,909 (March 31, 2020: Rs. 10,97,82,171) and Interest paid of Rs. 11,78,28,375 (March 31, 2020: Rs. 4,31,92,362)

Summary of significant accounting policies

2


The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batlloi & Co. LLP
ICAI Firm Registration No.301003E/E300005
Chartered Accountants


per Bhaswar Sarkar
Partner
Membership No.: 055596




Ajeet Kumar Singh
Director
DIN 01857072



Mahendra Singh Chouhan
Company Secretary

Date: June 28, 2021
Place: New Delhi

For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED


Pankaj Kumar
Director
DIN 01831501




Ajay Kumar Sinha
Director
DIN 01817959


Gourav Sirohi
Chief Financial Officer

1. Corporate Information

Save Microfinance Private Limited ('the Company') is a private company incorporated in India having its registered office at 604-606, 6th Floor, DLF Tower, Shivaji Marg, Moti Nagar, New Delhi. The Company was registered as a non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from October 5, 2017.

The Company is engaged in providing financial services to women belonging to the rural and sub-urban areas in India.

2. Significant accounting policies

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company –Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 007/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') and other applicable clarifications provided by the RBI.

The financial statements are prepared on a going concern basis, as the management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability and cash flows.

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous years unless specified otherwise.

b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Current – non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;



- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for atleast 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months.

d) Revenue recognition

- i. Interest income on loan portfolio is recognised on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPA's) where it is recognized, upon realization, as per the prudential norms of RBI.
- ii. Loan processing fee received upfront are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognised as revenue immediately.
- iii. Profit/premium arising at the time of securitization/assignment of loan portfolio is amortized over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognized in the statement of profit and loss account net of any losses at the time of actual receipt. Interest retained under assignment of loan receivables is recognized on realization basis over the life of the underlying loan portfolio.
- iv. Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rate.
- v. All other income is recognized on an accrual basis.

e) Classification of loan portfolio and provisioning policy

Loan Portfolio is classified, and provision is made in accordance with prudential norms and the Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) Directions issued by Reserve Bank of India as mentioned below:



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Asset classification norms:

- i. Standard asset means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
- ii. Non-performing asset means an asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

Provisioning norms:

The aggregate loan provision shall not be less than the higher of:

- i. 1% of the outstanding loan portfolio, or
- ii. 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.
- iii. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 in respect of accounts in default but standard, Company has taken a general provision of 5% of the total outstanding of such accounts for the Quarter ended March 31, 2020 and June 30, 2020.

f) Property, plant and equipment and depreciation/amortisation

Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost of acquisition less accumulated depreciation. The cost of PPE comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of PPE are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. PPE under construction and PPE acquired but not ready for their intended use are disclosed as capital work-in-progress.

The Management has assessed the estimated useful life of the PPE as specified in Schedule II to the Companies Act, 2013 as in the opinion of the management the same reflects the estimated useful life. The depreciation is provided under written down value method. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

Losses arising from retirement or gains or losses arising from disposal of PPE are recognized in the Statement of Profit and Loss.

Intangible assets

Intangible assets are carried at cost of acquisition less amortization. Intangible assets that are acquired by the Company are measured initially at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are being amortized over the tenure of the asset.



g) Borrowing costs

Borrowing costs consist of interest and other costs that the company incurred in connection with borrowing of funds. Other ancillary borrowing costs incurred in connection with obtaining funding are amortized over the period of loan. In case any loan is prepaid/cancelled then the unamortized portion of such borrowing cost is charged to the Statement of Profit and Loss in the year such loan is prepaid / cancelled.

h) Employee Retirement benefits

Employee benefits includes provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company provides for gratuity, a retirement plan covering all eligible employees. In the current year Company recognised provision for Gratuity expenses in Statement of Profit and Loss. The calculation of the Company's obligation under the plan is performed annually by a qualified independent actuary using the projected unit credit method.

Actuarial gains and losses (if any) arising during the year are immediately recognised in the Statement of Profit and Loss in the year which they arise and are not deferred.

Leave Encashment Policy

The company provides Leave encashment to all eligible employees on yearly basis. In the current financial year company paid leave to the employee and the same is recognized in the Statement of Profit & loss account. Leave encashment liability is provided based on actuarial valuation carried out at the end of the financial period using projected unit credit method.

Actuarial gains and losses (if any) arising during the year are immediately recognized in the Statement of Profit and Loss in the year which they arise and are not deferred.

i) Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share (if any), net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

j) Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.



Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

k) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

l) Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the benefit.

m) Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



Save Microfinance Private limited

Notes to the financial statements as at and for the year ended 31 March 2021

On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

n) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, investing and financing activities of the Company is segregated.

o) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and at bank and unrestricted short-term investments with an original maturity of three months or less.



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	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
3 Share capital		
Authorized Shares		
11,00,00,000 (March 31, 2020: 1,50,00,000) equity shares of Rs.10/- each	1,10,00,00,000	15,00,00,000
Issued, subscribed and fully paid-up shares		
10,36,36,363 (March 31, 2020: 1,50,00,000) equity shares of Rs.10/- each	1,03,63,63,630	15,00,00,000
Total issued, subscribed and fully paid-up share capital	1,03,63,63,630	15,00,00,000

A Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2021 (Rs.)		As at March 31, 2020 (Rs.)	
Equity shares	Number		Number	
Outstanding at the beginning of the year	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
Add: Issued during the year (refer note (i) below)	2,04,54,545	20,45,45,450	-	-
Add: Conversion of Loan from Holding company (refer note (E) below)	6,81,81,818	68,18,18,180	-	-
Shares outstanding at the end of the year	10,36,36,363	1,03,63,63,630	1,50,00,000	15,00,00,000

(i) During the year, the Company has issued 2,04,54,545 equity shares of Rs. 10 each to Save Solutions Private Limited ("Holding company") as rights issue at a price of Rs. 11 (including premium of Rs. 1) aggregating to Rs. 22,49,99,995/-

B Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Details of shareholder holding more than 5% shares in the Company

	As at March 31, 2021		As at March 31, 2020	
Name of shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs.10 each fully paid				
Save Solutions Private Limited	10,36,36,363	100.00%	1,50,00,000	100.00%
	10,36,36,363	100.00%	1,50,00,000	100.00%

D Details of shares held by holding company

	As at March 31, 2021		As at March 31, 2020	
Name of shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs.10 each fully paid				
Save Solutions Private Limited	10,36,36,363	100.00%	1,50,00,000	100.00%
	10,36,36,363	100.00%	1,50,00,000	100.00%

* Number of shares includes 10,000 shares held by directors as nominee shareholders on behalf of holding company.

- E** (i) During the year, Loan from Holding company amounting to Rs. 74,99,99,998 has been converted into 6,81,81,818 equity shares of Rs. 10 each at a price of Rs. 11 (including premium of Rs. 1).
- (ii) No shares were allotted as fully paid-up by way of Bonus shares during last 5 financial years. Further, none of the shares were bought back by the Company during last 5 financial years.

	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
4 Reserves and surplus		
A. Securities premium		
Balance as per last financial statements	-	-
Add: Premium on equity shares issued during the year	8,86,36,363	-
Less: Share issue expense	(85,50,000)	-
Closing Balance (A)	8,00,86,363	-
B. Statutory reserve		
Balance as per last financial statements	11,06,497	5,85,290
Add: Amount transferred from surplus balance in the Statement of Profit & Loss	10,09,051	5,21,207
Closing Balance (B)	21,15,548	11,06,497
C. Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	44,25,992	23,41,163
Profit for the year	50,45,257	26,06,036
Less: Appropriations:		
Transferred to statutory reserve (@ 20% of profit after tax as required by section 45-1C of Reserve Bank of India Act, 1934)	(10,09,051)	(5,21,207)
Net surplus in the Statement of profit and loss (C)	84,62,198	44,25,992
Total (A+B+C)	9,06,64,109	56,32,489

	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
5 Long-term borrowings		
Term Loan		
Secured Loan		
-Indian Rupee loan from non banking finance companies	90,35,18,403	30,78,25,661
Unsecured Loan		
-Indian Rupee loan from holding company	37,14,60,509	38,69,84,266
Total	1,27,49,78,912	69,48,09,927
Less: Current maturities of long-term debt disclosed under the head "other current liabilities" (refer note B)	(49,68,07,571)	(20,28,03,942)
Total	77,81,71,341	49,20,05,985

1. Term loan from NBFCs are secured by way of hypothecation of outstanding loan portfolio of the Company to the extent of security cover ratio of 1:1.1, in addition to the fixed deposits being held as collateral security. The term loan carries interest rate ranges from 13.2% p.a. to 16.5% p.a. (March 31, 2020: 14.5% p.a. to 16.5% p.a.)

2. Unsecured loan from holding company carries interest rate @ 10.5% - 13% p.a (March 31, 2020: 10.5% - 13% p.a.) and is repayable within 18 months from the date of respective disbursements. These loans were disbursed in multiple tranches and the repayment of loans will start from July 2022 onwards. The lender has an option to convert the unpaid loan amount including accrued interest but not paid into equity shares at any point of time until the loan amount was fully repaid.

3. Term loans outstanding Rs. 88,03,51,205 (March 31, 2020: Rs. 30,78,25,661) are also guaranteed by promoter directors of the Company.

4. Refer Note 5A and 5B for terms of repayment of term loans.



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Notes to the Financial Statements as at and for the year ended March 31, 2021

5A Long-term borrowings (Contd.)

Terms of repayment of Term Loans as on March 31, 2021

Original maturity of loan	Interest Rate (p.a.)	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Total
		No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	
Monthly repayment schedule								
From NBFCs:								
0-3 Yrs.	13.25%	11	4,23,23,550	12	5,26,86,693	1	49,89,757	10,00,00,000
		12	4,07,20,776	12	4,62,79,224	-	-	8,70,00,000
		11	1,91,05,749	12	2,37,63,401	1	21,30,850	4,50,00,000
		12	2,50,00,008	12	2,49,99,992	-	-	5,00,00,000
	14.50%	12	10,00,00,032	12	9,99,99,968	-	-	20,00,00,000
		11	2,29,16,663	12	2,49,99,996	1	20,83,341	5,00,00,000
		11	2,29,16,663	12	2,49,99,996	1	20,83,341	5,00,00,000
		11	2,29,16,663	12	2,49,99,996	1	20,83,341	5,00,00,000
	15.50%	12	2,17,87,282	9	1,82,12,718	-	-	4,00,00,000
		12	3,75,00,000	11	3,43,75,000	-	-	7,18,75,000
		2	46,99,398	-	-	-	-	46,99,398
		7	64,61,064	-	-	-	-	64,61,064
14.51%-15.50%	14.51%	3	11,11,108	-	-	-	-	11,11,108
		5	66,66,668	-	-	-	-	66,66,668
		12	2,51,93,614	5	1,18,70,375	-	-	3,70,63,989
		12	2,12,46,511	1	19,20,689	-	-	2,31,67,200
	15.50%	12	1,14,73,590	4	42,32,154	-	-	1,57,05,744
		6	89,82,621	-	-	-	-	89,82,621
		9	1,64,67,506	-	-	-	-	1,64,67,506
		4	56,19,871	-	-	-	-	56,19,871
	15.51%-16.50%	3	56,45,767	-	-	-	-	56,45,767
		4	1,06,08,150	-	-	-	-	1,06,08,150
		4	48,62,592	-	-	-	-	48,62,592
		5	1,25,81,725	-	-	-	-	1,25,81,725
Bullet repayment schedule								
From Holding:								
1-3 Yrs.	10.5%-13%	-	-	-	37,14,60,509	-	-	37,14,60,509
Grand Total			49,68,07,571		76,48,00,711		1,33,70,630	1,27,49,78,912



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Notes to the Financial Statements as at and for the year ended March 31, 2021

58 Long-term borrowings (Contd.)

Terms of repayment of Term Loans as on March 31, 2020

Original maturity of loan	Interest Rate p.a.	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Total
		No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	
Monthly repayment schedule								
From NBFCs:								
0-3 Yrs.	14.50%-15.50%	10	2,20,81,748	2	46,99,398	-	-	2,67,81,145
		10	1,38,88,888	-	-	-	-	1,38,88,888
		11	92,67,929	7	62,76,452	-	-	1,55,44,381
		12	1,91,77,311	9	1,64,67,506	-	-	3,56,44,817
	15.51%-16.50%	11	30,55,558	3	11,11,108	-	-	41,66,666
		10	1,73,01,029	3	50,59,040	-	-	2,23,60,069
		11	1,22,22,221	5	66,66,668	-	-	1,88,88,889
		11	1,68,32,800	12	2,12,46,511	1	19,20,689	4,00,00,000
	15.51%-16.50%	12	2,86,97,919	4	1,06,08,150	-	-	3,93,06,070
		10	1,35,16,144	6	89,82,621	-	-	2,24,98,765
		10	1,81,81,923	5	1,17,26,220	-	-	2,99,08,143
		11	1,54,38,566	4	53,94,768	-	-	2,08,33,333
	12	1,31,41,907	4	48,62,588	-	-	1,80,04,495	
Bullet repayment schedule								
From Holding:								
1-3 Yrs.	10.50%-13.00%	-	-	-	-	1	38,69,84,266	38,69,84,266
Grand Total			20,28,03,942		10,31,01,030		38,89,04,955	69,48,09,927



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SAVE MICROFINANCE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2021

6	Provisions	Non Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Provision for employee benefits				
	Provision for gratuity (Refer note 24)	13,08,978	6,06,351	2,118	1,140
	Provision for leave encashment	-	-	29,44,242	8,78,912
	Provision for Bonus	-	-	8,23,998	11,55,219
B.	Provision for portfolio loans (refer note 25 and 26)				
	Provision on standard Assets	-	14,99,960	-	59,81,385
	Provision on non performing assets	1,96,76,539	-	-	-
	Additional provision on loan portfolio	1,01,05,762	1,01,05,762	-	-
C.	Others				
	Provision for income tax (net of advance tax of Rs. Nil (March 31, 2020: Rs. 54,25,531))	-	-	-	69,228
	Provision on insurance claim receivable	-	-	1,83,626	-
	Total	3,10,91,279	1,22,15,081	39,53,984	80,55,884

(*) Provision created in accordance with RBI circular dated DOR.No.BP.BC.63/21.04.048/2019-20 (COVID19 Regulatory Package - Asset Classification and Provisioning)

7	Trade payables	As at March 31, 2021	As at March 31, 2020
		(Rs.)	(Rs.)
	Trade payables		
	- Total outstanding dues of micro enterprises and small enterprises		
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,02,87,681	25,68,754
	Total	1,02,87,681	25,68,754

8	Other current liabilities	As at March 31, 2021	As at March 31, 2020
		(Rs.)	(Rs.)
	Current maturities of long-term borrowings (refer note 5)		
	Indian rupee loan from non banking finance companies	49,68,07,571	20,28,03,942
	Interest accrued but not due on borrowings	28,53,029	2,15,61,766
	Payable towards Direct Assignment transactions	2,24,58,139	3,51,67,560
	Employee benefits payable	14,52,263	5,60,500
	Statutory dues payable	31,69,186	56,02,669
	Payable to related parties (Refer Note 23)	1,07,80,100	-
	Capital creditor	2,89,743	-
	Total	53,78,10,631	26,57,76,437



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SAVE MICROFINANCE PRIVATE LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2021

9.A. PROPERTY, PLANT AND EQUIPMENT - TANGIBLE ASSETS

Particulars	Furniture & Fixtures	Computers	Electric Equipment	Office Equipment	Total
Gross Block					
At April 1, 2019	11,26,695	11,15,245	2,84,000	9,34,940	34,60,880
Additions	28,11,292	18,66,720	8,41,800	21,67,692	76,87,504
Disposal	-	-	-	-	-
At March 31, 2020	39,37,987	29,81,965	11,25,800	31,02,632	1,11,48,384
Additions	21,27,194	33,87,294	7,13,491	3,69,064	65,97,043
Disposal	-	-	-	-	-
At March 31, 2021	60,65,181	63,69,259	18,39,291	34,71,696	1,77,45,427
Accumulated Depreciation					
At April 1, 2019	73,071	2,09,746	20,057	1,43,203	4,46,077
Charge for the Year	6,51,625	11,02,914	1,81,442	6,20,751	25,56,732
Disposal	-	-	-	-	-
At March 31, 2020	7,24,696	13,12,660	2,01,499	7,63,954	30,02,809
Charge for the Year	10,82,910	19,29,105	2,99,050	11,67,946	44,79,011
Disposal	-	-	-	-	-
At March 31, 2021	18,07,606	32,41,765	5,00,549	19,31,900	74,81,820
Net Block					
At March 31, 2020	32,13,291	16,69,305	9,24,301	23,38,678	81,45,575
At March 31, 2021	42,57,575	31,27,494	13,38,742	15,39,796	1,02,63,607

9.B. INTANGIBLE ASSETS

(Amount in Rs.)	
Particulars	Software
Gross block	
At April 1, 2019	7,67,000
Additions	53,690
At March 31, 2020	8,20,690
Additions	6,21,624
At March 31, 2021	14,42,314
Accumulated Amortization	
At April 1, 2019	1,53,295
Charge for the year	4,07,352
At March 31, 2020	5,60,647
Charge for the year	2,10,625
At March 31, 2021	7,71,272
Net Block	
At March 31, 2020	2,60,043
At March 31, 2021	6,71,042

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SAVE MICROFINANCE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2021

10	Deferred tax assets (net)	As at March 31, 2021	As at March 31, 2020
		(Rs.)	(Rs.)
	Deferred tax assets		
	Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	6,18,301	2,57,953
	Impact of provision on portfolio	70,68,755	41,42,554
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	12,78,367	3,74,853
	Deferred tax liabilities		
	Impact of difference between processing charges paid on borrowings and amortised for the financial reporting	(28,00,066)	-
	Total	61,65,357	47,75,360

11	Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
A	Portfolio loans				
	Considered good *	59,14,80,029	22,00,61,567	1,33,39,32,628	52,80,73,716
	Considered doubtful	4,22,41,361	-	-	-
	Total (A)	63,37,21,390	22,00,61,567	1,33,39,32,628	52,80,73,716
B	Security deposits				
	Considered good	16,62,200	21,36,640	-	-
	Total (B)	16,62,200	21,36,640		
C	Others				
	Prepaid expenses	-	3,42,000	6,66,263	2,78,672
	Advance income tax [net of provision for taxation of Rs. 1,35,33,470 (March 31, 2020: Rs. Nil)]	40,91,397	-	-	-
	Unamortized expense on the loan taken	98,43,247	16,62,853	1,24,76,523	76,71,587
	Advance to staff	-	-	1,02,903	1,51,043
	Capital advances	-	-	-	7,16,140
	Receivable from customers	4,62,165	-	1,96,24,301	-
	Other receivables **	-	-	3,16,57,760	29,48,416
	Total (C)	1,43,28,809	20,94,853	4,45,27,739	1,17,65,896
	Total	64,97,80,399	22,42,93,060	1,37,84,60,378	53,98,39,572

*Excluding loan accounts worth of Rs. 16,00,210 (March 31, 2020: Rs. 762,433) being death cases and the same has been reclassified from Gross loan portfolio to Insurance claim receivables under other current assets.

** Represents TDS Recoverable from lenders, advance processing fee and advance paid to the vendors.

12	Other assets (Unsecured, considered good unless stated otherwise)	Non Current		Current	
		As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
	Non current bank balances (refer note 13)	25,00,000	25,00,000	-	-
	Interest accrued on deposits with banks/NBFCs and not due	-	-	2,97,582	2,51,517
	Input GST	-	-	12,53,714	7,08,151
	Interest accrued on loan portfolio	-	-	4,36,09,679	1,70,14,396
	Insurance claim receivable	-	-	16,00,210	7,62,453
	Margin money towards borrowings from NBFCs	42,35,000	67,35,000	-	-
	Total	67,35,000	92,35,000	4,67,61,185	1,87,36,517

13	Cash and bank balances	Non Current		Current	
		As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
	Cash and cash equivalents				
	Balances with banks	-	-	11,11,05,428	7,09,73,657
	- On current accounts	-	-	27,80,06,616	-
	- deposit with original maturity of less than three months	-	-	16,343	15,846
	Cash in hand	-	-	-	-
	Other bank balances				
	- Deposit with original maturity for more than 3 months but not more than 12 months	-	-	-	6,00,00,000
	- Deposit with original maturity for more than 12 months (*)	25,00,000	25,00,000	-	-
		25,00,000	25,00,000	38,91,28,387	13,09,89,593
	Less: Amount disclosed under non-current assets	(25,00,000)	(25,00,000)	-	-
	Total	-	-	38,91,28,387	13,09,89,593

* Deposit certificates of Rs. 25,00,000 (March 31, 2020: Rs. 25,00,000) marked as lien towards term loans availed from NBFCs, towards cash collateral placed in connection with term.



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SAVE MICROFINANCE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2021

14	Revenue from operations	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Interest income on portfolio loans	20,74,86,192	12,30,72,316
	Service fee income from direct assignment	-	9,50,000
	Excess interest spread on direct assignment	1,10,25,466	83,70,746
	Total	21,93,11,658	13,23,93,062
	Other operating revenue:		
	Processing fee on portfolio loans	1,82,54,300	1,29,61,276
	Interest on margin money deposits*	6,36,949	2,63,588
	Total	23,82,02,907	14,56,17,926
* Represents interest on margin money deposits/ cash collateral marked as lien towards term loans availed from NBFCs.			
15	Other income	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Interest income on fixed deposits with banks	4,06,511	24,91,733
	Gain on sale of Mutual funds (net)	33,79,633	5,88,874
	Interest on income tax refund	4,073	-
	Liabilities no longer required	47,503	1,19,146
	Total	38,37,820	31,99,953
16	Employee benefit expenses	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Salaries and bonus	6,14,11,165	3,41,94,269
	Contributions to provident and other funds	48,84,436	26,72,114
	Gratuity expenses	7,00,605	5,72,227
	Incentives	49,51,054	30,15,957
	Total	7,19,47,260	4,04,54,567
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect is yet to be notified and the final rules/interpretation are yet to be promulgated. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.			
17	Depreciation and amortisation expense	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Depreciation of tangible assets	44,79,011	25,56,731
	Amortisation on intangible assets	2,10,625	4,02,152
	Total	46,89,636	29,64,083
18	Finance costs	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Interest expense		
	On term loans from holding company	5,71,81,972	4,00,34,804
	On term loans from non-banking finance companies	4,19,37,666	2,35,60,867
	Processing fee on Loan	27,35,405	10,81,365
	Other finance cost *	82,62,056	39,85,893
	Total	11,01,17,139	6,86,62,942
* Represent arranger fee, legal & professional fee, guarantee fee and stamp duty paid on account of borrowing made during the year.			
19	Other expenses	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Rent	1,00,03,272	39,29,992
	Rates and taxes	5,33,956	3,26,501
	Repair and Maintenance - others	11,91,149	8,07,162
	Travelling and conveyance	93,73,802	47,10,494
	Postage, Courier & Communication expenses	24,10,511	12,55,689
	Printing and stationery	20,99,698	9,44,719
	Legal and professional fees	29,57,150	17,54,624
	Payment to auditors (Refer note 19A)	11,60,000	6,00,000
	IT support charges	54,523	45,095
	Bank Charges	2,948	30,365
	Insurance charges	14,28,903	6,01,179
	Electricity & water expenses	15,10,673	1,21,152
	Membership Fees	2,58,967	1,23,000
	Business development expenses	7,28,861	8,32,033
	Office expenses	18,57,601	9,02,663
	Staff welfare expenses	9,14,054	7,13,180
	Miscellaneous expenses	3,69,326	1,94,511
	Total	3,66,55,404	1,79,61,130
19A	Payment to auditors	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	As Auditor:		
	Audit fee	11,60,000	6,00,000
	Reimbursement of expenses	-	1,179
	Total	11,60,000	6,01,179
20	Provision and write offs	Year Ended March 31, 2021	Year Ended March 31, 2020
		(Rs.)	(Rs.)
	Provision for standard assets	(1,75,87,115)	51,87,982
	Provision for non-performing assets	2,97,82,302	-
	Additional provision on portfolio	-	1,01,05,762
	Provision on insurance claim receivable	1,83,626	-
	Total	1,23,78,813	1,52,93,744



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21 Earnings per share (EPS)	As at March 31, 2021	As at March 31, 2020
Net Profit for calculation of basic EPS (Rs.)	50,45,257	26,06,036
Add : Interest on convertible loan from holding company (net of tax)	4,77,90,413	2,99,58,845
Net Profit for calculation of diluted EPS (Rs.)	4,78,35,670	3,25,64,881
Weighted average number of equity shares for basic EPS	3,16,99,875	1,50,00,000
Weighted average no. of equity shares expected to be issued on conversion of loan from holding company	3,37,69,137	2,83,81,104
Weighted average number of equity shares in calculating diluted EPS	6,54,69,012	4,33,81,104
Earnings per share: Basic and diluted EPS *	0.16	0.17

(*) The likely impact of EPS on conversion of "loan from holding company" which carries an option for conversion to equity has not been considered as it is anti dilutive.

22 Details of Direct Assignment (DA) executed with NBFCs:

The Company has entered into DAs with NBFCs under the following terms:

- Amounts received from the NBFCs are disbursed as loan to joint-liability groups organised / monitored by the Company and such joint-liability groups are considered as NBFCs borrowers.
- The Company provides services in connection with recovery and monitoring of such loans.
- The Company has provided collaterals in the form of fixed deposits & corporate guarantee which would be adjusted by NBFCs, to the extent of default made by borrowers.

Particulars	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
Total book value of the loan disbursed through managed portfolio during the year	-	50,22,16,307
Outstanding Balance of Loan Disbursed through managed portfolio as at year end	5,24,28,337	75,12,86,880
Service fee income recognised during the year	-	9,50,000



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SAVE MICROFINANCE PRIVATE LIMITED
Notes to financial statements as at and for the year ended March 31, 2021

23. Related Party Disclosure

Particulars of Related Parties	
Holding Company	Save Solutions Private Limited
Enterprises under common control	Save Financial Services Private Limited
Key management personnel (KMP)	1. Ajeet Kumar Singh - Director and Promoter 2. Pankaj Kumar - Director and Promoter 3. Ajay Kumar Sinha - Director and Promoter 4. Gourav Sirshi - Chief Financial Officer 5. Mahendra Singh Chouhan - Company Secretary (appointed w.e.f January 22, 2021)

Particulars	Holding Company		Enterprises under common control		KMP		Total	
	Transaction Value for the period (Rs.)	Balance outstanding as on closing date (Rs.)	Transaction Value for the period (Rs.)	Balance outstanding as on closing date (Rs.)	Transaction Value for the period (Rs.)	Balance outstanding as on closing date (Rs.)	Transaction Value for the period (Rs.)	Balance outstanding as on closing date (Rs.)
Loan Taken								
Save Solutions Private Limited	95,94,76,236 (17,94,50,000)	37,14,60,509 (38,69,84,266)	-	-	-	-	95,94,76,236 (17,94,50,000)	37,14,60,509 (38,69,84,266)
Repayment of Loan made								
Save Solutions Private Limited	(1,85,00,000)	(-)	-	-	-	-	(1,85,00,000)	(-)
Interest expense								
Save Solutions Private Limited	5,71,81,972 (4,00,34,804)	(1,96,49,670)	-	-	-	-	5,71,81,972 (4,00,34,804)	(1,96,49,670)
Issue of equity shares including securities premium								
Save Solutions Private Limited	97,49,99,993 (-)	-	-	-	-	-	97,49,99,993 (-)	-
Reimbursement of expenses								
Receivable from Save Financial Services Private Limited	-	-	1,07,80,100 (-)	1,07,80,100 (-)	-	-	1,07,80,100 (-)	1,07,80,100 (-)
Salary, Bonus and other allowances								
Mahendra Singh Chouhan	-	-	-	-	1,05,317 (-)	44,500 (-)	1,05,317 (-)	44,500 (-)

Refer Note 5 as regards to term loans guaranteed by promoters of the Company.



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SAVE MICROFINANCE PRIVATE LIMITED
Notes to the financial statements as at and for the year ended March 31, 2021

24 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The gratuity plan is unfunded.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity plans.

Particulars	As at March 31, 2021	As at March 31, 2020
Assumptions:		
Discount Rate	6.90%	7.00%
Salary Escalation	6.00%	6.00%
Expected Average Remaining Working Life of Employees (Years)	35.19	34.77
Table Showing changes in present value of Defined Benefit obligation:	(Rs.)	(Rs.)
Present value of defined benefit obligations as at beginning of the year	6,10,491	38,264
Interest cost	42,734	2,686
Current service cost	8,75,156	5,44,521
Actuarial (Gain) / loss on obligations	(2,17,285)	25,020
Present value of defined benefit obligations as at end of the year	13,11,096	6,10,491
The amounts to be recognised in the Balance Sheet:		
Present value of obligations at the end of the year	13,11,096	6,10,491
Fair value of plan assets at the end of the year	-	-
Net liability recognised in balance sheet	13,11,096	6,10,491
Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	8,75,156	5,44,521
Interest Cost	42,734	2,686
Net Actuarial loss (gain) recognised in the year	(2,17,285)	25,020
Expenses recognised in statement of profit and loss	7,00,605	5,72,227

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

Table for 3 years actuarial valuation disclosures for Gratuity (*)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	13,11,096	6,10,491	38,264
Plan assets	-	-	-
Deficit	13,11,096	6,10,491	38,264
Net actuarial loss / (gain) recognized	(2,17,285)	25,020	-

* Since, the Company started taking actuarial valuation of gratuity from financial year 2018-19 onwards. Thus, disclosure w.r.t gratuity shown above is for 3 years.



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Notes to the Financial Statements as at and for the year ended March 31, 2021

25 Loan portfolio and provision for standard and non-performing assets as at March 31, 2021:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	Provision made during the year	Provision written back / utilised	As at March 31, 2021	As at March 31, 2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Standard assets	1,92,54,12,657	74,81,35,283	1,75,87,115	2,97,82,301	(1,75,87,115)	1,92,54,12,657	73,05,48,168
Non-performing assets	4,22,41,361	-	-	-	-	3,24,59,060	-
Total	1,96,76,54,018	74,81,35,283	1,75,87,115	2,97,82,301	(1,75,87,115)	1,93,78,71,717	73,05,48,168

Loan portfolio and provision for standard and non-performing assets as at March 31, 2020:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	Provision made during the year	Provision written back / utilised	As at March 31, 2020	As at March 31, 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Standard assets	74,81,35,283	22,93,37,101	22,93,371	1,52,93,744	-	73,05,48,168	22,70,43,730
Non-performing assets	-	-	-	-	-	-	-
Total	74,81,35,283	22,93,37,101	22,93,371	1,52,93,744	-	73,05,48,168	22,70,43,730



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Save Microfinance Private Limited

Notes to the financial statements for the year ended 31 March 2021

26. Provision for outstanding loan portfolio

a) Provision for outstanding loan portfolio (own):

The provision for outstanding loan portfolio as at 31 March 2021 has been calculated in accordance with note 2 (e) in the significant accounting policies.

Portfolio classification	As at 31 st March 2021		As at 31 st March 2020	
	Loan portfolio	Provision	Loan portfolio	Provision
Standard portfolio*	1,92,54,12,697	-	74,81,35,283	1,75,87,115
Non-performing portfolio	4,22,41,361	2,97,82,301	-	-
Total	1,96,76,54,018	2,97,82,301	74,81,35,283	1,75,87,115

*This is inclusive of over collateralization of Rs. 52,43,811 (previous year: Rs. 3,47,82,237) in respect of direct assignment of portfolio.

The movement in provision during the year is as given below:

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Standard portfolio	Non-performing portfolio	Total	Standard portfolio	Non-performing portfolio	Total
Opening Balance	1,75,87,115	-	1,75,87,115	22,93,371	-	22,93,371
Additions	-	2,97,82,301	2,97,82,301	1,52,93,744	-	1,52,93,744
Provision written back / utilised	1,75,87,115	-	1,75,87,115	-	-	-
Closing Balance	-	2,97,82,301	2,97,82,301	1,75,87,115	-	1,75,87,115

27. Segment reporting

Business segment

The Company operates in a single reportable segment i.e. micro financing activities, which have similar risk and return. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard (AS) – 17 “Segment Reporting”.

Geographical Segment

The Company is engaged in business within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.



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28. Operating leases

Certain office premises are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at option of Company. There is no restriction imposed by lease agreement. There are no sub leases and the leases are cancellable.

Description	31 March 2021	31 March 2020
Operating lease expenses recognised in the statement of profit and loss	1,00,03,272	39,29,992

29. Information on instances of frauds

There are no cases of fraud/ misappropriation of cash by the employee during the year ended March 31, 2021 and March 31, 2020.

30. Amounts payable to Micro, Small and Medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED') pertaining to small or medium enterprises. For the year ended March 31, 2021, no creditor has intimated the company about the status as micro or small enterprises or its registration with appropriate authority under MSMED.

31. Information on Net Interest Margin

Computation of aggregate margin cap	31 March 2021	31 March 2020
a) Average Interest Charged by the Company on Portfolio Loans (%)	22.88%	24.99%
a) Average Interest Cost of borrowings of the Company (%)	14.88%	15.57%
c) Margin cap (c = a-b)	8.00%	9.42%

32. Details of assignment transactions

The Company has not undertaken assignment transactions during the current financial year (Previous year Rs. 50,22,16,307)

Particulars	31 March 2021	31 March 2020
No of loans assigned	-	28,661
Aggregate value of accounts sold	-	50,22,16,307
Aggregate purchase consideration	-	45,19,94,676
Income recognized in statement of profit and loss	1,18,25,466	9,320,746



33 Public Disclosure on Liquidity Risk as on March 31, 2021 Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019

Public Disclosures on liquidity risk management

i) Funding Concentration based on significant counterparty (Borrowings) for the year ended March 31, 2021

Number of significant counter party	Amount (Rs.)	% of Total Liabilities
Two (2)	57,14,60,509	41.98%

Funding Concentration based on significant counterparty (Borrowings) for the year ended March 31, 2020

Number of significant counter party	Amount (Rs.)	% of Total Liabilities
One (1)	30,81,58,931	39.22%

ii) Top 20 large deposits (Amount in Lakhs and % of total deposits) - Not applicable. The company being a Non-Systematically Important Non Deposit taking NBFC - MFI registered with the RBI does not accept public deposits.

iii) Top 10 Borrowings (amount in lakhs and % of total borrowings) for the year ended March 31, 2021

Amount (Rs.)	% of Total Borrowings
1,07,53,35,509	84.34%

Top 10 Borrowings (amount in lakhs and % of total borrowings) for the year ended March 31, 2020

Amount (Rs.)	% of Total Borrowings
64,32,05,493	92.57%

iv) Funding Concentration based on significant instrument/product for the year ended March 31, 2021

Name of the instrument/Product	Amount (Rs.)	% of Total Liabilities
Term Loans from NBFC's	90,35,18,403	66.37%
Loan from Holding Company	37,14,60,509	27.29%
Total Borrowings	1,27,49,78,912	93.66%
Total Liabilities	1,36,13,09,316	-

Funding Concentration based on significant instrument/product for the year ended March 31, 2020

Name of the instrument/Product	Amount (Rs.)	% of Total Liabilities
Term Loans from NBFC's	30,78,25,661	39.15%
Loan from Holding Company	38,69,84,266	49.22%
Total Borrowings	69,48,09,927	88.37%
Total Liabilities	78,62,53,349	-

v) Stock Ratios for the year ended March 31, 2021

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Other Short term liabilities	NA	39.51%	21.61%

Stock Ratios for the year ended March 31, 2020

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Other Short term liabilities	NA	34.02%	28.41%

vi) Institutional set up for liquidity risk management

The company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the company to manage liquidity risk in accordance with the risk tolerance limit as decided by the board.

The company also has a Risk Management Committee, which is a sub-committee of the board and is responsible for evaluating the overall risk faced by the company including liquidity risks.

Financial Advisory and Asset Liability Management Committee of the company is responsible for ensuring adherence to risk tolerance limits as well as implementing the liquidity risk management strategy of the company

The ALM support group shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO

***Notes**

1. A significant counterparty is defined as a single counterparty or a group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's-NDSI, NBFC-D's total liabilities and 10% of the other non-deposit taking NBFC's.
2. A significant instrument/product is defined as a single instrument/product or group of similar instruments/products which in aggregate amounts to more than 1% of the NBFC's-NDSI, NBFC-D's total liabilities and 10% of the other non-deposit taking NBFC's.
3. Total Liabilities has been computed as sum of all liabilities (Balance sheet figures) less equities and Reserves/Surplus.
4. Public funds shall include funds raised either directly or indirectly through Public Deposits, Commercial Paper's and debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC No. 206/03.10.001/2010-11 dated January 5, 2011.
5. The amount stated in the disclosure is based on the audited Financial statements for the year ended March 31, 2021.



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34. Capital to Risk Assets Ratio ("CRAR")

Particulars	31 March 2021	31 March 2020
CRAR (%)	53.90	20.51
CRAR – Tier I Capital (%)	53.90	18.25
CRAR – Tier II Capital (%)	-	2.26
Amount of subordinated debt included in Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

35. Asset Liability Management Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 30/31 days	1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year upto 3 years	Total
Borrowings from others	4,03,51,380	5,19,10,619	5,01,89,923	13,20,21,799	22,23,33,850	77,81,71,341	1,27,49,78,912
Advances	10,92,28,506	12,31,76,167	13,11,19,832	36,67,00,332	60,37,07,791	63,37,21,390	1,96,76,54,018

- 36.** Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, as led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations and collection efficiency. This may lead to a rise in the number of borrower defaults consequently an increase in corresponding provisions. Further, pursuant to the Reserve Bank of India ("RBI") COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company had offered a moratorium to its borrowers until May 31, 2020 which was further extended up to August 31, 2020.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's impairment on loan and advances and future results will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

The Company has recognized provisions as on March 31, 2021 aggregating to Rs. 2,97,82,301, based on the information available at this point of time, in accordance with RBI (Reserve Bank of India) guidelines. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial statements.



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Save Microfinance Private Limited**Notes to the financial statements for the year ended 31 March 2021**

Given the dynamic and evolving nature of the pandemic, these estimates include the possible impact of known events till date and are subject to uncertainty caused by resurgence of COVID-19 pandemic and related events.

37. Reserve Bank of India ("RBI") on March 27, 2020, April 17, 2020 and May 23, 2020 announced "COVID-19 Regulatory Package" on asset classification and provisioning. In terms of these RBI guidelines, the Company has granted a moratorium of six months on payments of all instalments / interest as applicable, falling due between March 1, 2020 and August 31, 2020 ("moratorium period") to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The disclosures as required by RBI circular dated April 17, 2020 are given below:

(Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amount in SMA/Overdue categories where the moratorium / deferment was extended in terms of paragraph 2 and 3 as of February 29, 2020#	9,94,62,227	20,25,86,771
Respective amount where assets classification benefits is extended	9,94,62,227	20,25,86,771
Provision outstanding in terms of paragraph 5 of circular	2,02,58,677	1,01,05,762
Provision adjusted against slippage in terms of paragraph 6 of the circular	1,01,05,762	-
Residual provision as per paragraph 6 of the circular	1,01,05,762	1,01,05,762

excludes amounts in SMA / overdue categories, where the moratorium / deferment was extended on assigned loan portfolio amounting to Rs. 5,24,28,337 (March 31, 2020: Rs. 35,12,86,880)

38. Disclosure pursuant to RBI Notification – RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 ("Resolution Framework for COVID-19 Related Stress") is not applicable as the Company has not restructured any loan accounts during the year.
39. Previous year figures have been regrouped/ rearranged, where necessary to confirm this year classification.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No.301003E/E300005

Chartered Accountants

For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED


per Bhaswar Sarkar
Partner
Membership No.:055596




Ajeet Kumar Singh
Director
DIN 01857072


Pankaj Kumar
Director
DIN 01839501


Ajay Kumar Sinha
Director
DIN 01817959

Date: June 28, 2021
Place: **KOLKATA**


Mahendra Singh Chouhan
Company Secretary


Gourav Sirohi
Chief Financial Officer

Date : June 28, 2021
Place : New Delhi

